

# **IMEXHS LIMITED**

ABN 60 096 687 839

## **AUDITED FINANCIAL REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2018

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The audited 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 Thomas Pascarella	Non-executive Chairman
Dr German Arango	Chief Executive Officer
Mr Howard Digby	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**

Westpac Banking Corporation  
260 Queen Street  
Brisbane QLD 4000

### **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) for the year ended 31 December 2018.

## 1 Directors

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

Name	Role	Appointed	Resigned
Mr Tom Pascarella	Chairman	25/10/2018	Current
Dr German Arango	CEO	28/8/2018	Current
Mr Howard Digby	Non-Executive Director	1/8/2017	Current
Dr Doug Lingard	Non-Executive Director	10/12/2018	Current
Mr Carlos Palacio	Non-Executive Director	28/8/2018	Current
Mr Andrew Lilley	Non-Executive Director	1/7/2017	25/10/2018
Mr Peter Webse	Non-Executive Director	17/11/2017	28/8/2018

## 2 Principal activity

During the year, the Company ceased the development and sale of the Omni suite of products and focussed on the acquisition of Imaging Experts and Healthcare Services Pty Ltd, whose principal continuing activity is the development and sale of its Hiruko software platform.

Hiruko is a modular Radiology Information System (RIS) and Picture Archiving and Communications System (PACS). The RIS combines a workflow management system with a patient data and image distribution system, and the PACS allows a healthcare organisation to capture, store, view and share radiology images.

The details of this acquisition are detailed in the Review of Operations below.

## 3 Dividends

There were no dividends paid, recommended or declared during the financial year ended 31 December 2018 was \$nil (2017: \$nil).

## 4 Review of operations

The loss of the Group for the year ended 31 December 2018 was \$4,887,165 (2017: loss of \$899,508), after providing for income tax.

The loss included costs associated with the acquisition of Imaging Experts and Healthcare Services Pty Ltd and the successful relisting of the Group on the ASX. The total of these costs, including share based payments, was \$3,929,770.

The Company had net assets of \$5,850,795 (2017: \$636,966) and Cash and cash equivalents of \$2,445,329 (2017: \$4,593).

### Underlying EBITDA

During the year, ImExHS recorded a number of non-recurring items in relation to its reverse takeover listing process. In order to present an underlying EBITDA result, these items are identified below:

	2018	2017 Restated *
	\$	\$
<b>Result before Tax</b>	(4,795,347)	(821,997)
Adjust:		
Net interest	193,013	133,810
Depreciation and Amortisation	306,711	244,167
	499,724	377,977
<b>Reported EBITDA</b>	(4,295,623)	(444,020)
Adjust:		
Net exchange gains/losses	225,379	19,414
Listing and Share Based Payments Expenses	3,979,770	-
	4,155,149	19,414
<b>Underlying EBITDA**</b>	(140,474)	(424,606)

\* Refer note 30 for details about restatements for changes in accounting policies

\*\* Underlying EBITDA excludes non-recurring transaction costs associated with the acquisition of Imaging Experts and Healthcare Services Pty Ltd and foreign exchange losses

After adjusting for the transaction costs, ImExHS has recorded an improvement in its Underlying EBITDA of \$284,132 from 2017.

The result reflects the revenues being generated by its increasing portfolio of recurring revenue contracts over the year together with strong second-half one-off sales.

### Highlights for the Financial Year

#### i) Acquisition of Imaging Experts and Healthcare Services Pty Ltd

On 28 August 2018, ImExHS Limited completed the acquisition of 100% of the issued capital of Imaging Experts and Healthcare Services Pty Ltd, an Australian registered company that had, in turn, on 20 April 2018 acquired Imaging Experts and Healthcare Services S.A.S. a Colombian registered company that has developed and owns the Hiruko software suite.

Following a review of opportunities in the market, the Company elected to pursue the acquisition of Imaging Experts and Healthcare Services Pty Ltd, a company that has an established customer base in Latin America and was seeking to expand its footprint in Latin America and elsewhere.

The Hiruko platform is a software suite that receives digital images and data from various Radiologic modalities (e.g. Computed Tomography (CT) scanners, Magnetic Resonance (MR) scanners, ultrasound systems (US), computed & direct radiographic (CR, DX) devices, secondary capture devices (SC), scanners (OT), imaging gateways, etc.). Images and data can be captured, stored, communicated, processed and displayed within the system and or across computer networks at distributed locations using an embedded web-based viewer with image manipulation tools and strong data encryption to ensure a secure data transfer.

This product is an implementation of a DICOM® archive and image manager packed with a web-based viewer including basic image manipulation tools where its components are closely integrated to provide an implementation of many IHE actors and Integration Profiles to take advantage of HL7®.

Hiruko uses indexed information from DICOM® headers for locating objects on the file system and it does not produce any original medical images and is designed to be deployed over conventional TCP/IP networking or cloud infrastructure utilizing commercially available computer hardware platforms and operating systems.

ImExHS has also been developing additional verticals such as the APLIS (Anatomical Pathology and Laboratory Information System), which has already tested and installed in two reference costumers.

Not only has the technology been disruptive due to the HTML5 architecture, but also the ImExHS's business model is disruptive as the Company has a first mover advantage in "as a service" proposals in the LatAm region.

The terms of the transaction were as follows:

- The issue of 220 million ordinary shares at an issue price of \$0.025 each to raise \$5.5 million (before costs);
- The issue of 520 million ordinary shares, 50 million Class A Consideration Options, 50 million Class B Consideration Options and 50 million Class C Consideration Options to the vendors of Imaging Experts and Healthcare Services Pty Ltd;
- The issue of 25 million shares and 12.5 million new options upon conversion of the outstanding convertible loans of \$500,000 in Imaging Experts and Healthcare Services Pty Ltd;
- The issue of 30 million options to the lead manager; and
- The issue of 10 million shares to Directors in lieu of cash for work spent on the acquisition.

#### ii) **Board Appointments**

Following the company's acquisition of Imaging Experts and Healthcare Services Pty Ltd, the company sought to enhance the board through the appointment of new directors with skills aligned with those desired to ensure the success of the new acquisition.

##### Dr German Arango

Dr Arango was appointed the Chief Executive Officer.

Dr Arango is the CEO and founder of Imaging Experts and Healthcare Services S.A.S. and has over 14 years' experience as a practising radiologist in Colombia, with a degree in Diagnostic Neuroradiology from McGill University, Montreal, Canada. Dr Arango is currently the Chairman and Staff Neuroradiologist at Mederi-Hospital Universitario Mayor, Bogota Colombia and has practised as a Neuroradiologist in various hospitals and clinics in Colombia.

Dr Arango is the Associate Professor of Diagnostic Neuroradiology for the neurology and neurosurgery residency programmes for University El Rosario at Mederi – Hospital Universitario Mayor and has held various Associate Professor of Diagnostic Neuroradiology roles for Universidad Militar de Colombia, Fundacion Universitaria de Ciencias de la Salud, Universidad Nacional de Colombia and El Bosque University during the period from 2006 to 2012.

##### Mr Carlos Palacio

Mr Palacio was appointed as a non-executive director.

Mr Palacio is an entrepreneur with over 27 years' experience in international IT, Telecommunications and strategic management. He is currently the CEO of CrossPoint Telecommunications, a Managed IT Service Provider, specialising on creating and managing cost-effective IT solutions for multinational organisations. CrossPoint currently provides services in 42 countries and employs 54 staff in Australia, Singapore and Philippines.

Mr Palacio had a long career with Nokia where he served in a number of roles including Regional Network Manager, Chief Specialist and Architect, Technology Advisor in Mergers and Acquisitions, Global Platforms Design and Planning and Global Program Manager. Mr Palacio worked for Nokia Networks Australia, Singapore and Finland at various stages of his Nokia career, but was largely based in Australia.

##### Mr Tom Pascarella

Mr Pascarella was appointed non-executive director and Chairman.

Mr Pascarella is a Partner with Allen Partners in Sydney, a boutique advisory firm which specialises in raising institutional capital for local and offshore fund managers, as well as providing Corporate Finance and M&A advisory services to SMEs, fund managers, start-ups and scale-ups.

The majority of Mr Pascarella's career has been in various relationship management, transaction origination and senior leadership roles in Corporate & Investment Banking; most recently as CEO and Managing Director of Bank of America N.A. Sydney Branch / Bank of America Merrill Lynch Australia. Prior to Bank of America, Tom was a Senior Banker in Media, Telecoms & Entertainment with Banque Paribas (Sydney and Singapore). Tom has qualifications from Princeton University and Oxford University, is a fellow of FinSIA, is a Certified Finance & Treasury Professional with the Finance & Treasury Association, and a Member of the Australian Institute of Company Directors.

Mr Pascarella has been the President of the American Chamber of Commerce in Australia, a Board Member and Chairman of the dual-Government entity the Australian-American Fulbright Commission and Chairman of the ASX listed Agricultural Land Trust during its successful restructuring from Elders Ltd.

Dr Doug Lingard

Dr Lingard was appointed as a non-executive director.

Dr Lingard is an experienced Radiologist and Nuclear Physician who has worked in various leadership roles in Auckland, Washington DC and Sydney. In Australia he was a co-founder of Pittwater Radiology Partners which after a series of mergers and acquisitions listed on the ASX in mid-2000 as Medical Imaging Australasia Ltd (MIA) and became the largest supplier of radiology services in Australia and a major supplier of diagnostic imaging to the NHS in the United Kingdom. In mid-2004, MIA was acquired by DCA Group Ltd for A\$700m to become one of the world's largest radiology businesses, and the leading practice in Australia known as I-Med.

Dr Lingard has a medical degree MB.ChB from Otago University, NZ, and was a National Institutes of Health Fellow in Washington DC. He is presently a Fellow of the Royal Australia & NZ College of Radiologists, 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.

**iii) US Food and Drug Administration Premarket Submission Started**

In December 2018, ImExHS commenced its submission to the US Food and Drug Administration (FDA) for the company's Hiruko product to be demonstrated to be safe and effective.

This is required when introducing a product into commercial distribution in the United States for the first time and represents an important hurdle, allowing ImExHS to meet its project milestone of a soft launch in the US market.

**iv) Commercialisation of the Anatomical Pathology and Laboratory Information System (APLIS)**

The company is committed to widening the scope of the services in its portfolio. During the year the company successfully completed its trial of the APLIS and moved into a limited commercial implementation at its client, Clinica Las Americas.

This represents an important expansion in the capabilities of the company and adds to our ability to provide multiple services to our customers.

**v) Continued piloting of new developments**

ImExHS continues to develop its Cardiology Information System (CIS) module for Hiruko. It has continued with its initial pilot at Clinica Las Americas.

**vi) Release of new tools for Hiruko**

ImExHS continues to develop its Hiruko Product Suite with the addition of new tools. These web-based tools include: a Triangulation Tool; a Multiplanar Reconstruction Tool; and a 3D Maximum Intensity

Projection Tool. These tools are unique in the market in providing this functionality over the web and provide great improvements in productivity for our users without a large technological overhead.

**vii) Expansion into new Markets**

The company continued its expansion across Latin America, with the completion of new distribution agreements in El Salvador, Panama, Honduras and Nicaragua.

The company now has distribution agreements in 11 countries and as a result is well-placed to continue its growth in these territories.

**viii) Financial Position**

The Company's financial year end position was substantially strengthened during the year, following the successful capital raise that brought in \$5,500,000 during the year.

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

## **5 Significant changes in state of affairs**

### *Cessation of development and sales of Omni suite of products*

During the year the company undertook a review of its operations and look at options to conserve its cash position. The company therefore decided to cease development and sales of the Omni suite of products, and commenced a search for a new business venture for the benefit of the company's shareholders.

### *Acquisition of Imaging Experts and Healthcare Services Pty Ltd*

Both the acquisition of Imaging Experts and Healthcare Services Pty Ltd of Imaging Experts and Healthcare Services S.A.S. and the acquisition of Imaging Experts and Healthcare Services Pty Ltd by ImExHS Limited have been accounted for as reverse takeovers under the Australian Accounting Standards.

As such, the historical financial information of the Company will be presented as that of the Colombian entity.

### *Other*

During the year, the Company also relocated its head office from Brisbane to Mascot.

## **6 Outlook for 2019**

The company continues to invest in the development of Hiruko's features and plans further expansion in its existing and new territories. Potential revenues are building momentum via the company's network of experienced, in-country medical products distributors.

**i) USA Soft Launch**

FDA approval for commercialisation is anticipated in the first half of 2019. Following this ImExHS will look to have a soft launch of Hiruko in the USA and already has leads for potential customers in Florida.

**ii) Commercialisation**

The company is looking to complete the developments necessary for the full commercialisation of the CIS, and will initially look to market this to existing RIS clients, many of whom have already indicated their need for the module.

The APLIS module will be completed and move from pilot into production in the first quarter of 2019. The APLIS module will be a unique advantage of Hiruko. It brings the advantages of a controlled workflow, business intelligence, zero footprint digital imaging viewer all through an HTML5 environment which are currently unavailable to pathologists.



**iii) Artificial Intelligence**

ImExHS continues to work on using natural language processing algorithms. Our work will be targeting three areas: specified pathologies; predictive diagnostic alerts (triage reporting); and diagnostic concordance analysis. From these algorithms, Hiruko will then be able to structure and classify the diagnosis for post analysis. These will provide the specialists with better diagnostic tools for the specialists to serve their patients.

From this structured information, Hiruko will be able to provide automatic image annotation recommendations, to provide valuable sets of data for future machine learning applications.

**iv) Research**

ImExHS continues to work on its Braviz platform for advanced analytics and visualisation of neurological images by providing a unique platform that provides significant amount of useful data for both research and education purposes that is currently not available.

**v) Visualisation tools**

Building on the work on web-based visualisation tools released early in 2019, the company is working on extending the MPR capabilities to MRI images.

**vi) New Markets**

In Latin America, ImExHS is working to build on its current footprint and continues to pursue new distribution arrangements in new countries. We will also continue to grow our direct sales team to enable us to reach all of Latin America with technical sales support to our distributors.

The company is also looking to complete the pilot site in Australia and move to commercialisation with a fully integrated RIS-PACS solution, complete with Voice Recognition and Patient Portal. This pilot is expected to be completed 2<sup>nd</sup> quarter 2019.

**7 Capital Structure**

Securities currently quoted on ASX	Number
Fully paid ordinary shares	925,657,186
Unquoted securities	Number
Performance shares (Class A)	750,000
Options exercisable at 2.5 cents on or before 31 March 2021	35,000,000
Class A unlisted options at 5 cents on or before 30 June 2021	50,000,000
Class B unlisted options at 3.75 cents on or before 28 August 2023	50,000,000
Class C unlisted options at 3.75 cents on or before 28 August 2023	50,000,000
Advisor unlisted options at 5 cents on or before 30 June 2021	30,000,000
Unlisted options at 3.75 cents on or before 30 June 2021	12,500,000
Unlisted options at 7 cents on or before 25 October 2023	4,000,000
Unlisted options at 5.3 cents on or before 9 December 2023	2,000,000

**8 Events after the reporting date**

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.

**9 Future developments and results**

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

**10 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.

**11 Information on directors**

Name	Mr Tom Pascarella (appointed 25 October 2018)
Title	Non-executive Chairman
Qualifications:	A.B. Political Economy (Princeton), CFTP, F.Fin, MAICD
Experience and expertise:	Mr Pascarella's has extensive experience over 25 years in various relationship management, transaction origination and senior leadership roles in Corporate & Investment Banking.
Other current listed Company directorships:	N/A
Former listed Company directorships (last 3 years):	N/A
Interests in shares and options:	Ordinary shares: nil Options over ordinary shares: 4,000,000

<b>Name</b>	<b>German Arango (appointed 28 August 2018)</b>
<b>Title</b>	Chief Executive Officer
<b>Qualifications:</b>	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
<b>Experience and expertise:</b>	Dr Arango is the CEO and founder of Imaging Experts and Healthcare Services S.A.S. and has over 14 years' experience as a practising radiologist in Colombia.
<b>Other current listed Company directorships:</b>	N/A
<b>Former listed Company directorships (last 3 years):</b>	N/A
<b>Interests in shares and options:</b>	Ordinary shares: 157,525,160 Class A options over ordinary shares: 15,287,254 Class B options over ordinary shares: 15,287,254 Class C options over ordinary shares: 15,287,254

<b>Name</b>	<b>Mr Howard Digby (appointed 1 August 2018)</b>
<b>Title</b>	Non-executive Director
<b>Qualifications:</b>	B.Eng (Hons)
<b>Experience and expertise:</b>	Mr. Digby brings over 25 years management experience in technology and information services including senior roles at IBM, Adobe, Gartner and The Economist Group in numerous countries.
<b>Other current listed Company directorships:</b>	4DS Memory Limited, Elsight Limited, HearMeOut Limited, Transaction Solutions International Limited
<b>Former listed Company directorships (last 3 years):</b>	Estrella Resources Limited,
<b>Interests in shares and options:</b>	Ordinary shares: 7,600,000 Options over ordinary shares: 1,500,000

<b>Name</b>	<b>Dr Doug Lingard (appointed 10 December 2018)</b>
<b>Title</b>	Non-executive Director
<b>Qualifications:</b>	MB.ChB. FRANZCR, MAICD
<b>Experience and expertise:</b>	<p>Doug is an experienced Radiologist and Nuclear Physician who has worked in various leadership roles in Auckland, Washington DC and Sydney.</p> <p>Doug 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.</p>
<b>Other current listed Company directorships:</b>	N/A
<b>Former listed Company directorships (last 3 years):</b>	N/A
<b>Interests in shares and options:</b>	<p>Ordinary shares: 2,685,758</p> <p>Options over ordinary shares: 2,000,000</p>

<b>Name</b>	<b>Mr Carlos Palacio (appointed 28 August 2018)</b>
<b>Title</b>	Non-executive Director
<b>Qualifications:</b>	B.Elec.Eng, MBA
<b>Experience and expertise:</b>	Mr Palacio has over 27 years' experience in international IT, Telecommunications and strategic management.
<b>Other current listed Company directorships:</b>	N/A
<b>Former listed Company directorships (last 3 years):</b>	N/A
<b>Interests in shares and options:</b>	<p>Ordinary shares: 103,833,600</p> <p>Class A options over ordinary shares: 10,076,680</p> <p>Class B options over ordinary shares: 10,076,680</p> <p>Class C options over ordinary shares: 10,076,680</p>

<b>Name</b>	Mr Andrew Lilley (appointed 1 July 2017)
<b>Title</b>	Non-executive Director (resigned 25 October 2018)
<b>Qualifications:</b>	B. Commerce, B. Economics
<b>Experience and expertise:</b>	Mr Lilley brings capital market experience and financial analysis expertise across a wide range of industries.
<b>Other current listed Company directorships:</b>	N/A
<b>Former listed Company directorships (last 3 years):</b>	N/A
<b>Interests in shares and options:</b>	Ordinary shares: 10,200,000 Options over ordinary shares: 1,500,000

<b>Name</b>	Mr Peter Webse (appointed 17 November 2017)
<b>Title</b>	Non-executive Director (resigned 28 August 2018)
<b>Qualifications:</b>	B.Bus, FGIA, FCPA, MAICD
<b>Experience and expertise:</b>	Mr Webse is Managing Director of Platinum Corporate Secretariat, a firm specialising in providing company secretarial, corporate governance and corporate advisory services to ASX listed companies.
<b>Other current listed Company directorships:</b>	Cynata Therapeutics Limited
<b>Former listed Company directorships (last 3 years):</b>	N/A
<b>Interests in shares and options:</b>	Ordinary shares: 1,000,000

## 12 Company secretary

The Company's Company Secretary is Mr Peter Webse (appointed 1 May 2018).

Mr Webse has over 25 years' company secretarial experience and is managing director of Platinum Corporate Secretariat Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services. Mr Webse holds a Bachelor of Business with a double major in Accounting and Finance, is a Fellow of the Governance Institute of Australia, a Fellow Certified Practising Accountant and a Member of the Australian Institute of Company Directors.

Prior to the appointment of Mr Webse, the Company Secretary was Mr Paul Frederiks (6 February 2017 to 31 May 2018).

## 13 Meetings of directors

The following table sets out the number of meetings of the Company's Directors held while each was a Director and includes meetings held in person and by teleconference.

	Directors' Meetings	
	Number eligible to attend	Number attended
Tom Pascarella	3	3
German Arango	4	4
Howard Digby	10	10
Doug Lingard	1	1
Carlos Palacio	4	4
Andrew Lilley	7	7
Peter Webse	6	6

#### 14 Shares Under Option

At the date of this report, the unissued ordinary shares of ImExHS Limited under option are unlisted and are as follows:

Type	Grant date	Date of expiry	Exercise price	Number under option	Comment
Options	7/7/2017	31/3/2021	\$0.025	35,000,000	
Class A Options*	28/8/2018	30/6/2021	\$0.05	50,000,000	
Class B Options*	28/8/2018	28/8/2023	\$0.0375	50,000,000	(a)
Class C Options*	28/8/2018	28/8/2023	\$0.0375	50,000,000	(b)
New Options*	28/8/2018	30/6/2021	\$0.0375	12,500,000	
Advisor Options*	28/8/2018	30/6/2021	\$0.05	30,000,000	
Director Options	25/10/2018	25/10/2023	\$0.07	4,000,000	(c)
Director Options	9/12/2018	9/12/2023	\$0.053	2,000,000	(d)
Total				233,500,000	

\* Subject to escrow

- (a) Options issued in consideration for Imaging Experts and Healthcare Services Pty Ltd, subject to the vesting condition of the company exceeding \$5,000,000 EBIT in any rolling four quarter period.
- (b) Options issued in consideration for Imaging Experts and Healthcare Services Pty Ltd, subject to the vesting condition of the company exceeding \$7,500,000 EBIT in any rolling four quarter period.
- (c) Options issued as remuneration to Mr Tom Pascarella, subject to vesting conditions.

(d) Options issued as remuneration to Dr Doug Lingard, subject to vesting conditions.

Holders do not have any rights to participate in any issues of shares or other interests in the Company.

During the year and up to the date of this report the following options were exercised or lapsed:

Type	Status	Date of expiry	Exercise price	Number
Listed Options	Lapsed	31/12/2018	\$1.00	2,500,006

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

#### 15 Indemnification and insurance of officers

Every person who is or has been a director, secretary or executive officer of the entity is indemnified, to the maximum extent permitted by law, out of property of the company against any liabilities for costs and expenses incurred by that person unless the liability arises out of conduct involving a lack of good faith.

The company has paid a premium for directors and officers liability. The insurance policy covers the directors of the company and executive officers. The contract prohibits the disclosure of the nature of the liability insured and the amount of the premium.

#### 16 Indemnification and insurance of auditors

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

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

#### 17 Proceedings on behalf of 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.

The Company was not a party to any such proceedings during the year.

#### 18 Non-audit services

During the year, BDO Audit (WA) Pty Ltd, the Company's auditor provided non-audit services in relation to the Investigating Accountant's Report and Compliance and Taxation Services.

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

The Directors are of the opinion that the services do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work,

acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

The following fees for non-audit services were paid to the external auditors during the year ended 31 December 2018:

	2018	2017
	\$	\$
Compliance and Taxation Services	6,255	4,080
Investigating Accountant's Report	27,000	7,093

## 19 Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001 for the period ended 31 December 2018 has been received and can be found on page 37 of the financial report.

## 20 Remuneration report (audited)

This remuneration report outlines the Director and executive remuneration arrangements of each director of ImExHS Limited, and for all other key management personnel (**KMP**), in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any directors (whether executive or otherwise).

The remuneration report is presented in the below sections:

- 20.1 Key Management Personnel
- 20.2 Remuneration Framework
- 20.3 Executive Remuneration Arrangements
- 20.4 Executive Contractual Arrangements
- 20.5 Non-executive Director Arrangements
- 20.6 Relationship of Reward and Performance
- 20.7 Company performance, shareholder wealth and director & executive remuneration
- 20.8 Share-based Remuneration
- 21 Details of Remuneration
- 22 Shareholdings
- 23 Other Key Management Personnel Disclosures
- 23 Voting and comments at the 2017 AGM
- 24 Use of Remuneration Consultants

The figures disclosed in this Remuneration Report reflect the remuneration whilst employed by ImExHS Ltd only. The totals do not necessarily correspond to various disclosures in the financial statements as the definition of KMP under Australian Accounting Standards differs from the Corporations Act 2001.



20.1 Key management personnel (including the executives of the Company)

The report covers Non-Executive Directors, Executive Directors and other KMP, and includes:

2018

Non-executive directors (NED)	Executive Directors	Other KMP
Tom Pascarella <sup>1</sup>	German Arango <sup>2</sup>	Jorge Marin <sup>3</sup>
Howard Digby <sup>4</sup>		Tony Thomas <sup>5</sup>
Doug Lingard <sup>6</sup>		Andres Vanegas <sup>7</sup>
Carlos Palacio <sup>8</sup>		Paul Frederiks <sup>9</sup>
Andrew Lilley <sup>10</sup>		
Peter Webse <sup>11</sup>		

There were no other changes after the reporting date and before the date the financial report was authorised for issue.

<sup>1</sup> Appointed 25 October 2018.

<sup>2</sup> Appointed 28 August 2018.

<sup>3</sup> From 28 August 2018, being the date of acquisition of Imaging Experts and Healthcare Services Pty Ltd.

<sup>4</sup> Appointed 1 August 2017.

<sup>5</sup> From 28 August 2018, being the date of acquisition of Imaging Experts and Healthcare Services Pty Ltd

<sup>6</sup> Appointed 10 December 2018.

<sup>7</sup> From 28 August 2018, being the date of acquisition of Imaging Experts and Healthcare Services Pty Ltd.

<sup>8</sup> Appointed 28 August 2018.

<sup>9</sup> Appointed 6 February 2017, Resigned as Company Secretary 31 May 2018. Resigned as CFO 28 August 2018.

<sup>10</sup> Appointed 1 July 2017, Resigned 25 October 2018.

<sup>11</sup> Appointed 17 November 2017, Resigned as Director 28 August 2018, and continues as a KMP in his capacity as Company Secretary.

2017

Non-executive directors (NED)	Executive Directors	Other KMP
Howard Digby <sup>12</sup>		Paul Frederiks <sup>13</sup>
Andrew Lilley <sup>14</sup>		Paul Cochrane <sup>15</sup>
Peter Webse <sup>16</sup>		
Richard Dennis <sup>17</sup>		
Bryan Granzien <sup>18</sup>		
Glenn Vassallo <sup>19</sup>		

20.2 Remuneration Framework

Due to the size of the Company, the role of remuneration committee is performed by the Board. It is primarily responsible for:

- The over-arching executive remuneration framework;
- Remuneration levels of executives; and
- Non-executive director fees.

The remuneration packages of directors and KMP of ImExHS Ltd have been designed to align director and other KMP objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific performance pay incentives based on key performance areas affecting the entity’s financial results where the Board deems such incentives to be appropriate. The Board of ImExHS Ltd believes this remuneration methodology to be appropriate and effective in its ability to attract and retain the best KMP and directors to run and manage the business, as well as create goal congruence between directors, other KMP and shareholders.

The Board determines the nature and the amount of remuneration for Board members and KMP of the entity as detailed below.

The non-executive directors and executives based in Australia receive the superannuation guarantee contribution, where entitled, required by the government, which is currently 9.5%, and do not receive any other retirement benefits.

All remuneration paid to directors and other KMP is valued at the cost to the Company and expensed.

20.3 Executive Remuneration Arrangements

All KMP may receive a base salary, superannuation, fringe benefits (if applicable) and performance pay incentives (if applicable).

<sup>12</sup> Appointed 1 August 2017.

<sup>13</sup> Appointed 6 February 2017, Resigned 28 August 2018.

<sup>14</sup> Appointed 1 July 2017, Resigned 25 October 2018.

<sup>15</sup> Resigned 6 February 2017, included for comparative information only.

<sup>16</sup> Appointed 17 November 2017, Resigned as Director 28 August 2018, and continues as a KMP in his capacity as Company Secretary.

<sup>17</sup> Resigned 1 August 2017, included for comparative information only.

<sup>18</sup> Resigned 1 July 2017, included for comparative information only.

<sup>19</sup> Resigned 17 November 2017, included for comparative information only.

The performance pay plan is reviewed by the Board. Objectives for the KMP are set by the Board. KMP packages are reviewed annually by reference to the entity's performance, KMP performance and comparable information from industry sectors and other listed companies in similar industries.

The performance of KMP is measured against criteria agreed annually with each KMP, and is in part based on the forecast growth of the entity's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives and bonuses. Any changes must be justified by reference to measurable performance criteria. The remuneration practices are designed to attract the highest calibre of KMP and reward them for performance that results in long-term growth in shareholder wealth.

The principal terms of executive services agreements are as follows:

Dr German Arango – Chief Executive Officer

- The remuneration comprises a base salary of \$290,000 per annum plus statutory superannuation.
- Termination may be:
  - a) by either party without cause with 6 months' written notice, or in the case of the Company immediately with payment in lieu of notice;
  - b) by the Company with one 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
  - c) by either party with 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;
  - d) by the Company, 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; and
  - e) by Dr Arango immediately, by giving notice, if the Company is in breach of a material term of its agreement with him.
- The agreement otherwise contains industry-standard provisions for a senior executive of a public listed company.

Dr Jorge Marin – Chief Medical Officer

- The remuneration comprises a base salary of \$200,000 per annum plus mandatory entitlements under the governing labour law and regulations.
- Termination may be:
  - a) by either party without cause with 6 months' written notice, or in the case of the Company immediately with payment in lieu of notice; and
  - b) by the Company with immediate effect if Dr Marin does not, refuses or is unable to perform his duties under the agreement.
- The agreement otherwise contains industry-standard provisions for a senior executive of a public listed company.

Mr Andres Vanegas – Chief Sales Officer

- The remuneration comprises a base salary of \$140,000 per annum plus mandatory entitlements under the governing labour law and regulations. A bonus of up to additional \$60,000 per annum may be earned by Mr Venegas contingent on him meeting sales targets agreed with the Company.

- Termination may be:
  - a) by either party without cause with 6 months' written notice, or in the case of the Company immediately with payment in lieu of notice; and
  - b) by the Company with immediate effect if Mr Vanegas does not, refuses or is unable to perform his duties under the agreement.
- The agreement otherwise contains industry-standard provisions for a senior executive of a public listed company.

#### 20.4 Executive Contractual Arrangements

Remuneration and other terms of employment for the CFO and Company Secretary and all other key management positions held have been formalised in service agreements.

##### Mr Tony Thomas – Chief Financial Officer

- ImExHS has agreed to pay Mr Thomas a consultancy fee of \$900 per professional day worked (exclusive of GST) for his services. The agreement has no fixed term.
- Termination may be:
  - a) by either party without cause with 3 months' written notice; or
  - b) by the Company with immediate effect for cause, including for a breach of the agreement, if Mr Thomas is convicted of a criminal offence involving fraud or dishonesty, if Mr Thomas conducts himself to bring him or ImExHS into disrepute or for conflicts of interest that cannot be resolved.

##### Mr Peter Webse – Company Secretary

- ImExHS has engaged Mr Webse through Platinum Corporate Secretariat to provide company secretary services to the Company. Mr Webse receives a monthly fee of \$5,000 (plus GST).
- Mr Webse will also receive a fee of \$250 (plus GST) per hour for any additional tasks outside of the scope of the company secretarial services provided to the Company.
- Termination may be:
  - a) by either party without cause with 3 months' written notice; or
  - b) immediately by written notice should the Company or the Directors adversely impact Mr Webse in performing his duties and obligations under the Corporations Act and/or expose Mr Webse to possible personal prosecution; and
  - c) immediately by written notice in the event that any remuneration payable by the Company to Mr Webse has not been paid within 30 days of the due date for payment.

#### 20.5 Non-executive Director Remuneration Arrangements

The Board's policy is to remunerate non-executive directors at a rate that reflects the Company's current stage of development, remaining cognisant of market rates for comparable companies for time, commitment and responsibilities.

Remuneration of the non-executive directors is made on this basis and is reviewed annually, based on market practice, duties and accountability. Independent external advice is sought where required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at general meeting. For the financial period ended 31 December 2018, and in respect of each financial year thereafter and until otherwise determined by a resolution of shareholders, 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 \$250,000 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
Other Non-Executive Directors	36,000

There are no additional committee fees payable.

All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director.

## 20.6 Relationship of Reward and Performance

As is detailed in the below sections of this Directors Report, current directors, Dr German Arango and Mr Carlos Palacio, as well as KMP members, Dr Jorge Marin and Mr Andres Vanegas also indirectly hold Options (Class B and Class C). These options were issued to them as a component of consideration as vendors of Imaging Experts and Healthcare Services Pty Ltd. The terms of these options are dealt with below.

## 20.7 Company performance, shareholder wealth, and director and executive remuneration

Due to the change in the nature of operations of the business during the past year, there does not yet exist a clear link between the gross revenue, profits and dividends for the last four years for the Company as well as the share price at the end of the respective financial years. The normal operations of the company during a full financial year for 2019 will help establish these relationships.

## 20.8 Share-based remuneration

Options were issued to non-executive Directors, Mr Tom Pascarella and Dr Doug Lingard as a component of their remuneration as non-executive Directors of the Company. The terms of these options are dealt with below.

There were nil options issued during the period to other KMP in connection with remuneration. Options may be issued to KMP as part of their remuneration.

Options are issued to KMP of ImExHS Limited and its subsidiaries to increase goal congruence between KMP and shareholders, and are partly based on performance criteria.

## 21 Details of Remuneration

*Remuneration of Key Management Personnel*Remuneration for the period ended 31 December 2018

	Cash salary and fees	Fixed Superannuation	Variable Share-based payments	Total	Remuneration consisting of share-based payments %
	\$	\$	\$	\$	%
<b><u>Non-Executive Directors</u></b>					
Mr Tom Pascarella <sup>20</sup>	12,000	1,140	4,038	17,178	23.5
Mr Howard Digby <sup>21</sup>	33,508	-	125,000	158,508	78.9
Dr Doug Lingard <sup>22</sup>	3,000	285	561	3,846	14.6
Mr Carlos Palacio <sup>23</sup>	11,219	1,066	-	12,285	-
Mr Andrew Lilley <sup>24</sup>	26,007	-	125,000	151,007	82.8
Mr Peter Webse <sup>25</sup>	59,667	-	-	59,667	-
<b>Total Non-Executive Directors</b>	<b>145,401</b>	<b>2,491</b>	<b>254,599</b>	<b>402,491</b>	
<b><u>Executive Directors</u></b>					
Dr German Arango <sup>26</sup>	96,986	-	-	96,986	-
<b><u>Other KMP</u></b>					
Dr Jorge Marin <sup>27</sup>	64,037	-	-	64,037	-
Mr Tony Thomas <sup>28</sup>	62,100	-	-	62,100	-
Mr Andres Vanegas <sup>29</sup>	66,839	-	-	66,839	-
Mr Paul Frederiks <sup>30</sup>	54,875	-	-	54,875	-
<b>Total Other KMP</b>	<b>247,851</b>	<b>-</b>	<b>-</b>	<b>247,851</b>	
<b>TOTAL KMP</b>	<b>490,238</b>	<b>2,491</b>	<b>254,599</b>	<b>747,328</b>	

<sup>20</sup> Appointed 25 October 2018.

<sup>21</sup> Appointed 1 August 2017. Share based payment relates to the issue of shares in lieu of cash for work spent on the acquisition of Imaging Experts and Healthcare Services Pty Ltd.

<sup>22</sup> Appointed 10 December 2018.

<sup>23</sup> Appointed 28 August 2018, being the date of acquisition of Imaging Experts and Healthcare Services Pty Ltd

<sup>24</sup> Appointed 1 July 2017, Resigned 25 October 2018. Comprises \$17,966 in Directors fees and \$3,875 in consulting fees. Share based payment relates to the issue of shares in lieu of cash for work spent on the acquisition of Imaging Experts and Healthcare Services Pty Ltd.

<sup>25</sup> Appointed 17 November 2017, Resigned as Director 28 August 2018. Comprises \$16,667 in Director Fees to that date and \$43,000 in Company Secretarial fees for the full year.

<sup>26</sup> Appointed 28 August 2018, being the date of acquisition of Imaging Experts and Healthcare Services Pty Ltd.

<sup>27</sup> From 28 August 2018, being the date of acquisition of Imaging Experts and Healthcare Services Pty Ltd.

<sup>28</sup> From 28 August 2018, being the date of acquisition of Imaging Experts and Healthcare Services Pty Ltd.

<sup>29</sup> From 28 August 2018, being the date of acquisition of Imaging Experts and Healthcare Services Pty Ltd.

<sup>30</sup> Appointed 6 February 2017, Resigned 28 August 2018.

## Remuneration for the period ended 31 December 2017

	Fixed		Variable	Total	Remuneration consisting of share-based payments
	Cash salary and fees	Superannuation	Share-based payments		
	\$	\$	\$	\$	%
<b><u>Non-Executive Directors</u></b>					
Mr Howard Digby <sup>31</sup>	15,418	-	-	15,418	-
Mr Andrew Lilley <sup>32</sup>	27,500	-	-	27,500	-
Mr Peter Webse <sup>33</sup>	3,044	-	-	3,044	-
Mr Glenn Vassallo <sup>34</sup>	22,013	-	-	22,013	-
Mr Richard Dennis <sup>35</sup>	14,583	-	-	14,583	-
Mr Bryan Granzien <sup>36</sup>	12,500	-	-	12,500	-
<b>Total Non-Executive Directors</b>	<b>95,058</b>	<b>-</b>	<b>-</b>	<b>95,058</b>	
<b><u>Executive Directors</u></b>					
Nil					
<b><u>Other KMP</u></b>					
Mr Paul Frederiks <sup>37</sup>	89,000	-	-	89,000	-
Mr Paul Cochrane <sup>38</sup>	5,000	-	-	5,000	-
<b>Total Other KMP</b>	<b>94,000</b>	<b>-</b>	<b>-</b>	<b>94,000</b>	
<b>TOTAL KMP</b>	<b>189,058</b>	<b>-</b>	<b>-</b>	<b>189,058</b>	

<sup>31</sup> Appointed 1 August 2017. Comprises \$10,418 in Director fee and \$5,000 in consulting fees prior to being appointed a director.

<sup>32</sup> Appointed 1 July 2017, Resigned 25 October 2018. Comprises \$12,500 in Director fees and \$15,000 in consulting fees prior to being appointed a director.

<sup>33</sup> Appointed 17 November 2017, Resigned as Director 28 August 2018.

<sup>34</sup> Resigned 17 November 2017

<sup>35</sup> Resigned 1 August 2017.

<sup>36</sup> Resigned 1 July 2017.

<sup>37</sup> Appointed 6 February 2017, Resigned 28 August 2018.

<sup>38</sup> Resigned 6 February 2017.

## 22 Shareholdings

### 22.1 Ordinary Shares

The number of shares in the Company held by each Director and other KMP during the period, including their related parties is summarised below.

	Balance at 1/1/2018	Granted as Remuneration	Purchased	Consideration	Other	Balance at 31/12/2018
<b><u>Non-Executive Directors</u></b>						
Mr Tom Pascarella	-	-	-	-	-	-
Mr Howard Digby <sup>39</sup>	1,600,000	5,000,000*	1,000,000	-	-	7,600,000
Dr Doug Lingard <sup>40</sup>	-	-	1,009,999	-	-	1,009,999
Mr Carlos Palacio <sup>41</sup>	-	-	-	103,833,600*	-	103,833,600
Mr Andrew Lilley <sup>42</sup>	3,200,000	5,000,000*	2,000,000	-	(10,200,000)	-
Mr Peter Webse <sup>43</sup>	-	-	1,000,000	-	(1,000,000)	-
<b>Total Executive Directors</b>	<b>4,800,000</b>	<b>10,000,000</b>	<b>5,009,999</b>	<b>103,833,600</b>	<b>(11,200,000)</b>	<b>112,443,599</b>
<b><u>Executive Directors</u></b>						
Dr German Arango <sup>44</sup>	-	-	-	157,525,160*	-	157,525,160
<b><u>Other KMP</u></b>						
Dr Jorge Marin <sup>45</sup>	-	-	-	-	-	-
Mr Tony Thomas	-	-	1,507,745	-	-	1,507,745
Mr Andres Vanegas <sup>46</sup>	-	-	-	102,437,920*	-	102,437,920
Mr Paul Frederiks	-	-	-	-	-	-
<b>Total Other KMP</b>	<b>-</b>	<b>-</b>	<b>1,507,745</b>	<b>102,437,920</b>	<b>-</b>	<b>103,945,665</b>
<b>TOTAL KMP</b>	<b>4,800,000</b>	<b>10,000,000</b>	<b>6,517,744</b>	<b>363,796,680</b>	<b>(11,200,000)</b>	<b>373,914,424</b>

\* Subject to escrow

<sup>39</sup> Appointed 1 August 2017.

<sup>40</sup> Appointed 10 December 2018.

<sup>41</sup> Appointed 28 August 2018, being the date of acquisition of Imaging Experts and Healthcare Services Pty Ltd

<sup>42</sup> Appointed 1 July 2017, Resigned 25 October 2018.

<sup>43</sup> Appointed 1 July 2017, Resigned 28 August and ceased to be a KMP from that date.

<sup>44</sup> Consideration shares were issued as part of the acquisition of Imaging Experts and Healthcare Services Pty Ltd. These are held in the company Digital Imaging Solutions S.A.S. where Dr Arango is the controlling shareholder. Accordingly these shares are disclosed against Dr Arango.

<sup>45</sup> Consideration shares were issued as part of the acquisition of Imaging Experts and Healthcare Services Pty Ltd. These are held in the company Digital Imaging Solutions S.A.S. where Dr Arango is the controlling shareholder. Accordingly these shares are disclosed against Dr Arango.

<sup>46</sup> Consideration shares were issued as part of the acquisition of Imaging Experts and Healthcare Services Pty Ltd.



	Balance at 1 January 2017	Granted as Remuneration	Purchased	1 for 10 Consolidation	Other	Balance at 31 December 2017
<b><u>Non-Executive Directors</u></b>						
Mr Howard Digby <sup>47</sup>	-	-	-	-	1,600,000	1,600,000
Mr Andrew Lilley <sup>48</sup>	-	-	-	-	3,200,000	3,200,000
Mr Peter Webse	-	-	-	-	-	-
Mr Glenn Vassallo <sup>49</sup>	25,349,377	-	10,000,000	(22,814,439)	(12,534,938)	-
Mr Richard Dennis <sup>50</sup>	250,000	-	-	(225,000)	(25,000)	-
Mr Bryan Granzien	-	-	-	-	-	-
<b>Total Executive Directors</b>	<b>25,599,377</b>	<b>-</b>	<b>10,000,000</b>	<b>(23,039,439)</b>	<b>(7,759,938)</b>	<b>4,800,000</b>
<b><u>Executive Directors</u></b>						
Nil	-	-	-	-	-	-
<b><u>Other KMP</u></b>						
Mr Paul Cochrane	-	-	-	-	-	-
Mr Paul Frederiks	-	-	-	-	-	-
<b>Total Other KMP</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL KMP</b>	<b>25,599,377</b>	<b>-</b>	<b>10,000,000</b>	<b>(23,039,439)</b>	<b>(7,759,938)</b>	<b>4,800,000</b>

The above figures are from the later of the date of employment commencement date and 1 January 2017 through to the earlier of termination date and 31 December 2017.

<sup>47</sup> Other represents balance at date of appointment, 1 August 2017.

<sup>48</sup> Other represents balance at date of appointment, 1 July 2017.

<sup>49</sup> Purchased shares were shares issued on conversion of convertible note. Other represents balance at date of resignation, 17 November 2017

<sup>50</sup> Other represents balance at date of resignation, 1 August 2017.

22.2 Options

The number of options in the Company held by each Director and other KMP during the period, including their related parties is summarised below.

2018	Class	Balance at 1/1/2018	Granted as Remuneration	Purchased	Consideration	Other	Balance at 31/12/ 2018	Vested at 31/12/ 2018	Unvested at 31/12/ 2018
<b><u>Non-Executive Directors</u></b>									
Mr Tom Pascarella <sup>51</sup>	Director	-	4,000,000	-	-	-	4,000,000	-	4,000,000
Mr Howard Digby <sup>52</sup>	Unlisted	1,500,000	-	-	-	-	1,500,000	1,500,000	-
Dr Doug Lingard <sup>53</sup>	Director	-	2,000,000	-	-	-	2,000,000	-	2,000,000
Mr Carlos Palacio <sup>54</sup>	Class A*	-	-	-	10,076,680	-	10,076,680	10,076,680	-
	Class B*	-	-	-	10,076,680	-	10,076,680	-	10,076,680
	Class C*	-	-	-	10,076,680	-	10,076,680	-	10,076,680
		-	-	-	30,230,040	-	30,230,040	10,076,680	20,153,360
Mr Andrew Lilley <sup>55</sup>	Unlisted	1,500,000	-	-	-	(1,500,000)	-	-	-
Mr Peter Webse	-	-	-	-	-	-	-	-	-
<b>Total Non-Executive Directors</b>		<b>3,000,000</b>	<b>6,000,000</b>	<b>-</b>	<b>30,230,040</b>	<b>(1,500,000)</b>	<b>37,730,040</b>	<b>11,576,680</b>	<b>26,153,360</b>
<b><u>Executive Directors</u></b>									
Dr German Arango <sup>56</sup>	Class A*	-	-	-	15,287,254	-	15,287,254	15,287,254	-
	Class B*	-	-	-	15,287,254	-	15,287,254	-	15,287,254
	Class C*	-	-	-	15,287,254	-	15,287,254	-	15,287,254
<b>Total Executive Directors</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>45,864,762</b>	<b>-</b>	<b>45,864,762</b>	<b>15,287,254</b>	<b>30,574,508</b>
<b><u>Other KMP</u></b>									
Dr Jorge Marin <sup>57</sup>	-	-	-	-	-	-	-	-	-
Mr Tony Thomas	-	-	-	-	-	-	-	-	-
Mr Andres Vanegas <sup>58</sup>	Class A*	-	-	-	9,941,234	-	9,941,234	9,941,234	-
	Class B*	-	-	-	9,941,234	-	9,941,234	-	9,941,234
	Class C*	-	-	-	9,941,234	-	9,941,234	-	9,941,234
		-	-	-	29,823,702	-	29,823,702	9,941,234	19,882,468
Mr Paul Frederiks	-	-	-	-	-	-	-	-	-
<b>Total Other KMP</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>29,823,702</b>	<b>-</b>	<b>29,823,702</b>	<b>9,941,234</b>	<b>19,882,468</b>
<b>TOTAL KMP</b>		<b>3,000,000</b>	<b>6,000,000</b>	<b>-</b>	<b>105,915,504</b>	<b>(1,500,000)</b>	<b>113,408,504</b>	<b>36,805,168</b>	<b>76,610,336</b>

\* Subject to escrow

<sup>51</sup> Appointed 25 October 2018.

<sup>52</sup> Appointed 1 August 2017.

<sup>53</sup> Appointed 10 December 2018.

<sup>54</sup> Appointed 28 August 2018, being the date of acquisition of Imaging Experts and Healthcare Services Pty Ltd

<sup>55</sup> Other represents balance on resignation at 25 October 2018.

<sup>56</sup> Consideration options were issued as part of the acquisition of Imaging Experts and Healthcare Services Pty Ltd. These are held in the company Digital Imaging Solutions S.A.S. where Dr Arango is the controlling shareholder. Accordingly these shares are disclosed against Dr Arango.

<sup>57</sup> Consideration options were issued as part of the acquisition of Imaging Experts and Healthcare Services Pty Ltd. These are held in the company Digital Imaging Solutions S.A.S. where Dr Arango is the controlling shareholder. Accordingly these shares are disclosed against Dr Arango.

<sup>58</sup> Consideration options were issued as part of the acquisition of Imaging Experts and Healthcare Services Pty Ltd.

2017	Class	Balance at 1/1/2017	Granted as Remuneration	Purchased	Consideration	Other	Balance at 31/12/ 2017	Vested at 31/12/ 2017	Unvested at 31/12/ 2017
<b><u>Non-Executive Directors</u></b>									
Mr Howard Digby <sup>59</sup>	Unlisted*	-	-	-	-	1,500,000	1,500,000	1,500,000	-
Mr Andrew Lilley <sup>60</sup>	Unlisted*	-	-	-	-	1,500,000	1,500,000	1,500,000	-
Mr Peter Webse		-	-	-	-	-	-	-	-
Mr Glenn Vassallo		-	-	-	-	-	-	-	-
Mr Richard Dennis		-	-	-	-	-	-	-	-
Mr Bryan Granzien		-	-	-	-	-	-	-	-
<b>Total Non-Executive Directors</b>		-	-	-	-	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	-
<b><u>Executive Directors</u></b>									
Nil									
<b><u>Other KMP</u></b>									
Mr Paul Cochrane		-	-	-	-	-	-	-	-
Mr Paul Frederiks		-	-	-	-	-	-	-	-
<b>Total Other KMP</b>		-	-	-	-	-	-	-	-
<b>TOTAL KMP</b>		-	-	-	-	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	-

\* The options have an exercise price of 2.5 cents and an expiry date of 31 March 2021.

## 22.3 Terms and conditions of the share-based payment arrangements

### Shares

At a general meeting of the shareholders on 31 July 2018, it was resolved to approve the grant of ordinary shares to Messrs Digby and Lilley in recognition of the significant time and work spent by those directors on the acquisition date and the further work required to complete the acquisition of Imaging Experts and Healthcare Services Pty Ltd.

	Grant date	Granted as Remuneration	Value \$	Other	Vested %
<b><u>Non-Executive Directors</u></b>					
Mr Howard Digby	28 Aug 2018	5,000,000	125,000	24 months escrow	100
Mr Andrew Lilley	28 Aug 2018	5,000,000	125,000	24 months escrow	100
<b>Total Non-Executive Directors</b>		<b>10,000,000</b>	<b>250,000</b>		
<b>TOTAL KMP</b>		<b>10,000,000</b>	<b>250,000</b>		

<sup>59</sup> Balance at date of appointment, 1 August 2017.

<sup>60</sup> Other represents balance on resignation at 25 October 2018.

## Options

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 %
<b>Non-Executive Directors</b>							
Mr Tom Pascarella	1,000,000	25 Oct 2018	25 Oct 2020	25 Oct 2023	0.07	0.012	0
Mr Tom Pascarella	3,000,000	25 Oct 2018	25 Oct 2021	25 Oct 2023	0.07	0.016	0
Dr Doug Lingard	500,000	10 Dec 2018	10 Dec 2020	10 Dec 2023	0.053	0.011	0
Dr Doug Lingard	1,500,000	10 Dec 2018	10 Dec 2021	10 Dec 2023	0.053	0.014	0
<b>Total Non-Executive Directors</b>	<b>6,000,000</b>						
<b>TOTAL KMP</b>	<b>6,000,000</b>						

## 22.4 Performance Related Shares and Options

### Class B and C Options

During the year, the company issued Class B and C Options as part of the consideration for the purchase of Imaging Experts and Healthcare Services Pty Ltd. These options are held by Digital Imaging Solutions S.A.S. and Dr German Arango and Dr Jorge Marin are shareholders of this company.

Class B and Class C Options are tied to Earnings Before Interest and Tax (EBIT) as the key performance criteria and expire five years from their grant.

The Class B and Class C Options Performance Shares will vest as the Company exceeds varying audited revenue thresholds (detailed further below). Given the Company's long-term growth is largely determined by commercialisation of the Company's software as a services business and associated technologies, the Class B and Class C Options are subject to performance hurdles measured against the revenue of the business.

Class and Performance Hurdles	1 January 2018	Granted 28 August 2018	Outstanding 31 December 2018	Notes
<b>Class B Options</b>		- 50,000,000	50,000,000	Expiring 28 August 2023
The company achieving EBIT exceeding \$5,000,000 in any rolling four quarter period. Exercise price: \$0.0375.				
<b>Class C Options</b>		- 50,000,000	50,000,000	Expiring 28 August 2023
The company achieving EBIT exceeding \$7,500,000 in any rolling four quarter period. Exercise price: \$0.0375.				

## 23 Other Key Management Personnel Disclosures

Transactions with related parties were all made on normal commercial terms.

The group sold goods and services from entities that are controlled by members of the group's Key Management Personnel (KMP):

Entity	Nature of transactions	KMP	Note	Income		Amounts Outstanding	
				2018 \$	2017 \$	2018 \$	2017 \$
UT Imágenes Diagnosticas La Misericordia	Sales Revenue	G Arango	(a)	57,106	62,854	109,690	120,979
RIMAB SAS	Sales Revenue	G Arango	(b)	672,564	480,023	435,292	98,071
Datamedic SAS	Sales Revenue	A Vanegas		659,718	-	698,098	-

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

Entity	Nature of transactions	KMP	Note	Expenses		Amounts Outstanding	
				2018 \$	2017 \$	2018 \$	2017 \$
RIMAB SAS	Cost of Sales	G Arango	(b)	489,598	359,248	17,751	865
German Arango	Joint Venture Payments	G Arango	(c)	108,891	129,371	44,949	-
Jorge Marin	Joint Venture Payments	J Marin	(d)	189,042	653,738	171,835	-
CrossPoint Telecommunications	Office Space & IT Services	C Palacio	(e)	8,917	-	1,165	-

- (a) Dr Arango is a minority shareholder of UT Imágenes Diagnosticas La Misericordia.
- (b) The company has an agreement with RIMAB S.A.S., an entity owned 100% by Dr Arango, whereby ImExHS receives 95% of the revenues of its PaaS and SaaS contracts with Hospital Isaias Duarte and Clinica Nueva and is responsible for 95% of the expenses incurred in providing those services.
- (c) Chief Executive Director, Dr German Arango has provided equipment to Imaging Experts and Healthcare Services S.A.S. in return for payments from a joint venture 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.
- (d) Chief Medical Officer, Dr Jorge Marin has provided equipment to Imaging Experts and Healthcare Services S.A.S. in return for payments from a joint venture 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.
- (e) CrossPoint Telecommunications is also a non-exclusive distributor in Australia of ImExHS's Hiruko product. No fees have been received or receivable from ImExHS under this distribution agreement to date.

The company had the following loans from KMP:

	Balance at start of year \$	Interest paid and payable \$	Net payments \$	Balance at end of the year \$
G Arango	161,052	19,899	(180,951)	-
J Marin	-	-	14,901	14,901

## 24 Voting and comments made at the Company's 2018 Annual General Meeting

The Company received more than 99.9% of "yes" proxy votes on its remuneration report for the 2017 financial year, inclusive of discretionary proxy votes. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

**25 Use of remuneration consultants**

The Company did not employ services of consultants to review its existing remuneration policies.

**26 End of Audited Remuneration Report**

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Thomas Pascarella  
Chairman  
21st March 2019

# IMEXHS LTD FINANCIAL REPORT 2018

## CORPORATE GOVERNANCE STATEMENT

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This Corporate Governance Statement is current as at 19 March 2019 and has been approved by the Board of the Company.

This Corporate Governance Statement discloses the extent to which the Company follows the recommendations set by the ASX Corporate Governance Council in its publication *Corporate Governance Principles and Recommendations 3<sup>rd</sup> Edition* (Recommendations). The Recommendations are not mandatory, however the Recommendations that have not been followed have been identified and reasons for not following them, along with what (if any) alternative governance practices have been adopted in lieu of the Recommendation.

The Company has adopted a Corporate Governance Plan which provide written terms of reference for the Company's corporate governance practices. The Board of the Company has not yet formed an audit committee, nomination committee, risk management committee or remuneration committee.

The Company's Corporate Governance Plan is available on the Company's website at [www.imexhs.com.au](http://www.imexhs.com.au)

### **Principle 1: Lay solid foundations for management and oversight**

#### ***Roles of the Board & Management***

The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from the Company's Constitution.

The Board is responsible for and has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company. The Board delegates responsibility for the day-to-day operations and administration of the Company to the Managing Director.

The role of management is to support the Managing Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

In addition to matters it is expressly required by law to approve, the Board has reserved the following matters to itself:

- Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- Appointment, and where necessary, the replacement, of the Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination.;
- Approving the Company's remuneration framework;
- Monitoring the timeliness and effectiveness of reporting to Shareholders;
- Reviewing and ratifying systems of audit, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters;
- Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- Approving and monitoring the budget and the adequacy and integrity of financial and other reporting such that the financial performance of the company has sufficient clarity to be actively monitored;
- Approving the annual, half yearly and quarterly accounts;
- Approving significant changes to the organisational structure;
- Approving decisions affecting the Company's capital, including determining the Company's dividend policy and declaring dividends;
- Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules if applicable);
- Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making; and

# IMEXHS LTD FINANCIAL REPORT 2018

## CORPORATE GOVERNANCE STATEMENT

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- Procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Subject to the specific authorities reserved to the Board under the Board Charter, the Board delegates to the Managing Director responsibility for the management and operation of ImExHS. The Managing Director is responsible for the day-to-day operations, financial performance and administration of ImExHS within the powers authorised to him from time-to-time by the Board. The Managing Director may make further delegation within the delegations specified by the Board and will be accountable to the Board for the exercise of those delegated powers.

Further details of Board responsibilities, objectives and structure are set out in the Board Charter which is contained within the Corporate Governance Plan available on the ImExHS website.

### **Board Committees**

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate committees at this time including audit and risk, remuneration or nomination committees, preferring at this stage of the Company's development, to manage the Company through the full Board of Directors. The Board assumes the responsibilities normally delegated to the Audit and Risk, Remuneration and Nomination Committees.

If the Company's activities increase, in size, scope and nature, the appointment of separate committees will be reviewed by the Board and implemented if considered appropriate.

### **Board Appointments**

The Company undertakes comprehensive reference checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The terms of the appointment of a non-executive director, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

### **The Company Secretary**

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

### **Diversity**

The Board has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect to gender, age, ethnicity and cultural diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives (if considered appropriate) and to assess annually both the objectives (if any have been set) and the Company's progress towards achieving them.

The Board considers that, due to the size, nature and stage of development of the Company, setting measurable objectives for the Diversity Policy at this time is not appropriate. The Board will consider setting measurable objectives as the Company increases in size and complexity.

The participation of women in the Company at the date of this report is as follows:

- Women employees in the Company 37%
- Women in senior management positions 12%
- Women on the Board 0%



# IMEXHS LTD FINANCIAL REPORT 2018

## CORPORATE GOVERNANCE STATEMENT

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The Company's Diversity Policy is available on its website.

### ***Board & Management Performance Review***

On an annual basis, the Board conducts a review of its structure, composition and performance.

The annual review includes consideration of the following measures:

- comparison of the performance of the Board against the requirements of the Board charter;
- examination of the Board's interaction with management;
- the nature of information provided to the Board by management; and
- management's performance in assisting the Board to meet its objectives.

The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

The Chairman has primary responsibility for conducting performance appraisals of Non-Executive Directors, in conjunction with them, having particular regard to:

- contribution to Board discussion and function;
- degree of independence including relevance of any conflicts of interest;
- availability for and attendance at Board meetings and other relevant events;
- contribution to Company strategy;
- membership of and contribution to any Board committees; and
- suitability to Board structure and composition.

The Board conducts an annual performance assessment of the Managing Director against agreed key performance indicators.

The Managing Director conducts an annual performance assessment of senior executives against agreed key performance indicators.

As a result of the re-listing of the Company in August 2018 and substantial changes to the structure of the Board, no formal appraisal of the Board or of the Managing Director were conducted during the year.

### ***Independent Advice***

Directors have a right of access to all Company information and executives. Directors are entitled, in fulfilling their duties and responsibilities, to seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

### **Principle 2: Structure the board to add value**

#### ***Board Composition***

During the financial year and as at the date of this report the Board was comprised of the following members:

Mr Thomas Pascarella	Non-Executive Chairman (appointed 25 October 2018);
Dr German Arango	Chief Executive Officer and Managing Director (appointed 28 August 2018);
Mr Howard Digby	Non-Executive Director (appointed Non-Executive Chairman 1 August 2018 and reverted to Non-Executive Director 25 October 2018);
Dr Douglas Lingard	Non-Executive Director (appointed 10 December 2018)
Mr Carlos Palacio	Non-Executive Director (appointed 28 August 2018);
Mr Andrew Lilley	Non-Executive Director (appointed 1 July 2017, ceased 25 October 2018); and
Mr Peter Webse	Non-Executive Director (appointed 17 November 2017, ceased 28 August 2018).

The Board comprises of only four Non-Executive Directors and one Executive Director.

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## CORPORATE GOVERNANCE STATEMENT

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Messrs Pascarella, Digby and Lingard are considered as independent as they are non-executive directors of the Company. Dr German Arango is not considered to be independent by virtue of being Managing Director and a substantial shareholder of the Company. Mr Carlos Palacio is not considered to be independent as he provides contractual services to the Company through CrossPoint Telecommunications.

ImExHS has adopted a definition of 'independence' for Directors that is consistent with the Recommendations.

### ***Board Selection Process***

The Board considers that a diverse range of skills, backgrounds, knowledge and experience is required in order to effectively govern ImExHS. The Board believes that orderly succession and renewal contributes to strong corporate governance and is achieved by careful planning and continual review.

The Board is responsible for the nomination and selection of directors. The Board reviews the size and composition of the Board regularly and at least once a year as part of the Board evaluation process.

The Board has established a Board Skills Matrix. The Board Skills Matrix includes the following areas of knowledge and expertise:

- strategic expertise;
- accounting and finance;
- legal;
- managing risk;
- managing people and achieving change;
- experience with financial markets; and
- investor relations.

### ***Induction of New Directors and Ongoing Development***

New Directors are issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work.

An induction program is in place and new Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

### ***Principle 3: Act ethically and responsibly***

The Company has implemented a Corporate Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.

All employees and Directors are expected to:

- respect the law and act in accordance with it;
- maintain high levels of professional conduct;
- respect confidentiality and not misuse Company information, assets or facilities;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to the Company's reputation as a good corporate citizen which seeks the respect of the community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

An employee that breaches the Code of Conduct may face disciplinary action including, in the cases of serious breaches, dismissal. If an employee suspects that a breach of the Code of Conduct has

## **IMEXHS LTD FINANCIAL REPORT 2018**

### **CORPORATE GOVERNANCE STATEMENT**

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occurred or will occur, he or she must report that breach to the Company Secretary, or in their absence, the Chairman. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

#### **Principle 4: Safeguard integrity in corporate reporting**

The Board as a whole fulfils to the functions normally delegated to the Audit Committee as detailed in the Audit Committee Charter.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company throughout the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board receives regular reports from management and from external auditors. It also meets with the external auditors as and when required.

The external auditors attend ImExHS's AGM and are available to answer questions from security holders relevant to the audit.

Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the lead engagement partner responsible for the audit not perform in that role for more than five years.

#### ***CEO and CFO Certifications***

The Board, before it approves the entity's financial statements for a financial period, receives from its CEO and CFO (or, if none, the persons fulfilling those functions) a declaration provided in accordance with Section 295A of the Corporations Act that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

#### **Principle 5: Make timely and balanced disclosure**

The Company has a Continuous Disclosure Policy which outlines the disclosure obligations of the Company as required under the ASX Listing Rules and Corporations Act. The policy is designed to ensure that procedures are in place so that the market is properly informed of matters which may have a material impact on the price at which Company securities are traded.

The Board considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers in its meetings. Individual Directors are required to make such a consideration when they become aware of any information in the course of their duties as a Director of the Company.

The Company is committed to ensuring all investors have equal and timely access to material information concerning the Company.

The Board has designated the Company Secretary as the person responsible for communicating with the ASX. All key announcements at the discretion of the Managing Director are to be circulated to and reviewed by all members of the Board.

The Chairman, the Board, Managing Director and the Company Secretary are responsible for ensuring that:

# IMEXHS LTD FINANCIAL REPORT 2018

## CORPORATE GOVERNANCE STATEMENT

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- a) company announcements are made in a timely manner, that announcements are factual and do not omit any material information required to be disclosed under the ASX Listing Rules and Corporations Act; and
- b) company announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

### **Principle 6: Respect the rights of security holders**

The Company recognises the value of providing current and relevant information to its shareholders. The Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, the company website, information posted or emailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to clear and understandable information about the Company; and
- making it easy for shareholders to participate in general meetings of the Company.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. These contact details are available on the "Corporate Directory" page of the Company's website.

Shareholders may elect to, and are encouraged to, receive communications from ImExHS and ImExHS's securities registry electronically. The contact details for the registry are available on the "Corporate Directory" page of the "Investor Relations" section of the Company's website.

The Company maintains information in relation to its Constitution, governance documents, Directors and senior executives, Board and committee charters, annual reports and ASX announcements on the Company's website.

### **Principle 7: Recognise and manage risk**

The Board is committed to the identification, assessment and management of risk throughout ImExHS's business activities.

The Board is responsible for the oversight of the Company's risk management and internal compliance and control framework. The Company does not have an internal audit function. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director having ultimate responsibility to the Board for the risk management and internal compliance and control framework. ImExHS has established policies for the oversight and management of material business risks.

ImExHS's Risk Management Policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value.

ImExHS believes that explicit and effective risk management is a source of insight and competitive advantage. To this end, ImExHS is committed to the ongoing development of a strategic and consistent enterprise wide risk management program, underpinned by a risk conscious culture.

ImExHS accepts that risk is a part of doing business. Therefore, the Company's Risk Management Policy is not designed to promote risk avoidance. Rather, ImExHS's approach is to create a risk conscious culture that encourages the systematic identification, management and control of risks whilst ensuring we do not enter into unnecessary risks or enter into risks unknowingly.

ImExHS assesses its risks on a residual basis; that is, it evaluates the level of risk remaining and considering all the mitigation practices and controls. Depending on the materiality of the risks, ImExHS

## IMEXHS LTD FINANCIAL REPORT 2018

### CORPORATE GOVERNANCE STATEMENT

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applies varying levels of management plans.

The Board has required management to design and implement a risk management and internal compliance and control system to manage ImExHS's material business risks. It receives regular reports on specific business areas where there may exist significant business risk or exposure. The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management Policy), which is developed and updated to help manage these risks. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks.

The Company's process of risk management and internal compliance and control includes:

- identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect those risks;
- formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and
- monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

The Board reviews the Company's risk management framework at least annually to ensure that it continues to effectively manage risk.

Management reports to the Board as to the effectiveness of ImExHS's management of its material business risks at each Board meeting.

#### **Principle 8: Remunerate fairly and responsibly**

The Board as a whole fulfils to the functions normally delegated to the Remuneration Committee as detailed in the Remuneration Committee Charter.

ImExHS is in the process of implementing a Remuneration Policy which will be designed to recognise the competitive environment within which ImExHS operates and also emphasise the requirement to attract and retain high calibre talent in order to achieve sustained improvement in ImExHS's performance. The overriding objective of the Remuneration Policy will be to ensure that an individual's remuneration package accurately reflects their experience, level of responsibility, individual performance and the performance of ImExHS.

The key principles will be to:

- review and approve the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- ensure that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- fairly and responsibly reward executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
- remunerate fairly and competitively in order to attract and retain top talent;
- recognise capabilities and promote opportunities for career and professional development; and
- review and approve equity based plans and other incentive schemes to foster a partnership between employees and other security holders.

The Board determines the Company's remuneration policies and practices and assesses the necessary and desirable competencies of Board members. The Board is responsible for evaluating Board performance, reviewing Board and management succession plans and determines remuneration packages for the Managing Director, Non-Executive Directors and senior management based on an annual review process.

ImExHS's executive remuneration policies and structures and details of remuneration paid to directors and key management personnel (where applicable) are set out in the Remuneration Report.

## **IMEXHS LTD FINANCIAL REPORT 2018**

### **CORPORATE GOVERNANCE STATEMENT**

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Non-Executive Directors receive fees (including statutory superannuation where applicable) for their services, the reimbursement of reasonable expenses and, in certain circumstances options.

The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is \$250,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

Executive directors and other senior executives (where appointed) are remunerated using combinations of fixed and performance based remuneration. Fees and salaries are set at levels reflecting market rates and performance based remuneration is linked directly to specific performance targets that are aligned to both short and long term objectives.

The Company prohibits Directors and employees from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

Further details in relation to the company's remuneration policies are contained in the Remuneration Report, within the Directors' report.

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

As lead auditor of ImExHS Limited for the year ended 31 December 2018, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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



Dean Just  
Director

BDO Audit (WA) Pty Ltd  
Perth, 21 March 2019

# IMEXHS LTD FINANCIAL REPORT 2018

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

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 Restated * \$
Sales Revenue	4	5,779,851	3,545,849
Cost of Sales		(3,401,426)	(2,652,880)
Gross Profit		2,378,425	892,969
Administration and Distribution Expenses	5	(3,023,002)	(1,555,647)
Interest and other revenue		307,129	24,809
Interest, foreign exchange and other expenses		(528,129)	(184,128)
Listing and Share Based Payment Expenses	6	(3,929,770)	-
<b>Profit / (Loss) from ordinary activities before income tax</b>		(4,795,347)	(821,997)
Income tax benefit / (expense)	28	(91,818)	(77,511)
<b>Profit/(Loss) from ordinary activities after income tax</b>		(4,887,165)	(899,508)
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit and loss</b>			
Foreign currency translation of international subsidiaries		42,160	(57,552)
<b>Total items that may be reclassified to profit and loss</b>		42,160	(57,552)
<b>Other Comprehensive Profit / (Loss) for the year</b>		42,160	(57,552)
<b>Total comprehensive profit/(loss) for the period attributable to the members of ImExHS Limited</b>		(4,845,005)	(957,060)
Basic earnings/(loss) per share (cents per share)	21	(0.007)	(0.002)
Diluted earnings/(loss) per share (cents per share)	21	(0.007)	(0.002)

\* Refer note 30 for details about restatements for changes in accounting policies

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



# IMEXHS LTD FINANCIAL REPORT 2018

## CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2018

	Note	2018 \$	2017 Restated * \$	1 January 2017 Restated * \$
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	7	2,445,329	4,593	18,700
Trade and other receivables	8	3,880,759	2,598,144	1,761,386
Inventories	9	811,310	297,174	516,295
<b>Total Current Assets</b>		<b>7,137,398</b>	<b>2,899,911</b>	<b>2,296,381</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	10	1,591,111	446,491	538,417
Intangibles	11	527,368	302,729	113,756
<b>Total Non-Current Assets</b>		<b>2,118,479</b>	<b>749,220</b>	<b>652,173</b>
<b>TOTAL ASSETS</b>		<b>9,255,877</b>	<b>3,649,131</b>	<b>2,948,554</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Financial Liabilities	12	188,491	457,387	534,828
Trade and other payables	13	1,897,472	594,416	511,786
Provisions	14	419,152	220,152	115,747
Other	15	817,744	1,727,868	760,868
<b>Total Current Liabilities</b>		<b>3,322,859</b>	<b>2,999,823</b>	<b>1,923,229</b>
<b>Non-Current Liabilities</b>				
Deferred Tax Liabilities	28	82,223	12,342	27,404
<b>Total Non-Current Liabilities</b>		<b>82,223</b>	<b>12,342</b>	<b>27,404</b>
<b>TOTAL LIABILITIES</b>		<b>3,405,082</b>	<b>3,012,165</b>	<b>1,950,633</b>
<b>NET ASSETS</b>		<b>5,850,795</b>	<b>636,966</b>	<b>997,921</b>
<b>EQUITY</b>				
Issued capital	16	10,553,259	1,559,756	963,651
Share-based payments reserve	17	1,208,718	-	-
Foreign Currency Translation Reserve		(15,392)	(57,552)	-
Retained profits / (accumulated losses)	18	(5,895,790)	(865,238)	34,270
<b>TOTAL EQUITY</b>		<b>5,850,795</b>	<b>636,966</b>	<b>997,921</b>

\* Refer note 30 for details about restatements for changes in accounting policies

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

# IMEXHS LTD FINANCIAL REPORT 2018

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
		\$	\$	\$	\$	\$
<b>Balance at 1 January 2017</b>		963,651	-	-	328,026	1,291,677
Change in accounting policy – AASB 15*	30	-	-	-	(293,756)	(293,756)
<b>Restated total equity at the beginning of the financial year</b>		963,651	-	-	34,270	997,921
Result for the year (restated*)		-	-	-	(899,508)	(899,508)
Other comprehensive income for the year		-	-	(57,552)	-	(57,552)
Total comprehensive loss for the year		-	-	(57,552)	(899,508)	(957,060)
<b>Transactions with owners in their capacity as owners:</b>						
Issue of Ordinary Shares, net of transaction costs	16	596,105	-	-	-	596,105
<b>Balance as 31 December 2017 (restated)</b>		1,559,756	-	(57,552)	(865,238)	636,966

	Note	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
		\$	\$	\$	\$	\$
<b>Balance at 1 January 2018 (restated)</b>		1,559,756	-	(57,552)	(865,238)	636,966
Change in accounting policy – AASB 9*	30	-	-	-	(143,385)	(143,385)
<b>Restated total equity at the beginning of the financial year</b>		1,559,756	-	(57,552)	(1,008,623)	493,581
Result for the year		-	-	-	(4,887,165)	(4,887,165)
Other comprehensive income for the year		-	-	42,160	-	42,160
Total comprehensive loss for the year		-	-	42,160	(4,887,165)	(4,845,005)
<b>Transactions with owners in their capacity as owners:</b>						
Issue of Ordinary Shares, net of transaction costs	16	8,993,503	-	-	-	8,993,503
Shares & Options issued	17	-	1,208,718	-	-	1,208,718
<b>Balance as 31 December 2018</b>		10,553,259	1,208,718	(15,392)	(5,895,790)	5,850,795

\* Refer note 30 for details about restatements for changes in accounting policies

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

# IMEXHS LTD FINANCIAL REPORT 2018

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) for the year		(4,887,166)	(899,508)
Adjustments for:			
Depreciation and Amortisation		306,711	244,166
Impairment in receivables		81,340	17,274
Impairment in inventories		38,077	37,352
Net (gain)/loss on sale of non-current assets		-	29,274
Equity settled transactions		3,929,770	-
Movement in trade and other receivables		(1,142,569)	(854,031)
Movement in inventories		(552,213)	181,770
Movement in trade and other payables		924,800	82,630
Movement in other provisions		199,001	104,405
Movement in other liabilities		(936,998)	961,869
Movement in deferred tax liabilities		69,881	(15,063)
<b>Net cash flow from operating activities</b>		<b>(1,969,366)</b>	<b>(109,862)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash acquired from acquisitions		347,484	-
Purchase of property, plant & equipment		(1,318,182)	(53,287)
Movement in intangible assets		(352,299)	(317,200)
<b>Net cash outflows from investing activities</b>		<b>(1,322,997)</b>	<b>(370,487)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		5,500,000	601,236
Proceeds from issue of options		925	-
Equity Settled convertible notes		500,000	-
Movement in financial liabilities		(310,662)	(77,441)
<b>Net cash inflows from financing activities</b>		<b>5,690,263</b>	<b>523,795</b>
Net increase/(decrease) in cash and cash equivalents		2,397,900	(4,003)
Cash and cash equivalents at beginning of year		4,593	18,700
Foreign exchange differences		42,836	(57,553)
<b>NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>7</b>	<b>2,445,329</b>	<b>4,593</b>

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

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 REPORTING ENTITY

ImExHS Limited (“Company”) is a listed public company incorporated and domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the “consolidated entity” or “Group”).

The consolidated financial statements were authorised by the Board of Directors on the date of signing of the Directors’ Declaration.

### 2 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’).

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

#### Historical Cost Convention

These financial statements have been prepared under the historical cost convention.

#### Significant Judgements and Key Assumptions

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

#### *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.

#### *Reverse Acquisition*

The value of the share based payment in the reverse acquisition is based on the notional amount of shares that ImExHS Limited would need to issue to acquire the majority interest of ImExHS Limited’s shares that the shareholders did not own after the acquisition, multiplied by the fair value of the ImExHS Limited shares. The deemed fair value of ImExHS Limited shares is the exchange ratio applied to the share price of the listed entity (ImExHS Limited) at acquisition date.

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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### *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.

### *Revenue Recognition*

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when performance obligations are met. Where there is a warranty provided with contracts, that warranty obligation is deferred and is recognised as a provision with the amount recognised as a straight-line over the time that the warranty has been provided. This is generally 12 months. The amount of the warranty has been estimated by the Group as comprising 10-12% of the associated contract revenue.

The Group has determined that no significant financing component exists in respect of its business due to there being no significant time delay between the performance obligation being discharged and the receipt of payment.

### Going Concern

For the year ended 31 December 2018, the Group generated a consolidated loss of \$4,887,165 (2017: loss of \$899,508) and incurred operating cash outflows of \$1,969,366 (2017: outflows of \$109,862). As at 31 December 2018, the Group had cash and cash equivalents of \$2,445,329 (2017: \$4,593), a surplus of net current assets of \$3,814,539 (2017: deficit \$99,912) and surplus of net assets of \$5,850,795 (2017: \$636,966).

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.

### Reverse Acquisitions

On 28 August 2018, ImExHS Limited (formerly Omni Market Tide Ltd) completed the acquisition of Imaging Experts and Healthcare Services Pty Ltd, an Australian-based company. This company, in turn, had previously acquired Imaging Experts and Healthcare Services S.A.S., a Colombian-based company, on 20 April 2018. Under Australian Accounting Standards, Imaging Experts and Healthcare Services S.A.S. was deemed to be the accounting acquirer in both transactions. The acquisitions have been accounted for as share based payments by which Imaging Experts and Healthcare Services S.A.S. acquired the net assets of those entities and the listing status of ImExHS Limited.

Accordingly, the consolidated financial statements of ImExHS Limited have been prepared as a continuation of the business and operations of Imaging Experts and Healthcare Services S.A.S. As the deemed acquirer, Imaging Experts and Healthcare Services S.A.S. has accounted for the acquisition of Imaging Experts and Healthcare Services Pty Ltd from 20 April 2018 and has accounted for the acquisition of ImExHS Limited from 28 August 2018. The comparative information for the year ended 31 December 2017 is that of Imaging Experts and Healthcare Services S.A.S.

The implications of the acquisition by Imaging Experts and Healthcare Services S.A.S. on the financial statements are as follows:

- (i) *Statement of Profit or Loss and Other Comprehensive Income*
- The statement of profit or loss and other comprehensive income comprises the total comprehensive income for the 12 months ended 31 December 2018 for Imaging Experts and Healthcare Services

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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S.A.S. and its wholly owned subsidiaries; for the period 20 April 2018 to 31 December 2018 for Imaging Experts and Healthcare Services Pty Ltd; and for the period 28 August 2018 to 31 December 2018 for ImExHS Limited and its wholly owned subsidiary OMT Operations (AU) Pty Ltd.

- The statement of profit or loss and other comprehensive income for the year ended 31 December 2017 comprises the results of Imaging Experts and Healthcare Services S.A.S. and its wholly owned subsidiaries only.

### (ii) *Statement of Financial Position*

- The statement of financial position as at 31 December 2018 represents the combination of Imaging Experts and Healthcare Services S.A.S. and its wholly owned subsidiaries with Imaging Experts and Healthcare Services Pty Ltd and with ImExHS Limited.
- The statement of financial position comparative only represents Imaging Experts and Healthcare Services S.A.S. and its wholly owned subsidiaries as at 31 December 2017.

### (iii) *Statement of Changes in Equity*

- The Statement of Changes in Equity comprises:
  - i. The equity balance of Imaging Experts and Healthcare Services S.A.S. at the beginning of the financial year (1 January 2018).
  - ii. The total comprehensive income for the financial year and transactions with equity holders, being 12 months for Imaging Experts and Healthcare Services S.A.S. and its wholly owned subsidiaries for the year ended 31 December 2018; for the period 20 April 2018 to 31 December 2018 for Imaging Experts and Healthcare Services Pty Ltd; and for the period 28 August 2018 to 31 December 2018 for ImExHS Limited.
  - iii. The equity balance of the combined Imaging Experts and Healthcare Services S.A.S. and its wholly owned subsidiaries, Imaging Experts and Healthcare Services Pty Ltd and ImExHS Limited.
- The Statement of Changes in Equity comparatives comprise the fully financial year for Imaging Experts and Healthcare Services S.A.S. and its wholly owned subsidiaries for the 12 months ended 31 December 2017.

### (iv) *Statement of Cash Flows*

- The Statement of Cash Flows comprises:
  - i. The cash balance of Imaging Experts and Healthcare Services S.A.S. and its wholly owned subsidiaries at the beginning of the financial year (1 January 2018).
  - ii. The transactions for the financial year for Imaging Experts and Healthcare Services S.A.S. and its wholly owned subsidiaries for the 12 months ended 31 December 2018; for Imaging Experts and Healthcare Services Pty Ltd from 20 April 2018 to 31 December 2018; and for ImExHS Limited from 28 August 2018 to 31 December 2018.
- The Statement of Cash Flows comparative comprises the fully financial year of Imaging Experts and Healthcare Services S.A.S. and its wholly owned subsidiaries for the year ended 31 December 2017.

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

(v) *Equity Structure*

- The equity structure (the number and type of equity instruments issued) in the financial statements reflects the consolidated equity structure of Imaging Experts and Healthcare Services S.A.S. and its wholly owned subsidiaries; for Imaging Experts and Healthcare Services Pty Ltd; and for ImExHS Limited and its wholly owned subsidiary.
- The comparative reflects the equity structure of Imaging Experts and Healthcare Services S.A.S.

(vi) *Earnings Per Share*

- The weighted average number of shares outstanding for the year ended 31 December 2018 is based on the weighted average number of shares in ImExHS Limited outstanding in the period following the acquisition.
- The comparative weighted average number of shares is based on the legal subsidiary's (Imaging Experts and Healthcare Services S.A.S.) weighted average shares multiplied by the exchange ratio.

(vii) *Deemed Consideration and Listing Expense*

- The purchase consideration was the issue of shares and options in ImExHS Limited (legal parent) was deemed to be \$3,766,429 based on the following:

Ordinary Shares	150,657,180
Share price based on capital raising	\$0.025
Deemed consideration	<u>\$3,766,429</u>

- The purchase consideration was settled via shares and options as follows:

Instrument	Number	Value \$
Ordinary Shares	520,000,000	3,316,429
Class A Options	50,000,000	450,000
Class B Options	50,000,000	-
Class C Options	50,000,000	-
		<u>\$3,766,429</u>

- The transaction created a one-off non-cash expense arising from the treatment of the acquisition of ImExHS Limited in accordance with Australian Accounting Standards:

Deemed consideration	\$3,766,429
Less: net assets of ImExHS Limited at time of acquisition	<u>(\$699,239)</u>
Listing Expense	<u>\$3,067,190</u>

### 3 SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) *Basis of Consolidation*

The consolidated financial statements comprise the financial statements of ImExHS Limited and its subsidiaries (the Group) as at 31 December 2018 or for any time during the year.

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Subsidiaries are all entities (including structured 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 deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

### *(b) Revenue Recognition*

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 revenue is recognised using the effective interest method. It includes the amortisation of any discount or premium. The revenue is recognised over the time the interest is earned.

### *(c) Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### *(d) Impairment of Assets*

At each reporting date, the Group determines whether there is any indication that assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the original amount. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income.

### *(e) Income Tax*

Income tax expense comprises current and deferred tax. Income tax expense is recognised in Consolidated Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.



# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither account nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

ImExHS Limited and its wholly-owned Australian subsidiaries have not formed an income tax consolidated group under the tax consolidation regime.

### *(f) Cash and Cash Equivalents*

Cash and cash equivalents include cash on hand and deposits held at call with banks.

### *(g) Financial Instruments*

#### *Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

#### *Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

#### *Impairment*

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. Any impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

### *(h) Comparative Figures*

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### *(i) Critical Accounting Estimates and Judgments*

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

### *(j) Financial Risk Management Objectives and Policies*

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits.

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group financial instruments are interest rate risk and foreign currency risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified, including the setting of limits for credit allowances and future cash flow forecast projections.

### *(k) Segment Reporting*

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker ("CODM"), which has been identified by the Group as the Managing Director and other members of the Board of directors.

### *(l) Employee Entitlements*

The Group's liability for employee entitlements arising from services rendered by employees to reporting date is recognised in provisions. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled within one year, have been measured at their nominal amount and include related on-costs.

### *(m) Earnings Per Share*

#### *(i) Basic Earnings Per Share*

Basic earnings per share is determined by dividing the net loss attributable to the equity holder of the Group after income tax by the weighted average number of ordinary shares outstanding during the financial year.

#### *(ii) Diluted Earnings Per Share*

Diluted earnings per share adjusts the figures used in determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the year.

### *(n) Trade and Other Receivables*

Receivables are initially recognised at the amount of consideration due from customers that is unconditional and subsequently measured at amortised cost. The Group will apply the simplified impairment methodology provided by AASB 9.

Current receivables are generally due for settlement within 30-90 days. Cash on deposit is not due for settlement until rights of tenure are forfeited or performance obligations are met.

### *(o) Trade and Other Payables*

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30-90 days of recognition.

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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### *(p) Contributed Equity*

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

### *(q) Contingent Liabilities*

A contingent loss is recognised as an expense and a liability if it is probable that future events will confirm that after taking into account any related probable recovery, an asset has been impaired or a liability incurred and, a reasonable estimate of the amount of the resulting loss can be made.

### *(r) Issued Capital*

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

### *(s) Research and Development*

The Group expenses all research costs as incurred. The amounts incurred in respect of development costs are only recognised as a development asset when there is a high probability that the Group will have the ability to generate sales with respect to that asset.

Following initial recognition of development expenditure as a development asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Consideration of amortisation of the asset begins when development is complete and the asset is available for use. Currently development has not yet been finalised. Amortisation is recorded in other expenses. During the period of development, the asset is tested for impairment annually.

### *(t) Share-Based Payment Arrangements*

Goods or services received or acquired in share-based payment transactions are recognised as an increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted using a 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.

Transactions with employees and others providing similar services are measured by reference to the fair value at grant date of the equity instrument granted using a Black-Scholes option pricing model.

### *(u) Property, Plant and Equipment*

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

The depreciable amount of all fixed assets is depreciated on a straight-line basis or diminishing value (whichever is more appropriate) over their useful lives to the entity commencing from the time the asset is held ready for use.

The effective lives used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Effective Life</u>
Furniture and Fittings	5-10 years
Computer Equipment	3-5 years
Medical Equipment	5-10 years

### *(v) Inventories*

Inventories are assets held for sale in the normal course of operations. The inventories of the Group related to goods not manufactured by the Group, and are measured at the lower of cost and net realisable value, with the majority being valued on a weighted average basis.

### *(w) Intangible Assets*

The intangible assets of related to licensing of software and copyright, which are stated at cost less accumulated amortisation and accumulated impairment losses. These intangible assets are generally amortized on a straight line over the estimated life of 5 -10 years.

### *(x) Leases*

Leases are classified as financial when the lease terms substantially transfer to tenants all the risks and rewards inherent in ownership of the property. All other leases are classified as operating.

#### As lessor

The rental income under operating leases is recognized using the straight-line method over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the asset leased and recognized on a straight-line basis over the term of the lease.

#### As lessee

Leased assets classified as finance leases are recognised as assets. The amount initially brought to account is the present value of the minimum lease payments. Finance leased assets are amortised on a diminishing value basis over the estimated useful life of the assets.

Finance lease payments are allocated between interest expense and reduction of lease liability over the term of the lease. The interest rate is determined by applying the interest rate implicit in the lease to the outstanding lease liability at the beginning of each lease payment period.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the period of the lease.

### *(y) Foreign currency transactions and balances*

#### Functional and presentation currency

The functional currency of each entity within the Group is measured using the currency of the primary economic environment in which that entity operates.

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised in other comprehensive income to the extent that the underlying gain or loss is recognised as other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

#### 4 REVENUES

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Medical Equipment and Licences	2,337,571	1,091,108
Leasing equipment and software and services	2,611,973	2,273,309
Sale of inputs	756,197	91,819
Service and maintenance of equipment and software	180,716	96,730
Returns and discounts given	(106,606)	(7,117)
	<hr/> 5,779,851	<hr/> 3,545,849
<b>Timing of revenue recognition:</b>		
Over time	2,797,682	2,359,732
At a point in time	2,982,169	1,186,117
	<hr/> 5,779,851	<hr/> 3,545,849

The Group derived revenue from the one geographical region, Latin America.

Revenue recognised in the year ended 31 December 2018 that was included in contract liabilities as at 1 January 2018 is \$1,179,158.

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### 5 ADMINISTRATION AND DISTRIBUTION EXPENSES

	2018	2017
	\$	\$
Employee and Director Benefit Expenses	1,160,255	592,173
Fees	260,613	106,219
Taxes	83,181	72,872
Leases	117,822	93,795
Insurance	23,223	15,042
Services & Utilities	433,466	57,016
Legal	57,304	3,698
Maintenance	16,564	16,962
Travel	189,158	125,635
Depreciation and Amortisation	306,711	244,166
Provisions	37,776	38,889
Impairment losses on contract assets	75,344	18,761
Loss on Sale of Fixed Assets	-	29,429
Other	261,585	140,990
	<u>3,023,002</u>	<u>1,555,647</u>

### 6 LISTING AND SHARE BASED PAYMENT EXPENSES

	2018	2017
	\$	\$
Share based payment expense on acquisition of Imaging Experts and Healthcare Services Pty Ltd	345,606	-
Share based payment expense on issue of Director shares	250,000	-
Share based payment expense on issue of Director options	4,599	-
Listing expense on reverse acquisition of ImExHS Limited (Note 2)	3,067,190	-
Issue of options pursuant to convertible notes	137,375	-
Finance cost of convertible notes	125,000	-
	<u>3,929,770</u>	<u>-</u>

### 7 CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Cash at bank and on hand	53,805	4,260
Savings and Investments	2,391,524	333
	<u>2,445,329</u>	<u>4,593</u>

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### 8 TRADE AND OTHER RECEIVABLES

	2018	2017
	\$	\$
<b>Current</b>		
Trade receivables	3,362,828	2,381,934
Prepayments	61,964	4,268
Indirect tax receivables	446,435	193,024
Other	9,532	18,918
	<u>3,880,759</u>	<u>2,598,144</u>

Trade receivables are non-interest bearing.

Information about the impairment of trade and other receivables, their credit quality and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 25.

### 9 INVENTORIES

	2018	2017
	\$	\$
Merchandise not manufactured by the Group	840,220	305,224
Materials and spare parts	46,518	29,302
Impairment in inventories	(75,428)	(37,352)
	<u>811,310</u>	<u>297,174</u>

#### Amounts recognised in profit or loss

Inventories recognised as an expense during the year ended 31 December 2018 amounted to \$2,061,522 (2017: \$2,032,731). These were included in cost of sales.

Write-downs of inventories to net realisable value amounted to \$38,076 (2017: \$37,352). These were included in Other administration and distribution expenses – provisions.

### 10 PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Furniture and Fitting – at cost	27,459	12,174
Less: Accumulated depreciation	(10,371)	(7,826)
	<u>17,088</u>	<u>4,348</u>
Computer equipment – at cost	945,182	213,789
Less: Accumulated depreciation	(151,908)	(58,362)
	<u>793,274</u>	<u>155,427</u>
Medical Equipment – at cost	986,106	400,546
Less: Accumulated depreciation	(205,357)	(113,830)
	<u>780,749</u>	<u>286,716</u>
	<u>1,591,111</u>	<u>446,491</u>

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### Reconciliations

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

	Furniture and Fittings \$	Computer Equipment \$	Medical Equipment \$	Total \$
Balance at 1 January 2017	7,927	21,484	509,005	538,416
Additions	-	156,613	-	156,613
Disposals	(945)	(4,138)	(99,310)	(104,393)
Depreciation expense	(2,111)	(16,980)	(88,354)	(107,445)
Exchange differences	(523)	(1,552)	(34,625)	(36,700)
Balance at 31 December 2017	4,348	155,427	286,716	446,491
Additions	15,089	718,176	606,839	1,340,104
Disposals	-	(1,622)	(27,737)	(29,359)
Depreciation expense	(2,488)	(83,735)	(92,828)	(179,051)
Exchange differences	139	5,028	7,759	12,926
Balance at 31 December 2018	17,088	793,274	780,749	1,591,111

### 11 INTANGIBLES

	2018 \$	2017 \$
Copyright – at cost	27,908	27,465
Less: Accumulated amortisation	(14,372)	(10,299)
	13,355	17,166
Licences – at cost	818,739	444,879
Less: Accumulated amortisation	(304,906)	(159,316)
	513,833	285,563
	527,368	302,729

### Reconciliations

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

	Copyright \$	Licences \$	Total \$
Balance at 1 January 2017	29,604	84,152	113,756
Additions	-	302,070	302,070
Disposals	-	-	-
Amortisation expense	(10,375)	(95,271)	(105,646)
Exchange differences	(2,063)	(5,388)	(7,451)
Balance at 31 December 2017	17,166	285,563	302,729
Additions	-	325,423	325,423
Disposals	-	-	-
Amortisation expense	(4,720)	(122,939)	(127,659)
Exchange differences	1,089	25,786	26,875
Balance at 31 December 2018	13,535	513,833	527,368



# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### 12 FINANCIAL LIABILITIES

	2018	2017
	\$	\$
<b>Current:</b>		
Overdraft	-	4,344
Credit Cards	8,716	9,167
Loans (refer below for additional information)	179,775	443,876
	<u>188,491</u>	<u>457,387</u>

Due to their short-term nature, the carrying amount of financial liabilities are assumed to be the same as their fair values.

Details of loans are included below:	Rate %	Term	2018 \$	2017 \$
<u>Unsecured</u>				
Revolving credit Banco Davivienda	15.7%	Ends 18/7/19	10,700	100,497
Revolving credit Banco Colpatría	18.0%	Ends 11/2/21	120,866	146,272
Banco Procredit			-	150,676
Banco Colpatría			-	8,982
Banco Davivienda	14.7%	Ends 10/5/19	6,444	18,733
Banco Davivienda			-	13,498
Banco Pichincha-Poliza Todo Riesgo			-	5,218
Other	21.9%	Ends 30/4/19	41,765	-
Total unsecured loans			<u>179,775</u>	<u>443,876</u>
Total loans			<u>179,775</u>	<u>443,876</u>

### 13 TRADE AND OTHER PAYABLES

	2018	2017
	\$	\$
Trade payables	1,897,472	594,416
	<u>1,897,472</u>	<u>594,416</u>

Due to their short-term nature, the carrying amount of trade payables are assumed to be the same as their fair values.

### 14 PROVISIONS

	2018	2017
	\$	\$
Employee benefits	419,152	220,152
	<u>419,152</u>	<u>220,152</u>

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### 15 OTHER CURRENT LIABILITIES

	2018	2017
	\$	\$
Income Taxes	22,151	113,675
Indirect Taxes	445,532	353,378
Other	258,581	81,656
Contract liabilities relating to contracts with customers	91,480	1,179,159
	<u>817,744</u>	<u>1,727,868</u>

### 16 ISSUED CAPITAL

	2018	2017	2018	2017
	Shares	Shares	\$	\$
Ordinary shares – fully paid	<u>925,657,186</u>	<u>8,178</u>	<u>10,553,259</u>	<u>1,559,756</u>

#### *Movements in ordinary share capital*

	Date	No of shares	\$
Balance	1 Jan 2017	8,178	1,559,756
Balance	31 Dec 2017	8,178	1,559,756
Elimination of Imaging Experts and Healthcare Services SAS shares on acquisition of ImExHS Limited	28 Aug 2018	(8,178)	-
Existing shares in ImExHS Limited	28 Aug 2018	150,657,180	-
Issue of Shares pursuant to the Acquisition (Note 2)	28 Aug 2018	520,000,000	3,316,430
Issue of Shares pursuant to the Public Offer	28 Aug 2018	220,000,000	5,500,000
Issue of Shares pursuant to Convertible Note Offer	28 Aug 2018	25,000,000	625,000
Issue of Director Shares in lieu of fees	28 Aug 2018	10,000,000	250,000
Cost of share issue	28 Aug 2018	-	(427,927)
Issue of Lead Advisor Options	28 Aug 2018	-	(270,000)
Issue of Shares on Expiry of Class A Performance Shares	31 Dec 2018	6	-
Balance	31 Dec 2018	<u>925,657,186</u>	<u>10,553,259</u>

In addition to the above, the following Performance Shares and Options have been issued in ImExHS Limited:

750,000 unquoted Class A Performance Shares: These are convertible to ordinary shares as the Group exceeds varying audited revenue thresholds (detailed below). Given the Group's long-term growth is largely determined by commercialisation of the Group's stakeholder engagement platform and associated technologies, the Class A Performance Shares are subject to performance hurdles measured against audited revenue of the business. The quantum of distribution of the Class A Performance Shares on issue is detailed in the table below.

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Class and Performance Hurdles	1 January 2018	Expired 31 December 2018	Outstanding 31 December 2018	Notes
The audited revenue of GRT App during any financial year being equal to or greater than \$3,000,000.	750,000	(750,000)	-	
The audited revenue of GRT App during any financial year being equal to or greater than \$4,000,000.	750,000	(750,000)	-	Converted to 6 Ordinary Shares
The audited revenue of GRT App during any financial year being equal to or greater than \$6,000,000.	750,000	(750,000)	-	
The audited revenue of GRT App during any financial year being equal to or greater than \$8,000,000.	750,000	-	750,000	Must be converted on or before 22 July 2020
<b>Total Class A Performance Shares</b>	<b>3,000,000</b>	<b>(2,250,000)</b>	<b>750,000</b>	

There were no performance shares converted or redeemed during the period and no performance milestones were met.

### Capital Management

When managing capital, the Board's objective is to ensure the Group continues as a going concern as well as to maximise the returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Group was not subject to any externally imposed capital requirements during the year.

### 17 SHARE BASED PAYMENTS RESERVE

	Consolidated 2018	Consolidated 2017
	\$	\$
Amounts paid on issue of options	1,013	-
Option valuation reserve	1,207,705	-
	<b>1,208,718</b>	<b>-</b>

Pursuant to the acquisition of Imaging Experts and Healthcare Services Pty Ltd and the related capital raising on 28 August 2018, ImExHS Limited issued a total of 192,500,000 options to certain original shareholders of Imaging Experts and Healthcare Services Pty Ltd, original convertible noteholders of Imaging Experts and Healthcare Services Pty Ltd and advisers.

In addition, ImExHS Limited issued 6,000,000 options to incoming non-executive directors of ImExHS Limited in October and December 2018.

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Year ended 31 December 2018	
	No. of Options	\$
Shares & Options issued to pursuant to acquisition of Imaging Experts and Healthcare Services Pty Ltd in April 2018 (Note 6)	-	345,606
Options issued pursuant to acquisition agreement in August 2018 (Note 2)	150,000,000	450,000
Options issued pursuant to convertible note agreement in August 2018	12,500,000	137,500
Options issued to Lead Adviser pursuant to Placement in August 2018	30,000,000	270,000
Options issued pursuant to Director remuneration in October 2018	4,000,000	4,038
Options issued pursuant to Director remuneration in December 2018	2,000,000	561
<b>Total Issued</b>	<b>198,500,000</b>	<b>1,207,705</b>

At the date of this report, the unissued ordinary shares of ImExHS Limited under option are unlisted and are as follows:

Type	Grant date	Date of expiry	Exercise price	Number under option	Valuation	Note
Options	7/7/2017	31/3/2021	\$0.025	35,000,000	233,480	
Class A Options*	28/8/2018	30/6/2021	\$0.05	50,000,000	450,000	
Class B Options*	28/8/2018	28/8/2023	\$0.0375	50,000,000	-	(a)
Class C Options*	28/8/2018	28/8/2023	\$0.0375	50,000,000	-	(b)
New Options*	28/8/2018	30/6/2021	\$0.0375	12,500,000	137,500	
Advisor Options*	28/8/2018	30/6/2021	\$0.05	30,000,000	270,000	
Director Options	25/10/2018	25/10/2023	\$0.07	4,000,000	60,000	(c)
Director Options	9/12/2018	9/12/2023	\$0.053	2,000,000	26,500	(d)
<b>Total</b>				<b>233,500,000</b>		

\* Subject to escrow

- (a) Options issued in consideration for Imaging Experts and Healthcare Services Pty Ltd, subject to the vesting condition of the Group exceeding \$5,000,000 EBIT in any rolling four quarter period.
- (b) Options issued in consideration for Imaging Experts and Healthcare Services Pty Ltd, subject to the vesting condition of the Group exceeding \$7,500,000 EBIT in any rolling four quarter period.
- (c) Options issued as remuneration to Mr Tom Pascarella, subject to vesting conditions.
- (d) Options issued as remuneration to Dr Doug Lingard, subject to vesting conditions.

The value of the share-based payments issued in 2018 was measured at the fair value of the equity instruments issued using the Black-Scholes pricing model applying the relevant expiry date, exercise price, a spot price of \$0.025 (the issue price at the date of the transaction), a raw risk free rate of 2.09% and a volatility of between 80%-100%

The weighted average remaining contractual life of options outstanding at the end of the period was 3.39 years.

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### 18 RETAINED PROFITS / ACCUMULATED LOSSES

	Consolidated 2018	Consolidated Restated * 2017
	\$	\$
Balance at the beginning of the financial year (restated)	(865,238)	328,026
Change in accounting policy (Note 30)	(143,385)	(293,756)
Net loss attributable to members	(4,887,165)	(899,508)
Balance at the end of the financial year	<b>(5,895,790)</b>	<b>(865,238)</b>

\* Refer note 30 for details about restatements for changes in accounting policies

### 19 RELATED PARTY TRANSACTIONS

#### (a) Compensation

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

	2018	2017
	\$	\$
Short-term employee benefits	534,944	236,011
Long-term employee benefits	-	-
Post-employment benefits	2,491	-
Share-based payments	254,599	-
	<b>792,034</b>	<b>236,011</b>

#### (b) Other Key Management Personnel Disclosures

Transactions with related parties were all made on normal commercial terms.

The group sold goods and services from entities that are controlled by members of the group's Key Management Personnel (KMP):

Entity	Nature of transactions	KMP	Note	Income		Amounts Outstanding	
				2018	2017	2018	2017
				\$	\$	\$	\$
UT Imágenes Diagnosticas La Misericordia	Sales Revenue	G Arango	(a)	57,106	62,854	109,690	120,979
RIMAB SAS	Sales Revenue	G Arango	(b)	672,564	480,023	435,292	98,071
Datamedic SAS	Sales Revenue	A Vanegas		659,718	-	698,098	-

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

Entity	Nature of transactions	KMP	Note	Expenses		Amounts Outstanding	
				2018	2017	2018	2017
				\$	\$	\$	\$
RIMAB SAS	Cost of Sales	G Arango	(b)	489,598	359,248	17,751	865
German Arango	Joint Venture Payments	G Arango	(c)	108,891	129,371	44,949	-
Jorge Marin	Joint Venture Payments	J Marin	(d)	189,042	653,738	171,835	-
CrossPoint Telecommunications	Office Space & IT Services	C Palacio	(e)	8,917	-	1,165	-

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

- (a) Dr Arango is a minority shareholder of UT Imágenes Diagnosticas La Misericordia.
- (b) The Group has an agreement with RIMAB S.A.S., an entity owned 100% by Dr Arango, whereby ImExHS receives 95% of the revenues of its PaaS and SaaS contracts with Hospital Isaias Duarte and Clinica Nueva and is responsible for 95% of the expenses incurred in providing those services.
- (c) Chief Executive Director, Dr German Arango has provided equipment to Imaging Experts and Healthcare Services S.A.S. in return for payments from a joint venture 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.
- (d) Chief Medical Officer, Dr Jorge Marin has provided equipment to Imaging Experts and Healthcare Services S.A.S. in return for payments from a joint venture 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.
- (e) CrossPoint Telecommunications is also a non-exclusive distributor in Australia of ImExHS's Hiruko product. No fees have been received or receivable from ImExHS under this distribution agreement to date.

The company had the following loans from KMP:

	Balance at start of year \$	Interest paid and payable \$	Net payments \$	Balance at end of the year \$
G Arango	161,052	19,899	(180,951)	-
J Marin	-	-	14,901	14,901

### 20 AUDITOR'S REMUNERATION

	2018 \$	2017 \$
Paid and payable remuneration of the auditor of the parent entity for:		
BDO Audit (WA) Ltd		
Auditing and review of financial reports	25,500	26,900
Prepare tax returns	6,255	4,080
Prepare Investigating Accountants Report & Corporate Advisory Services	27,000	7,093
	<u>58,755</u>	<u>38,073</u>
Paid and payable remuneration of the audit of Imaging Experts and Healthcare Services S.A.S. for:		
Auditing and review of financial reports	<u>23,223</u>	-

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### 21 EARNINGS PER SHARE

Earnings used in calculating earnings per share	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Net Profit/(Loss) after income tax	(4,887,165)	(899,508)
Net Profit/(Loss) after income tax attributable to the owners of ImExHS Limited	(4,845,005)	(957,060)
Basic earnings/(loss) per share attributable to equity holders (cents per share)	(0.007)	(0.002)
Diluted earnings/(loss) per share attributable to equity holders (cents per share)	(0.007)	(0.002)
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	658,923,692	520,000,000
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	<u>658,923,692</u>	<u>520,000,000</u>

Options outstanding during the year have not been taken into account in the calculation of the weighted average number of shares as they are not considered dilutive. Performance shares are not considered to be dilutive as their conversion to ordinary shares would reduce the loss attributable to members.

### 22 GROUP ENTITIES

#### Parent Entity

The legal and ultimate parent of the group is ImExHS Limited. The consolidated financial statements include the financial statements of the subsidiaries listed in the following table.

Name	Principal place of business / Country of incorporation	Ownership interest	
		2018 %	2017 %
OMT Operations (AU) Pty Ltd	Australia	100%	100%
Imaging Experts and Healthcare Services Pty Ltd	Australia	100%	N/A
Imaging Experts and Healthcare Services S.A.S.	Colombia	100%	N/A

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### 23 PARENT ENTITY INFORMATION

	2018	2017
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	2,404,513	963,928
Trade and other receivables	3,481	574,730
Loans and other receivables	3,476,256	-
Other	-	2,087
<b>Total Current Assets</b>	<b>5,884,250</b>	<b>1,540,745</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	4,713	7,035
<b>Total Non-Current Assets</b>	<b>4,713</b>	<b>7,035</b>
<b>TOTAL ASSETS</b>	<b>5,888,963</b>	<b>1,547,780</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	38,168	74,094
Other	-	15,000
<b>Total Current Liabilities</b>		<b>89,094</b>
<b>TOTAL LIABILITIES</b>	<b>38,168</b>	<b>89,094</b>
<b>NET ASSETS</b>	<b>5,850,795</b>	<b>1,458,686</b>
Changes in assets and liabilities:		
Issued capital	14,684,067	8,375,423
Share based payments reserve	646,379	233,480
Accumulated losses	(9,479,651)	(7,150,217)
<b>TOTAL EQUITY</b>	<b>5,850,795</b>	<b>1,458,686</b>

### 24 EVENTS OCCURRING AFTER THE REPORTING PERIOD

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.

### 25 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a number of financial risks, including interest rate risk, foreign exchange risk, credit risk and liquidity risk.

The Group uses different methods to measure different types of risk it is exposed to. These methods include sensitivity analysis in the case of interest rate risk and foreign exchange risk, and ageing analysis for credit risk.

Financial risk management is carried out by the board.

#### Market Risk



# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### Cash flow and fair value interest rate risk

During the year, the Group was exposed to interest rate risk through borrowings with variable rates. As at 31 December 2018, the group had \$146,726 outstanding (2017: \$301,494). A change of +/- 2% per annum with all other variables being constant would impact equity and net profit by \$2,935 (2017: \$6,030).

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

The entity does not currently have any formal policies in place regarding interest rate risk as it is not considered significant.

### Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity'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 Company's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	31 Dec 18			31 Dec 2017		
	COP	USD	EUR	COP	USD	EUR
	\$	\$	\$	\$	\$	\$
Cash	18,284	-	-	4,593	-	-
Trade and other debtors	3,421,409	444,579	-	1,767,278	830,866	-
Trade and other payables	809,430	614,221	388,918	332,235	59,805	202,286

Based on the financial instruments held at 31 December 2018, 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 \$103,585 higher (2017: \$100,416 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 significant price risk.

### **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk principally arises from customers, cash and cash equivalents, and deposits with banks and financial institutions.

For banks and financial institutions, the creditworthiness is assessed prior to entering into arrangements and approved by the Board.

For customers, the maximum exposure to credit risk at the reporting date is the higher of the carrying value and fair value of each receivable. Risk control involves the assessment of the credit quality, taking into account financial position, past experience and other factors. The utilisation of credit limits is regularly monitored.

### AASB 9 Financial Instruments

AASB 9 Financial Instruments, introduces a new model for classification and measurement of financial assets and liabilities, an expected credit loss (ECL) impairment model and reformed approach to hedge accounting. In accordance with the transitional provisions of AASB 9, comparative figures have not been restated.

In accordance with the ECL impairment model in AASB 9, the Group was required to revise its methodology and accounting policies for the impairment of trade receivables and contract assets identified in AASB 15 Revenue from Contracts with Customers. The updated accounting policy effective 1 January 2018 is set out below. The Group has assessed the financial impact of adopting the new impairment model on transition to be immaterial due to the historically

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

low level of bad debt in the Group and taking into account appropriate forward-looking information. On this basis, the loss allowance for trade receivables as at 31 December 2018 as follows:

	Current	< 3 months	Past Due			Total
			3-6 months	6-12 months	> 12 months	
Trade receivables	1,347,278	1,272,481	216,599	227,574	562,214	3,626,146
ECL %	0%	0%	13%	24%	37%	
Loss Allowance	-	-	25,020	49,298	189,000	263,318

The closing loss allowance for trade receivables as at 31 December 2018 reconcile to the opening loss allowance as follows:

	2018 \$	2017 \$
Opening 31 December	37,860	20,586
Amounts restated through opening retained earnings	143,385	-
Opening loss allowance at 1 January 2018 – calculated under AASB 9	181,245	20,586
Increase in loss allowance recognised in profit or loss during the year	74,512	18,761
Foreign Exchange Differences	7,561	(1,487)
Closing 31 December	263,318	37,860

### Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring sufficient cash reserves are on hand to meet obligations.

	2018 \$	2017 \$
Cash and Cash Equivalents	2,445,329	4,593
	2,445,329	4,593

### Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Range of effective interest rate	Variable interest rate	Fixed Interest		Total Contractual Cash Flows	Non-interest bearing	Total
			1 Year or less	Over 1 to 5 years			
			%	\$			
<b>31 December 2017</b>							
Financial Assets							
Cash and cash equivalents	Nil-1.5%	4,593	-	-	-	-	4,593
Loans and other receivables		-	-	-	-	2,598,144	2,598,144
		4,593	-	-	-	2,598,144	2,602,737
Financial Liabilities							
Trade and other payables		-	-	-	-	594,416	594,416
Other financial liabilities	10.3-19.8%	-	182,902	274,485	-	-	457,387
		-	182,902	274,485	-	594,416	1,051,803

	Range of effective interest rate	Variable interest rate	Fixed Interest		Total Contractual Cash Flows	Non-interest bearing	Total
			1 Year or less	Over 1 to 5 years			
			%	\$			
<b>31 December 2018</b>							
Financial Assets							
Cash and cash equivalents	Nil-1.05%	2,445,329	-	-	-	-	2,445,329
Loans and other receivables		-	-	-	-	3,880,759	3,880,759
		2,445,329	-	-	-	3,880,759	6,326,088
Financial Liabilities							
Trade and other payables		-	-	-	-	1,897,472	1,897,472
Other financial liabilities	14.7%-21.9%	139,726	41,765	-	-	-	181,491
		139,726	41,765	-	-	1,897,472	2,052,103

	2018	2017
	\$	\$
Trade and other payable are expected to be paid as follows:		
Less than 6 months	1,835,263	594,416
6 months to 1 year	-	-
1 to 5 years	-	-
Over 5 years	-	-
	1,835,263	594,416

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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### (a) Fair Value Measurement

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

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

### 26 CONTINGENT LIABILITIES

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

### 27 COMMITMENTS

	<b>Consolidated 2018</b>	<b>Consolidated 2017</b>
	<b>\$</b>	<b>\$</b>
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	101,758	87,815
After one year but not more than five years	30,940	113,026

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### 28 INCOME TAX

#### Major components of income tax expense:

	<b>Consolidated 2018</b>	<b>Consolidated 2017</b>
	<b>\$</b>	<b>\$</b>
<b>Accounting profit/(loss) before income tax</b>	(4,795,347)	(821,997)
Income tax expense/(benefit) at the Company's statutory rate of 28.5% (2017 – 28.5%)	(1,366,674)	(234,269)
Tax effect of:		
Adoption of AASB 15	(275,054)	261,106
Provision for accounts receivable	9,269	(16,337)
Provision for inventories	-	11,015
Non-deductible taxes	4,585	6,644
Non-deductible employee contributions	1,583	8,116
Non-deductible interest, fines and levies	32,633	17,918
Non-deductible financial transactions levy	2,564	2,029
Other non-deductible expenses	1,228,607	6
Income tax applied to companies in tax loss in overseas jurisdiction	21,698	-
Deferred tax assets not recognised	351,049	-
Effect of overseas tax rates	11,438	14,975
Current income tax expense	21,698	71,203
Movement in deferred taxes	69,881	(15,063)
Adjustment of tax for prior period	239	21,371
Income tax (benefit)/expense	91,818	77,511

#### Deferred Tax Liabilities comprise:

	<b>Consolidated 2018</b>	<b>Consolidated 2017</b>
	<b>\$</b>	<b>\$</b>
Provision for doubtful debts	52,034	12,342
Provision for warranty commitments	30,189	-
	82,223	12,342

No deferred tax assets have been recognised as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences can be utilised.

The benefit for tax losses will only be obtained if:

- the Company derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from deductions for the losses to be realised;
- the Company continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- there are no changes in tax legislation in Australia which will adversely affect the Company in realising the benefit from deductions for the losses.

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### 29 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.

### 30 CHANGES IN ACCOUNTING POLICIES

#### *(a) New or revised Standards and Interpretations that are first effective in the current reporting period*

As a result of the changes in the entity's accounting policies, prior year financial statements had to be restated. As explained below, AASB 9 was generally adopted without restating comparative information with the exception of certain aspects of hedge accounting. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the restated balance sheet as at 31 December 2017, but are recognised in the opening balance sheet on 1 January 2018.

The following tables show the adjustments recognised for each individual line item. The adjustments are explained in more detail by standard below.

Balance sheet (extract)	31 Dec 2017 As originally presented \$	AASB 15 \$	31 Dec 2017 Restated \$	AASB 9 \$	1 January 2018 Restated \$
<b>Assets</b>					
Cash and cash equivalents	4,593		4,593		4,593
Trade and other receivables	2,598,144		2,598,144	(143,385)	2,454,759
Inventories	297,174		297,174		297,174
Property, Plant & Equipment	446,491		446,491		446,491
Intangibles	302,729		302,729		302,729
<b>Total Assets</b>	<b>3,649,131</b>		<b>3,649,131</b>		<b>3,505,746</b>
<b>Liabilities</b>					
Financial liabilities	457,387		457,387		457,387
Trade and other payables	594,416		594,416		594,416
Provisions	220,152		220,152		220,152
Other current liabilities	548,709	1,179,159	1,727,868		1,727,868
Deferred tax liabilities	12,342		12,342		12,342
<b>Total Liabilities</b>	<b>1,833,006</b>		<b>3,012,165</b>		<b>3,012,165</b>
<b>Net Assets</b>	<b>1,816,123</b>		<b>636,966</b>		<b>493,581</b>
<b>Equity</b>					
Issued capital	1,559,756		1,559,756		1,559,756
Share based payment reserve	-		-		-
Foreign Currency Translation Reserve	(73,069)	15,517	(57,552)		(57,552)
Retained profits/(losses)	329,436	(1,194,675)	(865,238)	(143,385)	(1,008,623)
<b>Total Equity</b>	<b>1,816,123</b>		<b>636,966</b>		<b>493,581</b>

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Comprehensive Income Statement (extract)	31 Dec 2017 As originally presented \$	AASB 15 \$	31 Dec 2017 Restated \$	AASB 9 \$	1 January 2018 Restated \$
Sales Revenue	4,431,250	(885,401)	3,545,849		3,545,849
Cost of Sales	(2,675,463)		(2,652,880)		(2,652,880)
<b>Gross Profit</b>	<b>1,755,787</b>		<b>892,969</b>		<b>892,969</b>
Administration and Distribution Expenses	(1,533,064)		(1,555,647)		(1,555,647)
Interest and other revenue	24,809		24,809		24,809
Other expenses	(184,128)		(184,128)		(184,128)
<b>Profit/(Loss) from ordinary activities before income tax</b>	<b>63,404</b>		<b>(821,997)</b>		<b>(821,997)</b>
Income tax expense	(77,511)		(77,511)		(77,511)
<b>Profit/(Loss) from ordinary activities before income tax</b>	<b>(14,107)</b>		<b>(899,508)</b>		<b>(899,508)</b>
Foreign currency translation of international subsidiaries	(73,069)	15,517	(57,552)		(57,552)
<b>Total comprehensive profit/(loss) for the year</b>	<b>(87,176)</b>		<b>(957,060)</b>		<b>(957,060)</b>

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period, as follows:

### AASB 9 Financial Instruments

Nature of Change: Changes to classification and measurement requirements of financial instruments and hedge accounting.

The entity has both long term and short term trade receivables. As a result of the adoption of this standard, the entity's loss allowance on trade receivables has increased.

The change has been applied retrospectively, however comparatives need not be retrospectively restated. Instead, the cumulative effect of applying the change for the first time is recognised as an adjustment to the opening balance of retained earnings on 1 January 2018.

The impact of this change was to reduce opening retained earnings at 1 January 2018 by \$7,561.

### AASB 15 Revenue from Contracts with Customers

Nature of Change: New standard for the recognition of revenue based on the principle that revenue is recognised when the control of a good or service transfers to a customer.

The entity operates in the technology industry and recognised revenue for:

- Once off sales of Equipment and Software;
- Maintenance Contracts
- Software as a Service; and
- Platform as a Service which includes leasing, service and maintenance of Equipment and Software.

Under AASB 15, revenue is recognised when performance obligations are satisfied by transferring a promised good or service to a customer or when an asset is transferred to a customer.

# IMEXHS LTD FINANCIAL REPORT 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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### *Once off sales of Equipment and Software*

As part of the Group's review of its contracts with its customer, it identified revenue should be deferred, and recognised as a contract liability, until the distinct performance obligation has been satisfied which is when the goods are delivered and installed successfully. This has resulted in a generally later recognition of revenue than under the previous revenue standard.

The review also identified certain revenue from once off sales of software and Equipment includes a warranty component of service and maintenance for 12 months. Under AASB 15, this post-sale service and maintenance support is a separate performance obligation and a portion of the revenue is therefore deferred and recognised over the warranty period.

### *Maintenance, Software as a Service (SaaS), and Platform as a Service (PaaS) contracts*

These contracts are sold as inclusive contracts with the provision of the service running for a specified contract period running from 12 months for maintenance contracts to typically 60 months for PaaS contracts.

Therefore, the obligations under the contract and the raising of invoices under the contracts are aligned and there has been no change in the recognition of revenue for these contracts under the new standard.

The impact of the changes described above was to reduce opening retained earnings at 1 January 2017 of \$293,757 and to reduce sales revenue for the year ended 31 December 2017 by \$885,401, and increase contract liabilities by \$1,179,158.

### ***(b) Impact of standards issued but not yet applied by the entity***

#### AASB 16 Leases

Nature of Change: AASB 16 eliminates the separate classifications of operating and finance leases. Instead it requires all leases to be brought to an account in a similar way to how existing finance leases are accounted for under AASB 117. An entity will be required to recognise a lease liability and a right to use asset on its balance sheet for most leases, with some exemptions or low value leases or leases of 12 months or less duration.

Where ImExHS, as lessee, has outstanding operating leases at the date of application of 1 January 2019, right-to-use assets will be recognised as the unamortised portion of the useful life, and the lease liabilities will be recognised as the present value of the outstanding lease payments.

As a result of the standard, Earnings Before Interest, Depreciation, Amortisation and Tax will be higher because operating lease expenses currently included therein will be instead be recognised as amortisation of the right-to-use asset, and interest expense on the lease liability.

Generally, there will be a reduction in net profit before tax in the early years of a lease as result of amortisation and interest charges exceeding the current straight line expense incurred under AASB 117. This will reverse over the life of a lease.

ImExHS's current operating leases are of short duration and the impact of the adoption of the standard is not expected to be material.



# IMEXHS LTD FINANCIAL REPORT 2018

## DIRECTORS' DECLARATION

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The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 38 to 70 are in accordance with the Corporations Act 2001 and:
  - a. comply with Accounting Standards and the Corporations Regulations 2001 other mandatory professional reporting requirements; and
  - b. give a true and fair view of the financial position as at 31 December 2018 and of the performance for the financial year ended on that date of the Company and entity; and
  - c. complies with International Financial Reporting Standards as disclosed in note 1.
2. the Chief Executive Officer (or equivalent) and Chief Financial Officer (or equivalent) have each declared that:
  - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
  - b. the financial statements and notes for the financial year comply with Accounting Standards; and
  - c. the financial statements and notes for the financial year give a true and fair view.
3. 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.



Tom Pascarella  
Chairman

Dated this 21<sup>st</sup> March 2019

## 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 balance sheet as at 31 December 2018, 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 year then ended, and notes to the financial report, 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 2018 and of its financial performance for the year ended on that date; 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 and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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.

## Accounting for Reverse Asset Acquisition

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 2 of the financial report, on 28 August 2018, ImExHS Limited (formerly Omni Market Tide Ltd) completed the acquisition of Imaging Experts and Healthcare Services Pty Ltd. This company, had in turn previously acquired Imaging Experts and Healthcare Services S.A.S., a Colombian-based company, on 20 April 2018.</p> <p>The accounting of this acquisition is a key audit matter due to the accounting complexity of the arrangement which is accounted for as Imaging Experts and Healthcare Services S.A.S (the accounting parent) issuing a share-based payment in return for the net assets acquired in the company and a listing status. Furthermore, judgement is involved in the determination of the value of the purchase consideration settled by way of a share-based payment.</p> <p>Refer to Note 2, Note 2(vii) and Note 6 of the financial report for a description of the accounting policy and judgements applied to this transaction.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>• Reviewing acquisition agreement including holding discussions with management to understand the key terms and conditions of the transaction;</li> <li>• Evaluating management’s assessment of the accounting acquirer and whether the transaction constituted a business or an asset acquisition by checking against post acquisition shareholding structure and our knowledge of the operations of the legal subsidiaries;</li> <li>• Evaluating the basis of valuation of the share-based payment against market capitalisation of company;</li> <li>• Checking the calculation of the share-based payment, net assets and listing expense;</li> <li>• Assessing the adequacy of the related disclosures in Note 2, Note 2(vii) and Note 6 to the financial report.</li> </ul>

## Accounting for Share Based Payments

Key audit matter	How the matter was addressed in our audit
<p data-bbox="225 461 826 640">During the financial year ended 31 December 2018, the Group issued equity instruments, in the form of shares and options, to eligible directors, vendors and other consultants as detailed in Note 17.</p> <p data-bbox="225 663 826 808">The Group performed valuations of the options and recorded the related share-based payment expense or share issue costs in accordance with the relevant accounting standard.</p> <p data-bbox="225 831 826 1003">Due to the judgemental estimates used in determining the fair value of the share based payments, we consider the accounting for the share-based payments to be a key audit matter.</p>	<p data-bbox="826 461 1465 528">Our audit procedures in respect of this area included but were not limited to the following:</p> <ul data-bbox="895 551 1465 1279" style="list-style-type: none"><li data-bbox="895 551 1465 730">• Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements;</li><li data-bbox="895 752 1465 864">• Involving our valuation specialists to assess the assumptions and inputs used in the valuation;</li><li data-bbox="895 887 1465 999">• Assessing management’s determination of achieving non-market vesting conditions of the options issued;</li><li data-bbox="895 1021 1465 1155">• Assessing the allocation of the share-based payment expense over management’s expected vesting period; and</li><li data-bbox="895 1178 1465 1279">• Assessing the adequacy of the disclosure in Note 2, Note 6 and Note 17 in the financial report.</li></ul>

## Revenue recognition

Key audit matter	How the matter was addressed in our audit
<p>AASB 15 Revenue from Contracts with Customers (AASB 15) became effective for periods beginning on or after 1 January 2018 and has an impact on the Group.</p> <p>There are complexities and judgements associated with interpreting key revenue contracts entered into by the entity against the requirements of the new accounting standard. This results in management judgement and estimation in relation to:</p> <ul style="list-style-type: none"> <li>• Interpreting and accounting for contractual terms including performance obligations and clauses relating to warranties (amongst others); and</li> <li>• Accounting judgments and treatments in relation to first time application of the new accounting standard including assessment of performance obligations, allocation of revenue and consideration of revenue recognition as being at a point in time or over time.</li> </ul>	<p>Our audit procedures in respect of this area included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Discussing with management and critically assessing the financial impact of the new revenue standard and changes to the Group’s revenue recognition policies during the year;</li> <li>• Obtaining and reviewing a sample of contracts, considering the terms and conditions, performance obligations of these arrangements and assessing the accounting treatment under AASB 15;</li> <li>• Evaluating whether revenue had been recorded in the correct period based on contractual terms for a sample of sales around the reporting date;</li> <li>• Assessing the adequacy of the disclosure in Note 2 and Note 4 in the financial report.</li> </ul>



#### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2018, 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 this other information, we are required to report that fact. We have nothing to report in this regard.

#### Other Matter

The financial report of the Entity for the year ended 31 December 2017 was audited by another auditor who expressed an unmodified opinion on that financial report on 9 March 2018

#### Responsibilities of the directors 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 ability of the group 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 has no realistic alternative but to do so.

#### Auditor's responsibilities 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 Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.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 14 to 28 of the directors' report for the year ended 31 December 2018.

In our opinion, the Remuneration Report of ImExHS Limited, for the year ended 31 December 2018, 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.

BDO Audit (WA) Pty Ltd

BDO  


Dean Just

Director

Perth, 21 March 2019

# IMEXHS LTD FINANCIAL REPORT 2018

## ASX SUPPLEMENTARY INFORMATION

### 1 Additional information for listed public companies

#### i) ASX additional information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 15 March 2019.

#### ii) Substantial shareholders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total issued shares
DIGITAL IMAGING SOLUTIONS S.A.S	157,525,160	17.02%
MILLA PAULA INARI PALACIO	103,833,600	11.22%
JAAVA ASESORES INTEGRALES S.A.S	102,437,920	11.07%
VOLEGNA HOLDINGS PTY LTD <THE CSA TRUST>	62,009,480	6.70%

#### iii) Voting rights

##### a. 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.

##### b. Options and Class A Performance Shares

No voting rights.

#### iv) Distribution schedule of fully paid ordinary shares as at 15 March 2019

Holdings ranges	Holders	Number held	% of total issued shares
1 – 1,000	580	40,618	0.00
1,001 – 5,000	151	434,894	0.05
5,001 – 10,000	31	251,199	0.03
10,001 – 100,000	183	9,887,340	1.07
100,001 and above	377	915,043,135	98.85
Totals	1,322	925,657,186	100.00

As at 15 March 2019 there were 786 shareholders holding an aggregate of 1,059,529 shares as unmarketable parcels.



# IMEXHS LTD FINANCIAL REPORT 2018

## ASX SUPPLEMENTARY INFORMATION

### v) Twenty largest shareholders

The names of the twenty largest holders of fully paid ordinary shares (including escrowed fully paid ordinary shares):

	Ordinary shares	
	Number held	% of total issued shares
DIGITAL IMAGING SOLUTIONS SAS	157,525,160	17.02
JAAVA ASESORES INTEGRALES SAS	102,437,920	11.07
VOLEGNA HOLDINGS PTY LTD <THE CSA A/C>	62,009,480	6.70
IRUKANDJI INVESTMENTS PTY LTD <LONGREACH FAMILY A/C>	59,391,800	6.42
RIO NEGRO PTY LTD <THE MEDALLO A/C>	44,441,800	4.80
JAMES WOULFE & CATHERINE MARIA WOULFE <THE DEBHULBH FAMILY A/C>	23,525,320	2.54
TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	16,025,000	1.73
OAKTONE NOMINEES PTY LTD <GRIST SUPER FUND A/C>	16,000,000	1.73
JK NOMINEES PTY LTD <THE JK A/C>	14,729,732	1.59
VIRGINIA MARIN MUNOZ	14,542,840	1.57
CARMEN CECILIA ARANGO BONNET	14,542,840	1.57
JOHN ALEXANDER SANZ RAMIREZ	12,681,240	1.37
OPTIM8 PTY LTD <THE GIC SUPER FUND A/C>	12,454,520	1.35
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	12,000,000	1.30
SAFARI CAPITAL PTY LTD	11,990,198	1.30
BNP PARIBAS NOMINEES PT LTD HUB 24 CUSTODIAL SERV LTD DRP	10,002,401	1.08
GLIZE SUPER FUND PTY LTD	10,000,000	1.08
SCOTT WELLS	10,000,000	1.08
PAUL LOWRY & KIM WATSON <THE PAUL LOWRY FAMILY A/C>	8,302,840	0.90
KOBIA HOLDINGS PTY LTD	8,000,000	0.86
	<b>620,603,091</b>	<b>67.06</b>

### vi) Restricted Securities

As at 15 March 2019 the following securities are subject to escrow:

- 530,000,000 Fully Paid Ordinary Shares escrowed until 3 September 2020
- 50,000,000 Class A Consideration Options expiring 30 June 2021 @ \$0.05 escrowed until 3 September 2020
- 50,000,000 Class B Consideration Options expiring 28 August 2023 @ \$0.0375 escrowed until 3 September 2020
- 50,000,000 Class C Consideration Options expiring 28 August 2023 @ \$0.0375 escrowed until 3 September 2020
- 12,500,000 Options expiring 30 June 2021 @ \$0.0375 escrowed until 14 May 2019
- 30,000,000 Options expiring 30 June 2021 @ \$0.05 escrowed until 3 September 2020

# IMEXHS LTD FINANCIAL REPORT 2018

## ASX SUPPLEMENTARY INFORMATION

### vii) Unquoted equity securities

As at 15 March 2019, the number of unquoted equity securities that are on issue and the number of holders are:

#### A. 35,000,000 Options expiring 31 March 2021 @ \$0.025 – 8 holders

*Holders with more than 20%:*

Holder name	Holding	% of total
JK NOMINEES PTY LTD <THE JK SUPER FUND A/C>	7,250,000	20.71
OAKTONE NOMINEES PTY LTD <GRIST SUPER FUND A/C>	7,250,000	20.71
TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	7,250,000	20.71

#### B. 50,000,000 Class A Consideration Options expiring 30 June 2021 @ \$0.05 escrowed until 3 September 2020 – 14 holders

*Holders with more than 20%:*

Holder name	Holding	% of total
DIGITAL IMAGING SOLUTIONS SAS	15,287,254	30.57

#### C. 50,000,000 Class B Consideration Options expiring 28 August 2023 @ \$0.0375 escrowed until 3 September 2020 – 14 holders

*Holders with more than 20%:*

Holder name	Holding	% of total
DIGITAL IMAGING SOLUTIONS SAS	15,287,254	30.57

#### D. 50,000,000 Class C Consideration Options expiring 28 August 2023 @ \$0.0375 escrowed until 3 September 2020 – 14 holders

*Holders with more than 20%:*

Holder name	Holding	% of total
DIGITAL IMAGING SOLUTIONS SAS	15,287,254	30.57

#### E. 12,500,000 Options expiring 30 June 2021 @ \$0.0375 escrowed until 14 May 2019 – 8 holders

*Holders with more than 20%:*

Holder name	Holding	% of total
SCOTT WELLS	5,000,000	40.00

#### F. 30,000,000 Options expiring 30 June 2021 @ \$0.05 escrowed until 3 September 2020 – 8 holders

*Holders with more than 20%:*

Holder name	Holding	% of total
JK NOMINEES PTY LTD <THE JK SUPER FUND A/C>	8,000,000	26.67
OAKTONE NOMINEES PTY LTD <GRIST SUPER FUND A/C>	8,000,000	26.67
TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	8,000,000	26.67

#### G. 4,000,000 Options expiring 25 October 2023 @ \$0.07 – 1 holder

*Holders with more than 20%:*

Holder name	Holding	% of total
THOMAS PASCARELLA	4,000,000	100.00

# IMEXHS LTD FINANCIAL REPORT 2018

## ASX SUPPLEMENTARY INFORMATION

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### H. 2,000,000 Options expiring 9 December 2023 @ \$0.053 – 1 holder

*Holders with more than 20%:*

Holder name	Holding	% of total
DOUGLAS LINGARD	2,000,000	100.00

### I. 750,000 Class A Performance Shares – 6 holders

*Holders with more than 20%:*

Holder name	Holding	% of total
IP PAYOVATION PTY LTD	196,190	26.16
MSQ NOMINEES PTY LTD <MSQ INVESTMENT TRUST NO. 1>	195,952	26.13

#### viii) On-Market Buy Back

There is currently no on-market buyback program.

#### ix) ASX Listing Rule 4.10.19

The Company has used its cash and assets in a form readily convertible to cash that it has at the time of re-listing of the Company's securities in a way consistent with its business objectives.