

APPENDIX 4E

Preliminary Final Report

1. Company details

Name of entity:	Integral Diagnostics Limited
ABN:	55 130 832 816
Reporting period:	Year ended 30 June 2024
Previous reporting period:	Year ended 30 June 2023

2. Results for announcement to the market

				\$'000
Revenues from ordinary activities	up	6.6%	to	469,697
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	down	55.2%	to	11,413
Earnings Before Interest and Tax (EBIT)	down	215.7%	to	(35,449)
Profit from ordinary activities after tax attributable to the owners of Integral Diagnostics Limited	down	342.4%	to	(60,699)
Profit for the year attributable to the owners of Integral Diagnostics Limited	down	342.4%	to	(60,699)

Refer to the 'Operating and Financial Review' section on pages 24 to 32 and 'Non-IFRS Financial Information' section on pages 117 to 121 of the Annual Report 2024 for further information and explanation of the financial information presented in this Appendix 4E.

Profit after income tax expense reconciles to reported EBIT and EBITDA as follows:

	Consolidated 2024 \$'000	2023 \$'000
Profit after income tax expense	(60,699)	25,040
Interest received	(861)	(423)
Finance costs	22,547	18,365
Income tax expense	3,564	5,593
Earnings Before Interest and Tax (EBIT)	(35,449)	48,575
Depreciation and amortisation expense	46,862	43,486
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	11,413	92,061

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(93.61)	(99.18)

4. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Interim dividend for the half year ended 31 December 2023 paid on 2 April 2024	2.5	2.5
Final dividend for the year ended 30 June 2024 payable on 3 October 2024	3.3	3.3

On 27 August 2024 the directors declared a fully franked final dividend of 3.3 cents per ordinary share with a record date of 2 September 2024 to be paid on 3 October 2024.

Previous period

	Amount per security Cents	Franked amount per security Cents
Interim dividend for the half year ended 31 December 2022 paid on 4 April 2023	2.5	2.5
Final dividend for the year ended 30 June 2023 paid on 4 October 2023	3.5	3.5

Dividend reinvestment plan

In accordance with the Merger Implementation Deed signed between Integral Diagnostics Limited and Capitol Health Limited on 18 July 2024, the Group is permitted to pay a fully franked dividend in connection with the financial year ended 30 June 2024 of between 65.0% and 75.0% of the Operating Net Profit after Tax of the Group. Under the terms of this agreement, both parties have agreed to suspend the dividend reinvestment plan until the successful completion of the transaction.

Control gained over entities

No entities were acquired during the year ended 30 June 2024.

Loss of control over entities

Not applicable.

Details of associates and joint venture entities

Not applicable.

Audit qualification

The accounts have been audited and an unqualified opinion has been issued.

Attachments

The Annual Report of Integral Diagnostics Limited for the year ended 30 June 2024 is attached.

Signed



Toby Hall
Chair

27 August 2024



Dr Ian Kadish
Managing Director and Chief Executive Officer

2024

Annual Report

FOR THE FULL YEAR
ENDED 30 JUNE 2024



Acknowledgement of Country

IDX acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, sea, and community. We pay our respects to all Aboriginal and Torres Strait Islander peoples, and to their Elders, past and present.

OUR VISION **a healthier world**

OUR PURPOSE **deliver the best health outcomes for our patients**

OUR VALUES



patients first

PATIENTS ARE AT THE HEART OF EVERYTHING WE DO



medical leadership

IMPROVING OUTCOMES WITH EVIDENCE BASED CARE



everyone counts

WE WORK SAFELY, INCLUSIVELY AND RESPECT EACH OTHER



create value

DELIVER SUSTAINABLE VALUE TO ALL STAKEHOLDERS



embrace change

STRIVE FOR EXCELLENCE, HAVE THE COURAGE TO INNOVATE

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IMAGES: Lake Imaging - St. John of God Hospital Geelong





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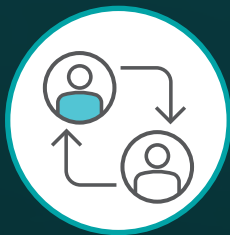
2.5M+
Examinations

Conducted by IDX Group



1.0M+
Patients

Visited our Clinics



55K+
Referrers

Trusted Us



243
Radiologists

Report on our Examinations



1,977
Employees

Put our Patients First





Overview

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OUR BRANDS

Integral Diagnostics Limited (ASX: IDX) is an Australian and New Zealand healthcare services company whose main activity is providing diagnostic imaging services to referrers (general practitioners, medical specialists, and allied health professionals) and their patients.

Diagnostic imaging is the branch of medicine that uses a range of non-invasive imaging technology to create images of bones, tissues and organs within the human body in order to diagnose and treat illness and injury.

Images can be produced using a variety of modalities including:

- Nuclear medicine, including Positron Emission Tomography (PET);
- Magnetic Resonance Imaging (MRI);
- Computed Tomography (CT);
- Mammography;
- Interventional Radiology (IR);
- Ultrasound (US); and
- Radiography (X-ray) & EOS.

The images produced by diagnostic imaging are a critical tool for referrers in reaching a diagnosis and deciding on the most effective and efficient form of treatment for patients. In this way, appropriate use of diagnostic imaging can significantly enhance medical outcomes for patients while at the same time reducing the overall cost of healthcare.

Group Overview

	Core Markets	Australia and New Zealand	
	Sites	90	Comprehensive sites¹ 32
	MRI machines⁵	36	Full MRI licences 17
			Partial MRI licences 6
	PET scanners	7	
	Employed radiologists^{2,3}	155	Number of employees⁴ 1,822



Queensland



Imaging Queensland

Established in 2011 on the Sunshine Coast, Imaging Queensland has expanded across South East Queensland and now provides diagnostic imaging services at 15 branches. The Imaging Queensland network comprises:

- Sunshine Coast Radiology
- Central Queensland Radiology
- IQ Radiology

Core Markets Sunshine Coast, Rockhampton and Gladstone

Sites	15	Comprehensive sites¹	5
MRI machines⁵	5	Full MRI licences	4
		Partial MRI licences	1
PET scanners	-		
Employed radiologists²	26	Number of employees⁴	311



X-Ray & Imaging (Peloton Radiology)

A local diagnostic imaging provider based on the Sunshine Coast. X-Ray & Imaging (Peloton Radiology) provides services at 9 sites and the network includes:

- CitiScan Radiology
- Lime Radiology and
- Diagnostic Imaging for Women

Core Markets Brisbane and Sunshine Coast

Sites	9	Comprehensive sites¹	3
MRI machines⁵	3	Full MRI licences	-
		Partial MRI licences	3
PET scanners	-		
Employed radiologists²	6	Number of employees⁴	166



South Coast Radiology

Since 1967, South Coast Radiology has provided radiology services on the Gold Coast. It provides medical imaging services to the Tweed, Gold Coast, Darling Downs and Mackay communities.

Core Markets Gold Coast, Toowoomba and Mackay

Sites	17	Comprehensive sites¹	8
MRI machines⁵	9	Full MRI licences	5
		Partial MRI licences	2
PET scanners	2		
Employed radiologists²	38	Number of employees⁴	449

OUR BRANDS

Western Australia



Apex Radiology

Established in 1996, Apex Radiology provides patients in rural and regional communities in Western Australia, access to diagnostic imaging services. Apex Radiology has recently opened in the Perth metro area and also provides Radiology and Teleradiology services to the Western Australia Country Health Service.

Core Markets South West, Western Australia

Sites	6	Comprehensive sites¹	3
MRI machines⁵	3	Full MRI licences	2
		Partial MRI licences	-
PET scanners	1		
Employed Radiologists²	10	Number of Employees⁴	205

Victoria



Lake Imaging

Lake Imaging has been offering radiology services to patients throughout Geelong, Central and Western Victoria for over 20 years. It currently operates 18 clinics in locations including Ballarat, Geelong, Warrnambool, North Melbourne and outer western areas of Melbourne.

Core Markets Ballarat, Geelong, Warrnambool and outer western areas of Melbourne

Sites	18	Comprehensive sites¹	6
MRI machines⁵	8	Full MRI licences	4
		Partial MRI licences	-
PET scanners	2		
Employed radiologists²	38	Number of employees⁴	392



The X-ray Group

Since 2007, the X-ray Group has delivered diagnostic medical imaging services to the local communities of Albury, Wodonga, Wangaratta, Yarrawonga and Lavington.

Core Markets Albury, Wodonga, Wangaratta, Yarrawonga and Lavington

Sites	5	Comprehensive sites¹	2
MRI machines⁵	2	Full MRI licences	2
		Partial MRI licences	-
PET scanners	-		
Employed radiologists²	4	Number of employees⁴	74

New Zealand



Astra, SRG and Horizon Radiology | Trinity MRI

IDX New Zealand brands located in Auckland provide patients with radiology services, across all diagnostic imaging modalities; MRI, CT, PET CT ultrasound, digital breast tomosynthesis and plain x-rays.

Trinity MRI is a diagnostics imaging facility dedicated to brain, spine and neurovascular imaging.

Core Markets Auckland

Sites	20	Comprehensive sites¹	5
MRI machines⁵	6	Full MRI licences	N/A
		Partial MRI licences	N/A
PET scanners	2		
Employed radiologists³	33	Number of employees⁴	225

Teleradiology



IDXt

Launched in 2020, IDXt provides urgent, routine and overflow teleradiology services across all modalities delivered by 80 contracted radiologists. IDXt services the IDX Group, private radiology practices and public hospitals in Western Australia, Queensland, Victoria and New South Wales.



These tables reflect data current at 30 June 2024.

¹ Comprehensive sites comprise a range of radiology equipment including MRIs and CTs, and are located with or near major specialist referrers.

² Relates to employed radiologists only. In addition, IDX has had 88 contractor radiologists providing services.

³ Consistent with the NZ private radiology model, all doctors work across the public and private sector and meet the criteria to be classified as contractors, but are on terms and conditions similar to IDX employed radiologists.

⁴ This number represents the number of employees on employment contracts on either part-time or full-time arrangements. It does not represent the number of full-time equivalent employees or individual casual/contract arrangements. In addition there are 155 employees in the corporate office (including IDXt), totalling 1,977 employees.

⁵ Of the 30 MRI machines in Australia, 18 are located in MM1 areas, including 6 partially-licenced machines, and 13 are located in MM2-MM7 areas.

GROUP LOCATIONS AND HISTORY

- 1967** • The practice that would become South Coast Radiology is established
- 2002** • Lake Imaging established in Ballarat, VIC
- 2007** • Darling Downs and Mackay Radiology
Sunshine Coast Radiology practices opened
- 2011** • Lake Imaging acquired Western Medical Imaging
- 2012** • Lake Imaging acquired Ballarat MRI
- 2014** • Lake Imaging merged with South Coast Radiology in QLD and Integral Diagnostics was formed
• Acquired 60% of Global Diagnostics in WA
- 2015** • Acquired remainder of Global Diagnostics in WA
• Integral Diagnostics successfully listed on the ASX
- 2018** • Acquired Geelong Medical Imaging
• Acquired Specialist Radiology Group, Trinity MRI and Cavendish Radiology in Auckland, NZ
- 2019** • Acquired Imaging Queensland
- 2020** • IDXt established - Specialist overflow and after-hours teleradiology provider
• Integral Diagnostics included in the S&P/ASX 300 index
• Acquired Ascot Radiology, NZ
- 2021** • Acquired The X-Ray Group, NSW & VIC
- 2022** • Acquired Horizon Radiology, NZ
• Acquired Peloton Radiology Group, QLD





CHAIR'S LETTER



The Company believes the fundamentals of the radiology industry are strong. Our industry benefits from being at the confluence of major global trends – demographic and technological. It is an exciting time to be a leader in this industry.

Dear Fellow Shareholders

On behalf of the Board of Directors, I am pleased to present our 2024 Annual Report.

In the financial year ended 30 June 2024, IDX continued to pursue its vision of a healthier world by delivering the best health outcomes for every patient we serve. We believe that the diagnostic imaging services we provide dramatically improve the diagnosis and treatment of illness and injury in the communities in which we operate.

In FY24, IDX served over one million patients, performed over 2.5 million examinations and engaged with over 55,000 referrer doctors. IDX achieved a patient NPS of +84 in Australia and +86 in New Zealand in FY24, a pleasing result and one we will continue to focus on improving.

The Company believes the fundamentals of the radiology industry are strong. Our industry benefits from being at the confluence of major global trends. Demographically, the ageing of the population and the increased prevalence of chronic disease and earlier detection will drive demand for diagnostic services together with structural shifts to higher acuity modalities. Technological advancements, digitisation and the growth of teleradiology and Artificial Intelligence (AI) is expected to improve the quality and efficiency of the care we deliver.

Financial results

Like the broader economy, the health care sector has been impacted by prolonged cost pressures, especially higher labour costs, driven by inflation and labour market supply constraints, together with higher interest funding costs.

It was in this challenging economic environment that we announced an earnings downgrade on 3 November 2023, based on our FY24 performance to that time. Although a board never wants to do this, it had become clear that the operating environment was not as strong as we or the market had hoped.

In response, IDX accelerated productivity and efficiency initiatives, which enabled IDX to deliver solid FY24 financial results:

- Operating NPAT increased 1.3% to \$18.1m and revenue increased 6.6% to \$469.7m;
- Operating EBITDA increased 7.4% to \$91.5m while our Operating EBITDA margin of 19.5% improved slightly by 20 basis points; and
- Free cash flow increased 5.5% to \$56.0m and net debt to EBITDA (pre-AASB16) was 2.6x, down 0.3x from 2.9x at 30 June 2023, continuing its downward trend towards our target ratio of 2.5x or less over time.

IDX reported a statutory Loss after Tax of \$60.7m for FY24, driven largely by an impairment loss of \$71.6m recognised in the New Zealand division in 1H FY24. Since then, the New Zealand business has performed well.

IDX declared fully franked dividends totalling 5.8cps for FY24 (6.0cps for FY23), representing 74.4% of FY24 Operating NPAT.

Transformative merger with Capitol Health

An important development for IDX has been the announcement in July 2024 of our proposed merger with ASX-listed Capitol Health Limited ("Capitol") (ASX: CAJ), which operates 65 radiology clinics throughout Victoria, Tasmania, Western Australia and South Australia.

The proposed merger will create a leader in diagnostic imaging across Australia and New Zealand, with materially larger scale, an enhanced clinical offering and a greater ability to invest in growth. The combined group will have 155 clinics, supported by more than 350 radiologists and 3,000 employees, with combined FY23 revenue (on a pro forma basis) of approximately \$651m.

Most importantly for our patients, the combined group will have deep clinical expertise across a wider network, promoting sub-specialty reporting and peer review opportunities to ensure the highest service quality.

Under the proposed merger, IDX will acquire 100% of Capitol's issued shares via a scheme of arrangement. If the proposed merger is implemented, IDX shareholders will own approximately 63% of the combined group. Significantly, the merger is expected to deliver double-digit pro forma EPS accretion to IDX shareholders in FY25.¹

Our Managing Director and CEO, Dr Ian Kadish, will lead the combined group and two independent directors from Capitol will join the IDX Board as non-executive directors.

The proposed merger is subject to Capitol shareholder approval and other customary conditions and Capitol's Board has unanimously recommended that Capitol shareholders vote in favour of the proposed merger.²

We currently expect the merger to be implemented towards the end of this year and we look forward to the significant opportunities this transformative merger will bring to all our stakeholders.

Regulatory and technological opportunities

Looking ahead, recent regulatory changes present a good opportunity for IDX. In May 2024, the Federal government announced that from 1 July 2025, all partially licensed MRI equipment will receive licensing that provides full Medicare eligibility. IDX has 6 partially licensed MRIs that will benefit from this change.

From 1 July 2027, all unlicensed MRI machines will be eligible to access all Medicare funded MRI services, at which point all MRI licensing requirements will cease. IDX currently has 7 unlicensed MRIs.

IDX is well placed to benefit from deregulation in the short to medium term, and our experience from the de-regulation of MRI services in regional and rural areas in 2022 will help us develop our strategy when unlicensed MRIs gain full Medicare eligibility.

In the coming years, IDX sees an important role for AI in transforming diagnostic imaging in healthcare. The benefits of AI include enhanced image analysis for X-rays, MRIs, and CT scans, operational efficiency, predictive and personalised healthcare, and clinical decision support.

IDX was an early adopter of AI in 2019 in selected clinics and in 2020 in IDX's teleradiology business IDXt. AI is now utilized in most IDX business units and currently accounts for >5% of IDX volumes and is growing. We believe our continuing investment in AI will generate better health outcomes for our patients.

Sustainability

IDX's environmental, social and governance strategy has progressed over the past year. In FY24, the Board formed a dedicated Risk, Compliance and Sustainability Committee (RCSC), chaired by Ingrid Player, to increase focus on

sustainability related matters. IDX also has an Environmental, Social and Governance (ESG) Committee, comprising executive, senior management and operational team members who will work together to develop IDX's ESG approach. The ESG Committee will have oversight from the RCSC and Board.

In FY24, IDX completed a roadmap for meeting Group 1 mandatory reporting under the Australian Sustainability Reporting Standards. IDX also submitted its fourth Modern Slavery Report and continued to work on waste improvement.

Our ESG report, to be released in September 2024, will report the outcomes of our team's commitment to create a healthier world in line with our vision, purposes and values and I encourage all shareholders to read the report.

Governance

At last year's AGM, Helen Kurincic retired as chair after leading IDX since its IPO in 2015. Helen brought an array of skills and experience to the Board and her commitment and leadership over her tenure was a large reason for IDX's sustained growth during that period. I would like to thank Helen for her exceptional service. I would also like to thank Dr Jacqueline Milne, who retired from her role as an Executive Radiologist Director on 5 August 2024 after five years on the Board. Jacqui has been an incredible contributor to the Company and its Board, balancing the interests of IDX and her colleagues exceptionally well.

In the coming year, assuming IDX's proposed merger with Capitol is completed, our enlarged team of over 3,000 employees, led by Dr Ian Kadish, will be working hard to realise the opportunities presented by this transformative merger and the regulatory and technological changes before us, and we look forward to improved shareholder returns in the future.

For this past financial year, I would like to thank my fellow directors, Dr Ian Kadish, our executives and managers, and in particular our radiologists and allied health practitioners, for their commitment and efforts that deliver the best possible outcomes for our patients. Finally, I would like to thank our shareholders for their ongoing support of IDX.

Sincerely



Toby Hall

Chair
27 August 2024

¹ Analysis on a pro forma basis assuming the full impact of the proposed merger and anticipated annual pre-tax net cost synergies of at least \$10 million for the full FY25 year.

² In the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the proposed scheme is in the best interests of Capitol shareholders.

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER'S LETTER



Building the ANZ leader in Diagnostic Imaging, and the premier platform for radiologists, referrers and patients, through best in class clinical service, quality and outcomes.

Dear Fellow Shareholders

Your company served more than a million patients in the past financial year, performed more than 2.5 million examinations, and assisted more than 55,000 referring doctors to reach a diagnosis. Our 1,977 employees, including doctors and staff, delivered exemplary patient care at 90 clinics and hospital sites in Australia and New Zealand, diagnosing disease early and accurately, treating patients and saving lives.

The company was challenged in the first half of the financial year with clinical skills shortages, particularly in regional areas, and with high inflation and high interest rates. We embarked on company-wide productivity and efficiency initiatives which enabled us to deliver a stronger second half of the financial year. We exit the financial year in a materially stronger position than we entered, with growing revenues, increased margins and earnings, a stronger balance sheet, and a proposed merger that will be transformative.

IDX increased its revenue by 6.6% in FY24 to \$469.7m and increased operating EBITDA by 7.4% to \$91.5m, with an increased operating EBITDA margin of 19.5%, being 20 basis points higher than for FY23. Importantly, we increased our free cash flow by 5.5% to \$56.0m and improved our gearing position to a net debt to EBITDA ratio of 2.6x vs 2.9x at 30 June 2023.

Your company is well positioned to capitalise on the diagnostic imaging platform we have built, to continue to drive revenue and margins, to be the employer of choice for doctors and staff, and to continue our growth trajectory through our transformational proposed merger with Capitol Health Limited ('Capitol'). The diagnostic imaging industry continues to grow strongly in Australia, New Zealand and around the world, and Integral Diagnostics is positioned well to benefit from this growth, and to sensibly drive growth, organically and inorganically.

Global industry trends

At IDX, we are fortunate to be working in an industry that plays a critical role in health screening, prevention, diagnosis and treatment. Global healthcare expenditure continues to increase

above inflation, driven by the ageing population, the prevalence of chronic disease, and the introduction of new life-enhancing interventions. Appropriate use of diagnostic imaging reduces costs by diagnosing disease earlier, and thereby reduces the need for more invasive and expensive hospital admissions and surgical procedures.

Our industry also benefits materially from technology advances, both in clinical technology like faster CT, higher resolution MRI and digital PET scans, and information and communications technology, particularly in teleradiology and artificial intelligence. These technology advances are more available and accessible to larger providers and their importance has driven increased industry consolidation in the major radiology markets around the world, including the US and Europe, and more recently in Australia and New Zealand.

Teleradiology

IDX's teleradiology division, IDXt, has been the fastest growing practice within the IDX Group since its inception in August 2020. Today, IDXt is one of Australia and New Zealand's three largest teleradiology providers, providing services to internal as well as external clients, including public and private radiology practices, and major hospitals and regional health services. IDXt employs around eighty RANZCR accredited radiologists in Australia and New Zealand and in several other countries around the world, so it is able to provide 24/7 radiology services to hospital and regional clients in both countries.

Our teleradiology service provides radiologists with increased opportunities to sub-specialise and focus on services where they have a particular interest and expertise, thereby improving patient care and efficiency, while reducing costs. Teleradiology currently comprises about 15% of IDX's revenues and we expect the service to continue to grow materially in both quantum and importance.

Artificial Intelligence (AI)

IDX was one of the first adopters of AI into our radiology workflow in Western Australia in February 2019. We have

continued to steadily increase the number of AI algorithms we use, however the technology has not evolved as quickly as was initially expected. We expect there will be a 'tipping point' within the next few years, where AI will materially improve the quality, scope and efficiency of radiology services that the industry can provide. At that point, radiologists will be able to provide even better insights for our referrers, diagnosing earlier and more efficiently, and for a larger number of patients.

Regulatory Environment – Australia Medicare Indexation and MRI Deregulation

Medicare announced indexation of 3.5% on all diagnostic imaging services (excluding nuclear medicine) on 1 July 2024, coupled with a reduction of 2% in CT benefits from 1 November 2024.

From 1 July 2025, the Australian Federal Government has announced that all radiology clinics with an MRI licence (full or partial) will receive full Medicare eligibility for all MRIs at that clinic. Importantly, IDX will receive full Medicare eligibility for all MRIs at each of our 20 clinics that currently hold an MRI licence, including full eligibility at 6 clinics that currently hold a partial licence. This is a valuable change, particularly for clinics with a partial licence located close to major hospitals and specialist groups. For example, our partial MRI licence at the Citiscan clinic in the Brisbane CBD will be upgraded to a full licence on 1 July 2025, enabling that clinic to service the large number of specialist referrers in Brisbane.

From 1 July 2027, all MRIs at comprehensive imaging clinics in Australia will have an ability to bill Medicare. This change will enable IDX to bill Medicare for MRI services at clinics like the Prostate Centre in North Melbourne and Apex Radiology's O'Connor clinic in Perth, but the change will also bring additional competition for Medicare patients from competitor MRIs that are not currently licenced.

It is important to note that Australian patients are currently under-served with MRI scans, receiving fewer MRI scans per thousand population than patients in most other developed economies, including New Zealand, the US, the UK, Canada and most of Western Europe. The current Medicare licensing regime in Australia is limiting patient access to an essential medical service. We therefore support the Federal Government's considered, rational and sensible approach to phased MRI deregulation over the next few years.

Regulatory environment – New Zealand

We have received limited indexation on pricing in New Zealand from public payors and insurers, but were able to negotiate CPI-like increases with the majority of the private health insurers.

The regulatory authorities in New Zealand have determined that non-arms length referral practices by referrers who own interests in radiology practices or equipment are acceptable. IDX is broadening its referrer base in the New Zealand general practitioner (GP) market, a market segment that is less impacted by non-arms length referrals. Importantly, New Zealand GPs

are able to refer for a larger and growing number of MRI studies than they have been able to refer for in the past. The increasing ability for GPs to refer MRI is an important change that is underway in many healthcare markets around the world, including New Zealand, Australia and the UK. It is a valuable trend that we actively use our influence to promote, as GPs are important diagnosticians and gatekeepers, and MRI is an increasingly important modality in determining the patient's clinical pathway.

Alleviating the medical skills shortage

The skills shortage of radiologists, referring doctors, and skilled clinical staff remains the limiting constraint to industry growth. An increase in immigration of these skilled professionals into Australia and New Zealand since the end of the pandemic has slowly begun to alleviate the shortage, but it has taken longer than expected, particularly in regional areas where the skills shortages are most acute.

IDX has worked hard, with the Australian Diagnostic Imaging Association (ADIA) and with other national healthcare bodies, to ensure that we attract and retain the doctors and staff the regional areas require and achieved the following:

- We were successful in ensuring that Medicare continued to recognise the ability for dual-trained radiologists and nuclear medicine physicians to remotely supervise the provision of regional and remote PET-CT services. Medicare had temporarily authorised this service during the pandemic, and ADIA were successful in lobbying for this change to be made permanent after the pandemic, thereby ensuring the continued provision of this much needed service in regional areas; and
- Importantly for our regional referrers, on 1 November 2023 Medicare trebled the Bulk Billing incentive for GPs. This change represents a meaningful uplift, particularly for regional GPs who will receive the higher incentive.

Living our values

At IDX, our vision is to build a healthier world, and we do this by delivering the best health outcome for every patient we serve. We are defined by our five values – patients first, medical leadership, everyone counts, create value, and embrace change. We live these shared values at IDX, on the patient care frontline and in all the support areas. We hire based on our values, we promote and demote based on our values, and sometimes we part ways based on our values.

Our values define us as healthcare professionals, caregivers and support staff. These values differentiate our company, even amongst our healthcare peers. Our values build our culture, our commitment to always practice good medicine, and our patient first ethos. We know that by putting our patients first, we will also be putting our shareholders first.

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER'S LETTER

Growth and investment

Your company invested \$9.3m in growth initiatives in FY24, investing in two new greenfield sites, and in several brownfields where we expanded the capacity and scope of services at some of our busiest clinics.

We installed a new PET-CT in South Auckland in February. This is our seventh PET-CT across the Group, our second one in Auckland, and the first PET-CT in this fast-growing part of the city. The capital costs for the equipment and infrastructure for a PET-CT are high, but it has been our fastest growing modality across the Group over the past 2 years. We have generally built or acquired one new PET-CT facility every year.

We upgraded two PET-CT's in Queensland and New Zealand, materially improving their efficiency and throughput. We also upgraded MRIs, CTs, ultrasound, mammography and digital x-ray equipment across the Group.

We did not acquire any practices in FY24. We completed the integration of the practices we acquired in FY23, and we announced the offer to merge with Capitol in June 2024 after a preliminary due diligence period, and prior to a confirmatory due diligence period, culminating in the execution and announcement of a Merger Implementation Deed on 18 July 2024.

Proposed merger with Capitol Health Limited

On 18 July 2024, IDX entered into a Merger Implementation Deed with Capitol. The proposed merger will be transformative in that it brings together Australia's only listed pure-play diagnostic imaging providers to create a stronger, better-capitalised combined company.

The transformational proposed merger creates significant clinical, strategic and financial benefits for the stakeholders of both Groups, including patients, doctors and shareholders by:

- Providing patients with increased access to more clinics in more locations as well as enhanced clinical expertise and sub-specialist radiologist services;
- Providing doctors and staff with increased access to leading technologies and modalities, with increased teleradiology opportunities for workload-balancing and flexibility, and more opportunities for professional development including online learning and fellowship programs;
- Generating material cost savings, administrative and revenue synergies, including productivity improvements as well as access to national contracts, cross-referral of specialist radiology services, and better staffing and rostering opportunities. The cost synergies alone are expected to generate annualised pre-tax net savings of at least \$10 million, with the majority of the synergies to be realised in the first year after completion; and
- Providing one of the largest diagnostic imaging providers in Australia and New Zealand with the capacity to influence, drive and improve quality healthcare delivery more broadly in both countries.

The transformational proposed merger will improve coverage for both companies in Victoria and Western Australia. In addition, it will provide IDX shareholders with exposure to important radiology markets in Tasmania and South Australia, and provide Capitol shareholders with exposure to high growth markets.

IDX will expose Capitol shareholders to the fast growing PET-CT modality, and increase access to the growing specialist referrer market. Capitol will provide IDX with exposure to one of the country's leading sports imaging facilities at Melbourne's Olympic Park, a leading musculoskeletal practice in Adelaide, and a comprehensive network of complementary community practices in Victoria, Western Australia and Tasmania.

Importantly, the actual clinic overlap of the two groups is limited. In Victoria, Capitol's clinics are concentrated in metropolitan Melbourne and the Southeast, whereas the majority of IDX's clinics are in Ballarat, Geelong and the Western parts of the State. Similarly, the IDX practice in Western Australia is largely targeted to the hospital and public patient markets, whereas the Capitol clinics in Western Australia cater predominantly to private and community practices.

The proposed merger is subject to customary conditions and approvals for a transaction of this nature, including court, regulatory and Capitol shareholder approvals, as well as no material adverse changes. We expect the merger will be implemented in the fourth quarter of calendar year 2024, subject to satisfaction of the conditions precedent to the merger.

Our people

Our people, the 1,977 individuals employed and contracted by IDX, are the heart of our business. These are the dedicated doctors and staff who work every day to provide the best possible health outcomes to every patient we serve.

We undertake an employee 'Temperature Check' followed by a Full Culture Survey every year at IDX. Pleasingly, the IDX employee NPS continued to improve in FY24 despite challenging circumstances. This improved employee NPS was particularly pleasing given the extensive productivity and efficiency drive we undertook at the end of calendar year 2023 and into early 2024.

Importantly, patient and referrer NPS scores also improved in FY24.

FY25 priorities

The Company's focus in FY25 and beyond will be to continue to execute the following key drivers of IDX's growth strategy:

- Drive organic earnings growth, including through continued focus on execution of key operational improvement initiatives;
- Accelerate use of teleradiology, digital and AI to improve the patient and referrer experience and doctor efficiency, with IDX's teleradiology business (IDXt) having grown rapidly organically, now including 88 contracted radiologists and reporting ~15% of IDX Australian revenue;

- Drive our environmental, social and governance (ESG) strategy;
- Lead through our Values; and
- As balance sheet capacity permits, consider accretive mergers and acquisitions that represent a strong clinical, cultural and strategic fit.

IDX expects to implement the transformational proposed merger with Capitol in the fourth quarter of calendar year 2024, subject to satisfaction of the conditions precedent to the merger. The combination of our two highly complementary diagnostic imaging businesses is expected to realise significant and enduring benefits for our combined patients, doctors and shareholders.

Going forward

I am excited about the prospects for the larger IDX Group going forward. Your company is ideally positioned to capitalise on the strong industry fundamentals, favourable regulatory changes and improving economic fundamentals in Australia and New Zealand.

In closing, I'll ask my fellow shareholders to join me in thanking, once again, our frontline healthcare heroes at IDX who continue to put our patients first every day. Our doctors and staff include some the finest healthcare professionals in the world. Their professionalism, dedication and commitment to our patients and referrers remains inspiring.

My thanks also to all our patients who put their trust in us, to our loyal referrers who trust their patients to us, and to you, our shareholders, who put your faith in us.

My sincere thanks to our Chair, Board and management team, for their valuable counsel, insight, commitment and support.

Good medicine is still good business.

Sincerely



Dr Ian Kadish

Managing Director and Chief
Executive Officer
27 August 2024



DIRECTORS' REPORT

For the year ended 30 June 2024

The Directors present their Report, together with the financial statements, on the consolidated entity the ("Group") consisting of Integral Diagnostics Limited ("IDX" or the "Company") and the entities it controlled for the year ended 30 June 2024.

The information referred to below forms part of, and is to be read in conjunction with, this Directors' Report:

- the Operating and Financial Review (OFR) commencing on page 24; and
- the Remuneration Report commencing on page 33.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this Report, unless otherwise stated:

Toby Hall (Independent Non-Executive Chair) appointed as a Director 28 September 2023 and Chair 29 November 2023

Dr Ian Kadish (Managing Director and Chief Executive Officer)

Raelene Murphy (Independent Non-Executive Director)

Andrew Fay (Independent Non-Executive Director)

Ingrid Player (Independent Non-Executive Director) appointed 29 August 2023

Dr Jacqueline Milne (Radiologist Executive Director) resigned 5 August 2024

Helen Kurincic (Independent Non-Executive Chair) resigned 29 November 2023

John Atkin (Independent Non-Executive Director) resigned 31 August 2023

Dr Nazar Bokani (Radiologist Executive Director) resigned 9 August 2023

Principal activities

During the financial year, the principal activity of the Group was the provision of diagnostic imaging services.

Business strategies, prospects and likely developments

The OFR, which commences on page 24 of the Annual Report, sets out information on the business strategies, prospects and likely developments for future financial years. The expected results from those operations in future financial years have not been included because they depend on factors such as general economic conditions, the risks outlined and the success of IDX's strategies, some of which are outside the control of the Group.

Review and results of operations

A review of the operations of the Group during the financial year, the results of those operations and the financial position of the Group are contained in the OFR, which commences on page 24 of the Annual Report.

Dividends paid in the year ended 30 June 2024

Dividends paid/payable during the financial year were as follows:

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Dividend paid 3.0 cents per share on 5 October 2022	-	6,885
Dividend paid 2.5 cents per share on 4 April 2023	-	5,755
Dividend paid 3.5 cents per share on 4 October 2023	8,060	-
Dividend paid 2.5 cents per share on 2 April 2024	5,762	-
	13,822	12,640

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

Resignation of Director

On 5 August 2024, the Company announced the resignation of Dr Jacqueline Milne from the Board of Directors, effective 5 August 2024.

Proposed acquisition of Capitol Health Limited

On 18 July 2024, the Group announced that following the completion of a two-way confirmatory due diligence process, an agreement had been reached to enter into a binding Merger Implementation Deed to acquire 100% of Capitol Health Limited's ("Capitol") issued shares via a scheme of arrangement.

The Merger Implementation Deed outlines the terms and conditions on which both parties can now proceed to implement the merger via a scheme of arrangement, consistent with the terms of the merger process deed entered into by both parties as announced on 17 June 2024. Under the proposed scheme, shareholders in Capitol would receive 0.12849 shares in IDX per Capitol share.

Capitol's Board have unanimously recommended that Capitol shareholders vote in favour of the scheme, in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the scheme is in the best interests of Capitol shareholders. Subject to these qualifications, each Capitol Director has confirmed they intend to vote any shares that they hold or control in favour of the scheme. The scheme is subject to customary conditions and approvals for a transaction of this nature, including court, regulatory and Capitol shareholder approvals, as well as no material adverse changes or prescribed occurrences.

Results of the performance conditions for the Long Term Incentive (LTI) awards

The performance condition relating to the performance rights issued as part of the FY21 Long Term Incentive (LTI) awards was tested on 27 August 2024. The performance required for vesting was not met, and as a result 373,374 performance rights lapsed.

Dividend declaration

Subsequent to year end, a dividend of 3.3 cents per share was declared and will be paid on 3 October 2024.

Other matters or circumstances

Other than those detailed above, no other matters or circumstances have arisen since 30 June 2024 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Environmental regulations

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law. During the financial year the Group was not convicted of any breach of environmental regulations.

Details of our Environment, Social and Governance (ESG) activities will be published in our FY24 ESG Report prior to our Annual General Meeting and will be available on the Company's website at <https://integraldiagnostics.com.au/reports/>.

DIRECTORS' REPORT

For the year ended 30 June 2024

Information on Directors



Toby Hall
Independent Non-Executive Chair
MBA, GAICD, CGMA

Mr Toby Hall was appointed as an independent Non-Executive Director of IDX on 28 September 2023 and became Chair on 29 November 2023.

Toby has deep healthcare executive leadership experience in Australia and New Zealand and is an experienced Board and Committee Chair. From 2014-2022, Toby was the Group CEO of St Vincent's Health Australia, the second largest non-government provider of hospital and care services in the country. He has also overseen multisite, for-profit generating businesses at both board and executive levels in employment services, early learning services and aged care.

Toby also has extensive involvement in policy development at a Federal level in Australia, having served on committees established by Prime Ministers, Deputy Prime Ministers, Health Ministers, Employment and Social Services Ministers.

He is currently Chair of Sana Health Group, Non-Executive Chair of For Purpose Aged Care, Non-Executive Director of UNICEF Australia, a Director of Papua New Guinea Sustainable Development Fund, a trustee of Yajilarra (a philanthropic foundation) and advisory board member for Fujitsu Australia and New Zealand.

Former directorships (in the last three years)	None
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Special responsibilities	Chair of the Nomination Committee Member of the Audit Committee Member of the Risk, Compliance and Sustainability Committee Member of the People, Culture and Remuneration Committee
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Interests in shares	151,719 ordinary shares (indirectly)
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Dr Ian Kadish
Managing Director and Chief
Executive Officer MBBCh, MBA

Dr Ian Kadish was appointed Managing Director and Chief Executive Officer of IDX on 22 May 2017.

Ian began his career as a medical doctor in Johannesburg, South Africa. He subsequently completed an MBA at the Wharton Business School at the University of Pennsylvania (Dean's List) and followed this with several roles overseas including McKinsey and Company, CSC Healthcare in New York City, and Netcare, a major hospital group in South Africa and the United Kingdom, where he was an Executive Director from 1997 to 2006. Ian was instrumental in growing the group from five hospitals with a market capitalisation of \$60 million, to 119 hospitals and a market capitalisation of \$3 billion.

Since migrating to Australia in 2006, Ian's roles have included CEO and MD of Healthcare Australia, CEO and MD of Pulse Health Group (previously ASX-listed hospital group) and CEO of Laverty Pathology.

Ian is currently a Non-Executive Director of Teaminvest Private Group Limited (ASX: TIP) and a Director of the Australian Diagnostic Imaging Association (ADIA).

Former directorships (in the last three years)	None
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Special responsibilities	Member of the Integral Clinical Leadership Committee
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Interests in shares	559,441 ordinary shares and 858,583 performance rights (directly)
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Raelene Murphy
Independent Non-Executive
Director BBus, FCA, GAICD

Ms Raelene Murphy was appointed as an independent Non-Executive Director of IDX on 1 October 2017.

Beginning her career in audit, Raelene has over 30 years' experience in strategic, financial and operational leadership in both industry and professional advisory. She was formerly a Partner in a national accounting firm, Managing Director of Korda Mentha and CEO of the Delta Group. In her professional advisory career, she specialised in operational and financial restructuring, with a particular emphasis on merger and acquisition integration across a range of significant public and private companies.

Raelene is a Fellow of Chartered Accountants Australia and New Zealand and has extensive experience as Chair of Audit and Risk Committees for ASX listed companies.

She is currently a Non-Executive Director of Bega Limited (ASX: BGA), Elders Limited (ASX: ELD) and Tabcorp Holdings Limited (ASX: TAH).

Former directorships (in the last three years)	Altium Limited (ASX:ALU) – Non-Executive Director - (2016 to 2022)
Special responsibilities	Chair of the Audit Committee Member of the Risk, Compliance and Sustainability Committee Member of the People, Culture and Remuneration Committee Member of the Nomination Committee
Interests in shares	30,945 ordinary shares (indirectly)



Andrew Fay
Independent Non-Executive
Director BAgEc (Hons), A Fin

Mr Andrew Fay was appointed as an independent Non-Executive Director of IDX on 18 July 2022.

Andrew brings to the Board over 30 years' experience in funds and investment management, including Chief Executive Officer and Chief Investment Officer roles at Deutsche Asset Management (Australia) Limited. He also held a number of other senior investment roles at Deutsche Asset Management and previously at AMP Capital. From 1998 to 2006, he was a member of the Investment Board Committee of the Financial Services Council.

Andrew is an experienced company director across ASX listed, private and regulated entities and accordingly brings to the Board skills in financial and risk management, capital markets, executive remuneration frameworks, strategy, investment and corporate governance. Specifically, he has sector experience and expertise in financial services, including investment, funds, property and infrastructure management.

He is currently Chair of Growthpoint Properties Australia (ASX: GOZ), a Non-Executive Director of National Cardiac Pty Ltd and Utilities of Australia Pty Ltd (Trustee of Utilities Trust of Australia) and advises Microbiogen Pty Ltd in the area of corporate development.

Former directorships (in the last three years)	None
Special responsibilities	Chair of the People, Culture and Remuneration Committee Member of the Audit Committee Member of the Nomination Committee
Interests in shares	23,000 ordinary shares (directly) and 62,000 ordinary shares (indirectly)

DIRECTORS' REPORT

For the year ended 30 June 2024



Ingrid Player
Independent Non-Executive
Director BEc, LLB(Hons), GAICD

Ms Ingrid Player was appointed as an independent Non-Executive Director of IDX on 29 August 2023.

Ingrid is an experienced former executive and non-executive director with international commercial and regulatory experience in mergers and acquisitions, corporate governance, capital developments, risk and sustainability that spans different markets and industries in Australia and Europe.

Ingrid's experience includes her senior executive roles with one of Australia's leading healthcare providers, where she worked closely with the Board to deliver various capital raisings, retail listed notes, and debt finance deals. She was also instrumental in leading the integration of more than 50 businesses into the Group, implementing the Group's first Reconciliation Action Plan and establishing diversity targets throughout the organisation. Ingrid's roles included Group Executive for Legal Governance and Sustainability as well as General Counsel and Company Secretary between 2005 and 2019.

She is currently a Non-Executive Director of Cleanaway Waste Management Limited (ASX: CWY) and Cogstate Limited (ASX: CGS) and is also a Non-Executive Director of Epworth Foundation.

Former directorships (in the last three years)	None
Special responsibilities	Chair of the Risk, Compliance and Sustainability Committee Member of the Audit Committee Member of the People, Culture and Remuneration Committee
Interests in shares	35,000 ordinary shares (indirectly)

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

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

Company Secretaries

Ms Nikki Dalla Valle (LLB, B.Int.St) was appointed General Counsel and Company Secretary on 14 December 2023. Nikki is an experienced corporate lawyer holding various in-house roles in the FMCG and Healthcare industry specialising in mergers and acquisitions and general corporate and commercial work. Nikki is currently on parental leave.

Mr John Merity (BA, LLB (Hons), GAICD) was appointed as Interim Company Secretary on 6 June 2024. John draws on a broad range of experience gained as a corporate lawyer in Australia and the UK, as a director and company secretary of ASX-listed and substantive private companies and as a corporate advisor.

Meetings of Directors

The numbers of meetings of the IDX Board of Directors and of each board committee held during the year ended 30 June 2024, and the numbers of meetings attended by each Director were:

Director	Board		Audit, Risk and Compliance Committee ¹		Audit Committee ¹		Risk, Compliance and Sustainability Committee ¹		People, Culture and Remuneration Committee		Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Toby Hall	15	15	2	2	1	1	2	2	3	3	3	3
Dr Ian Kadish	18	18	-	-	-	-	-	-	-	-	-	-
Raelene Murphy	18	18	4	4	1	1	2	2	5	5	3	3
Andrew Fay	18	18	4	4	1	1			5	5	3	3
Ingrid Player	16	16	2	2	1	1	2	2	3	3	-	-
Jacqueline Milne	18	18	-	-	-	-	-	-	-	-	-	-
Helen Kurincic	7	7	2	2	-	-	-	-	2	2	1	1
John Atkin	2	2	2	2	-	-	-	-	2	1	-	-
Nazar Bokani	1	1	-	-	-	-	-	-	-	-	-	-

1. The Audit, Risk & Compliance Committee was retired on 3 April 2024 and the Audit Committee and Risk, Compliance and Sustainability Committee were respectively established on 3 April 2024.

Held: Represents the number of meetings held during the time a Director held office and was eligible to attend.

The Board also has a group-wide Clinical Leadership Committee (CLC). Its role is to promote and support a collegiate culture across all practices and to provide advice on all clinical governance matters including patient care, clinical standards and quality assurance. During the year ended 30 June 2024, the CLC consisted of Executive Directors Dr Ian Kadish, Dr Nazar Bokani and Dr Jacqueline Milne, together with radiologist leaders from across IDX. Dr Bokani was a member of this Committee up until his resignation on 9 August 2023 and Dr Jacqueline Milne was a member of this Committee until her resignation on 5 August 2024.

The Clinical Leadership Committee met five times during the year ended 30 June 2024 and Executive Directors' attendance is noted below:

Director	CLC	
	Held	Attended
Dr Ian Kadish	3	3
Dr Jacqueline Milne	5	5
Dr Nazar Bokani	-	-

Held: Represents the number of meetings held during the time a Director held office and was eligible to attend.

Options and performance rights

As at the date of this report, IDX had 1,721,459 performance rights outstanding relating to the LTI Plan (2023: 1,337,523), and 150,427 performance rights outstanding relating to the STI Plan (2023: nil). For further details on the performance rights, refer to Note 24 in the Notes to the Financial Statements.

As at the date of this report, IDX had 907,990 options outstanding (2023: 923,342). For further details on the options, refer to Note 24 in the Notes to the Financial Statements.

DIRECTORS' REPORT

For the year ended 30 June 2024

Indemnity and insurance of officers

The Company's Constitution requires the Company to indemnify any person who is, or has been, an officer of the Company, including the Directors, Executives and the Company Secretary of the Company, on a full indemnity basis and to the full extent permitted by law, against all losses or liabilities (including all reasonable legal costs) incurred by the officer as an officer of the Company or of a related body corporate.

In accordance with the Company's Constitution, the Company has entered into a deed of indemnity, insurance and access with each of the Company's Directors and officers. Under the deeds of indemnity, insurance and access, the Company must maintain a directors' and officers' insurance policy insuring a Director (among others) against liability as a director and officer of the Company and its related bodies corporate, until seven years after a director ceases to hold office as a director or of a related body corporate (or the date any relevant proceedings commenced during the seven-year period have been finally resolved). No Director or officer of the Company has received benefits under an indemnity from the Company during or since the end of the financial year.

During the financial year, the Company has paid a premium in respect of a contract, insuring officers of the Company or of a related body corporate and its related bodies corporate against all liabilities that they may incur as an officer of the Company or of a related body corporate, including liability for costs and expenses incurred by them in defending civil or criminal proceedings involving them as such officers, with some exceptions. Due to confidentiality obligations and undertakings of the policy, no further details in respect of the premium or the policy can be disclosed.

Indemnity and insurance of the auditor

The Company has agreed to indemnify the auditor, PricewaterhouseCoopers, to the extent permitted by law, against any claim by a third party arising from the Company's breach of their agreement. The indemnity stipulates that the Company will meet the full amount of any such liabilities including a reasonable amount of legal costs. No liability has arisen or premium paid under this indemnity.

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

Proceedings on behalf of the Company

No person has applied to the court under section 237 of the Corporations Act 2001 (Cth) (Corporations Act) 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.

Audit and non-audit services

Details of the amounts paid or payable to the auditor of the Company for audit and non-audit services during the year by the auditor are disclosed in Note 29 to the Financial Statements.

In accordance with its Policy for Non-Audit Services Provided by the External Auditor, the Company may decide to employ the auditor on assignments additional to their statutory audit duties, where the auditor's expertise and experience with the Company and/or the Group are important. In the current financial year, PricewaterhouseCoopers invoiced the Group for non-audit fees totalling \$95,089. These non-audit fees remain under the threshold for non-audit services in accordance with the Policy for Non-Audit Services.

Officers of the Company who are former partners of PricewaterhouseCoopers

There are no officers of the Company who are former audit partners of PricewaterhouseCoopers.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act is set out on page 55.

Auditor

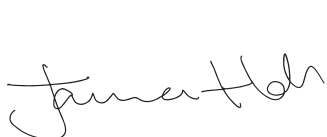
PricewaterhouseCoopers continues in office as the auditor of the Company in accordance with section 327 of the Corporations Act.

Rounding of amounts

The Company is of a kind referred to in Australian Securities and Investments Commission Legislative Instrument 2016/191, relating to "rounding off". Amounts in this Report and in the financial statements have been rounded off, stated in accordance with that Instrument, to the nearest thousand dollars, or in certain cases, the nearest dollar.

This Directors' Report is made in accordance with a resolution of Directors.

On behalf of the Directors



Toby Hall

Chair



Ian Kadish

Managing Director and Chief
Executive Officer

27 August 2024
Melbourne

OPERATING AND FINANCIAL REVIEW

For the year ended 30 June 2024

The purpose of this Operating and Financial Review is to provide shareholders with additional information regarding the Company's operations, financial position, business strategies and prospects. The review complements the Financial Report, which commences on page 57, and the ASX announcement and full year results presentation dated 27 August 2024.

The Group prepares the Financial Report in accordance with the Australian equivalents of International Financial Reporting Standards (IFRS) as issued by Australian Accounting Standards Board. Certain parts of this review contain financial measures that have not been prepared in accordance with IFRS (non-IFRS financial measures) however, have been included as the Group believes that these non-IFRS financial measures provide a useful means through which to examine the underlying performance of its business. These non-IFRS financial measures form part of how management reviews the underlying performance of the Group and its communications with key stakeholders. Refer to page 117-121 for a reconciliation to statutory financial information.

Integral Diagnostics Limited (ASX: IDX) is an Australian and New Zealand healthcare services company whose main activity is providing diagnostic imaging services to referrers (general practitioners, medical specialists, and allied health professionals) and their patients.

IDX has a diversified revenue mix and focuses on providing a full range of diagnostic imaging modalities. IDX has 90 sites of which 32 are comprehensive sites that are located close to specialist referrers who require higher complexity imaging and make greater use of CT, MRI, PET and interventional procedures throughout our business. During the year under review IDX operated in Queensland, Victoria, Western Australia and New Zealand. Refer to page 4 to view 'Our Brands'.

Year in Review

Financial performance overview

A summary income statement providing details of non-operating transactions and reconciling to the statutory income statement is outlined in the following table:

	30 June 2024 Actual \$m	30 June 2023 Actual \$m
Summary income statement¹		
Revenue	469.7	440.8
Other revenue	0.9	0.4
Total revenue and other income	470.6	441.2
Operating EBITDA	91.5	85.2
Operating EBITA	46.1	43.8
Operating NPAT	18.1	17.9
Non-operating transactions net of tax		
Remeasurement of contingent consideration liabilities	1.3	15.8
Transaction, restructuring and integration costs	(3.4)	(4.9)
Share based expenses	(1.0)	(1.9)
Share of net profit of joint ventures	(0.1)	(0.3)
Amortisation of customer contracts	(1.0)	(1.6)
Impairment Expense	(74.6)	-
Statutory NPAT	(60.7)	25.0
Operating EBITDA as a % of revenue	19.5%	19.3%
Operating NPAT as a % of revenue	3.9%	4.1%
Operating diluted EPS (earnings per share)	7.7	7.6
Statutory diluted EPS (earnings per share)	(26.0)	10.6
Return on invested capital (based on Operating EBIT)	7.0%	7.3%
Declared dividend pay-out ratio on Operating NPAT	74.4%	77.9%

1. The operating and financial review includes references to pro forma results to exclude the impact of the adjustments detailed above. The Directors believe the presentation of non-IFRS financial measures are useful for the users of this financial report as they provide additional and relevant information that reflect the underlying financial performance of the business. Non-IFRS financial measures contained within this report are not subject to audit or review. For further information on non-IFRS measures used in this report, including a reconciliation to statutory financial information, refer to the 'Non-IFRS Financial Information' section on pages 122 to 126 of this report.

IDX's results for FY24 reflect the combination of a relatively weak first half (1H FY24) performance together with a materially stronger second half (2H FY24) profit result, demonstrated by an improvement in Group Operating EBITDA margins by 150bps to 20.3% for 2H FY24, following a focus on key operational improvement initiatives. In addition, leverage reduced by 0.3x to 2.6x as at 30 June 2024, compared to 2.9x as at 30 June 2023. The materially stronger second half result is consistent with the outlook provided at the time of the 1H FY24 results release on 20 February 2024.

IDX's operating results for FY24 are consistent with the guidance provided at the time of the 1H FY24 results announced on 20 February 2024:

- Solid revenue growth of 6.6% driven by Medicare indexation (3.6% increase effective 1 July 2023 and an additional 0.5% increase effective 1 November 2023, both increases exclude nuclear medicine), annualisation of FY24 out of pocket fee increases and continued favourable mix impact.
- Prolonged cost pressures, especially higher labour costs, driven by inflation and labour market supply constraints, together with higher interest funding costs. Management has focused on various key operational improvement initiatives to contain and reduce costs wherever possible.
- Operating EBITDA margin of 19.5%, being an increase of 20 bps compared to 19.3% in the prior corresponding period
- An impairment loss announced in 1H FY24 of \$71.6m recognised in the New Zealand division, reflecting the impact of changes in patient referral patterns.
- Statutory Loss after Tax of (\$60.7m) after impairment losses, transaction, restructuring and integration costs, amortisation of customer contracts and other costs, net of tax, of \$78.8m.
- Free cash flow reflects the increase in Operating EBITDA, changes in the working capital profile driven by timing of payments as well as lower replacement capital expenditure in FY24.
- Net debt to EBITDA (pre-AASB 16) of 2.6x at 30 June 2024, being lower than 2.9x at 30 June 2023 and 3.0x at 31 December 2023, and projected to continue to trend down to the Group's target ratio of 2.5x or less over time.

Operating NPAT increased by \$0.2m or 1.3% to \$18.1m and operating diluted earnings per share increased by 0.1 cents per share or 1.2% to 7.7 cents per share.

Statutory NPAT decreased to (\$60.7m), with the decrease relative to Operating NPAT being due to non-operating transactions, including:

- Impairment losses of \$74.6m, relating to New Zealand operations (\$71.6m) and brand intangibles (\$3.0m); and
- Transaction, restructuring and integration costs of \$3.4m, consisting of \$1.0m relating to acquisitions and integration activities, \$1.2m of restructuring costs, and \$1.2m of one-off systems implementation costs, on a post-tax basis.

As some of these non-operating transactions are on the capital account, they are not tax deductible, creating a greater impact on statutory earnings after tax.

Financial overview

- In FY24 the Group achieved revenue growth of \$28.9m.
- Organic operating revenue from all sources (including reporting contracts, some of which are fixed rate) in Australia grew 7.2% adjusted for working days.
- In Australia IDX recorded a 0.6% gain in revenue market share over the two years ended 30 June 2024 adjusted for working days. This was evidenced by a 7.3% annual revenue increase in its organic business in comparison to Medicare benefits for the States in which IDX operates, which have seen a 6.7% annual revenue increase in weighted average benefits paid. For the year ended 30 June 2024, IDX achieved a 7.2% revenue increase in its organic business in comparison to Medicare benefits for the States in which IDX operates which have seen a 9.7% revenue increase in weighted average benefits paid, reflecting IDX's growth off a higher base in the prior year compared to Medicare.
- Average fees per exam (including reporting contracts) in Australia increased by 7.7% in FY24. This reflected Medicare indexation of 3.6% applied to all Diagnostic Imaging Services, including MRI items however excluding Nuclear Medicine items, from 1 July 2023. Further indexation of 0.5% applied from 1 November 2023, selective price increases and an on-going move to the higher end CT, MRI and PET scan modalities.
- Organic operating revenue in New Zealand grew 5.3% on a constant currency basis adjusted for working days. New Zealand revenues continued to be impacted by referrer-owned radiology practices in Auckland. The company is responding by diversifying our New Zealand referrer base to include more General Practitioners (GPs), and working with our GP referrers to more comprehensively work up their patients prior to specialist referral.
- Operating EBITDA margin of 19.5%, being an increase of 20 bps compared to 19.3% in the prior corresponding period.
- Operating NPAT of \$18.1m.
- Statutory NPAT of (\$60.7m) including non-operating transactions, in particular impairment losses of \$74.6m and FY24 transaction, restructuring and integration costs (net of tax) of \$3.4m as described above.

OPERATING AND FINANCIAL REVIEW

For the year ended 30 June 2024

Operating performance overview

During FY24 we focused on key operational improvement initiatives as follows:

Improved patient and referrer experience

- Continued roll out of integrated patient booking system to minimise patient wait times and patient waiting lists;
- Strengthened referrer relationships through priority service lines and enhanced e-referral platforms; and
- Educated patients and referrers on selected radiology tests for early diagnosis, e.g. high resolution Chest CT for all smokers and Cardiac CT's for patients at risk of heart disease.

Workforce development

- Enhanced clinical productivity, including sub-specialty reporting, through use of technology, such as integrated worklists and AI;
- Grew our Sonographer training program to address workforce shortages;
- More closely aligned staffing levels to match patient demand; and
- Increased regional radiologist registrar training positions at IDX sites.

Increased productivity and efficiency

- Simplified and reduced management layers in organisation structures so that decisions can be made closer to the frontline;
- Continued to drive non-labour cost efficiencies; and
- Grew teleradiology service to assist in cost-effectively balancing the workload.

Lifted asset utilisation

- Focused on improving utilisation of existing installed machine base;
- Selected investment in higher end modalities within FY24 budgeted growth capex; and
- Targeted more capital-light teleradiology tenders, e.g. secured our first NSW teleradiology tender.

Capital expenditure

Total capital expenditure on tangible assets was \$23.9m (FY23: \$45.2m), of which \$14.6m related to equipment replacement and \$9.3m related to growth opportunities, including: in Australia, the Smith Street expansion at South Coast Radiology (\$1.0m); phased payments for Lake Imaging's Ocean Grove expansion (\$0.5m); Imaging Queensland's PET-CT greenfield in Noosa (\$0.5m); in New Zealand, PET building works for the Cavendish site (\$1.3m) which opened in February 2024; and across the business, IT software, infrastructure and cyber security investment (4.7m).

Acquisitions

There were no acquisitions by the Group during FY24.

During FY23 the contingent consideration provision for the Earn Out A liability for the Imaging Queensland Group was adjusted from \$12.4m to \$2.2m, based on the valuation provided by an Independent Expert. This was sought as part of the dispute resolution process provided for in the Share Sale Contract, as disclosed in Note 20 of the Group's Consolidated Financial Statements for the year ended 30 June 2023. The Group has made efforts to settle the \$2.2m liability for Earn Out A, based on the valuation provided by the independent expert, however the vendors have declined settlement, and the matter remains in dispute at the date of this report. The provision for Earn Out B liability remains unchanged at \$5.5m and has been classified as a current liability.

Taxation

The effective tax rate on operating earnings is 25.8% (FY23: 31.3%), driven by the recognition of tax losses booked from the acquisition of Peloton Radiology, as well as deductions taken for transaction advisory fees previously treated as non-deductible.

The effective tax rate on statutory earnings of (6.2%) (FY23: 18.3%) is driven by statutory earnings containing impairment expenses as well as adjustments to contingent consideration provisions, which are on capital account.

Cash flows

Free cash flows of \$56.0m (FY23: \$53.1m) increased by 5.5%. Free cash flow conversion before replacement capex was 77.2% (FY23: 92.9%). The increase in free cash flows is due to the increase in Operating EBITDA, changes in the working capital profile driven by timing of payments, as well as lower replacement capital expenditure in FY24.

Capital management

Net debt decreased by \$11.0m to \$183.5m (FY23: \$194.5m). This reflects a combination of operational cash flows, capital expenditure and dividend payments made throughout the financial year. The Net Debt/EBITDA ratio was 2.6x at 30 June 2024 (FY23: 2.9x).

At 30 June 2024, IDX had cash reserves of \$42.4m and committed facilities of \$353.7m, of which \$128.5m remained undrawn. The Group's debt facilities have a five-year term to February 2026 and IDX is in compliance with all the covenants under the debt facility.

Earnings per share

On a statutory basis, basic earnings per share decreased to (26.0) cents per share (FY23: 10.8 cents per share). Diluted earnings per share in FY24 considering the FY21, FY22, FY23 and FY24 performance rights and options issues was (26.0) cents per share (FY23: 10.6 cents per share). The decreased earnings per share at a statutory level is reflective of the decrease in statutory NPAT to (\$60.7m).

On an Operating NPAT basis, Diluted Earnings per Share were 7.7 cents per share (FY23: 7.6 cents per share).

Dividend

Fully franked dividends of 5.8 cents per share (FY23: 6.0 cents per share) totalling \$13.5m have been paid or declared for FY24. A fully franked final dividend of 3.3 cents per share will be paid on 3 October 2024 to shareholders on the register as at 2 September 2024. This represents 74.4% of Operating NPAT (FY23: 77.9%).

In accordance with the Merger Implementation Deed signed between Integral Diagnostics Limited and Capitol on 18 July 2024, the Group is permitted to pay a fully franked dividend in connection with the financial year ended 30 June 2024 of between 65.0% and 75.0% of the Operating NPAT of the Group. Under the terms of this agreement, both parties have agreed to suspend the dividend reinvestment plan until the successful completion of the transaction.

Regulatory outlook

Australia:

MRI Licences

On 1 November 2022, the Federal Government deregulated MRI services in regional and rural areas, defined as Modified Monash Model 2-7.

On 14 May 2024, the Federal government announced that:

- From 1 July 2025, any practice location that holds a current license (partial or full) will receive a 'practice-based' license that provides full Medicare eligibility to all MRI equipment located at the practice; and
- From 1 July 2027, all comprehensive diagnostic imaging practices will have their ineligible MRI machines upgraded to access all Medicare funded MRI services, at which point all MRI licensing requirements will cease.

Key Medicare Changes

1 July 2024:

- Indexation of 3.5% on all diagnostic imaging services (excluding nuclear imaging services).

1 November 2024:

- Nuclear medicine subgroup for non-PET imaging services will receive a one-off fee increase of 3.5%, followed by annual indexation from 1 July 2025 onwards; and
- Reduction by 2% in benefits for all CT services.

OPERATING AND FINANCIAL REVIEW

For the year ended 30 June 2024

New Zealand:

There is limited indexation of pricing in New Zealand, however we have received CPI-like increases commencing in December 2023 from the majority of private health insurers and continue to negotiate with other funders.

The regulatory authorities in New Zealand have determined that non-arms length referral practices by referrers who own interests in radiology practices or equipment are acceptable. IDX is pursuing various strategic initiatives as a result of this situation, including diversifying our New Zealand referrer base to include more General Practitioners (GPs), and working with our GP referrers to more comprehensively work up their patients prior to specialist referral.

Australia and New Zealand:

International medical graduates (radiologists and referring doctors) and other clinicians (including sonographers and nuclear medicine technologists) are slowly returning to New Zealand and regional Australia, helping to alleviate the skills shortage.

Company outlook

The Company believes the fundamentals of the essential radiology industry are strong. Our industry benefits from being at the confluence of major global trends – demographic and technological:

- Demographically, the ageing of the population and the increased prevalence of chronic disease and earlier detection will drive demand for diagnostic services;
- Technological advancements, digitisation and the growth of teleradiology and AI is expected to improve the quality and efficiency of the care we deliver; and
- Structural shifts to higher acuity modalities.

IDX as a specialist, regionally focused, high-quality provider of diagnostic services is strategically well positioned to benefit from these important trends and to grow services strongly going forward.

The Company's focus in FY25 and beyond will be to execute the following key drivers of IDX's growth strategy:

- Drive organic earnings growth, including through continued focus on execution of key operational improvement initiatives;
- Accelerate use of teleradiology, digital and AI to improve the patient and referrer experience and doctor efficiency, with IDX's teleradiology business (IDXt) having grown rapidly organically, now including 80 contracted radiologists, and reporting ~15% of IDX Australian revenue;
- Drive our environmental, social and governance (ESG) strategy;
- Lead through our Values; and
- As balance sheet capacity permits, consider accretive mergers and acquisitions that represent a strong clinical, cultural and strategic fit.

IDX expects to implement the transformational proposed merger with Capitol in the fourth quarter of calendar year 2024, subject to satisfaction of the conditions precedent to the merger. The combination of our two highly complementary diagnostic imaging businesses is expected to realise significant and enduring benefits for all of our combined patients, doctors and shareholders.

Balance Sheet

A summary of the balance sheet as at 30 June 2024 and a comparison to the prior year is outlined in the following table:

	30 June 2024 Actual \$m	30 June 2023 Actual \$m
Balance sheet		
Cash and cash equivalents	42.4	33.9
Trade and other receivables	24.5	21.7
Other current assets	7.9	7.1
Total current assets	74.8	62.7
Property, plant and equipment	148.8	153.1
Right of use assets	121.6	129.4
Intangible assets	399.1	474.8
Deferred tax assets	-	19.0
Investments accounted for using the equity method	-	-
Total non-current assets	669.5	776.3
Total assets	744.3	839.0
Trade and other payables	32.8	31.1
Borrowings	2.2	2.5
Lease liabilities	14.0	14.2
Contingent consideration	9.2	7.5
Provisions	27.5	27.4
Total current liabilities	85.7	82.7
Contingent consideration	0.7	7.8
Borrowings	219.8	221.1
Provisions	10.7	9.5
Lease liabilities	121.9	127.3
Deferred tax liability	3.8	17.6
Total non-current liabilities	356.9	383.3
Total liabilities	442.6	466.0
Net assets	301.7	373.0

- Working capital of (\$0.4m) increased slightly by \$1.9m, driven by the timing of receivables.
- Provisions (excluding tax) have increased slightly by \$1.3m.
- Contingent consideration of \$9.9m includes Imaging Queensland (\$7.7m) and Horizon Radiology (\$0.5m), deferred consideration for Peloton Radiology (\$0.9m) and the X-Ray Group (\$0.4m), and deferred income (\$0.4m).
- Net debt (including off balance sheet bank guarantees of \$3.2m and excluding capitalised borrowing costs of \$0.7m) decreased by \$11.0m to \$183.5m (FY23: \$194.5m). This reflects a combination of operational cash flows, capital expenditure and dividend payments made throughout the financial year.

OPERATING AND FINANCIAL REVIEW

For the year ended 30 June 2024

Cash flow

A summary of net cash flows as at 30 June 2024 are presented below:

	30 June 2024 Actual \$m	30 June 2023 Actual \$m
Summary of cash flow		
Free cash flow	56.0	53.1
Growth capital expenditure	(9.3)	(19.1)
Net cash flow before financing, acquisitions and taxation	46.7	34.0
Tax refunded/(paid)	2.0	(2.0)
Interest and other costs paid on borrowings excluding leases	(15.7)	(13.2)
Net change in borrowings	(2.4)	(2.2)
Payments for acquisitions	-	(85.9)
Working capital acquired	-	(0.3)
Proceeds from the issue of equity	1.7	2.2
Contingent consideration paid	(4.0)	(0.2)
Dividends paid	(13.8)	(12.6)
Transaction costs	(2.1)	(4.0)
Integration costs	(3.6)	(2.8)
Capital raising costs	-	-
Other	-	(2.4)
Net cash flows	8.8	(89.4)

- Free cash flows of \$56.0m were \$2.9m or 5.5% higher than FY23, which was driven by the increase in Operating EBITDA, changes in the working capital profile driven by timing of payments as well as lower replacement capital expenditure in FY24.
- Growth capital expenditure was \$9.3m.
- Dividends of \$13.8m (6.0 cents per share fully franked) were paid in FY24.

Risk management

The Company's Risk Management Framework is now overseen by the Risk, Compliance & Sustainability Committee (RCSC), following the restructure of the Audit, Risk & Compliance Committee into two Committees during FY24; the Audit Committee (AC) and the RCSC. The Framework, which is actively managed by members of Senior Management and the Legal and Risk Team, is consistent with ISO 31000:2018 Risk Management – Guidelines, and is subject to an annual review. A copy of the Company's RCSC Charter can be found on the Company's website: www.integraldiagnostics.com.au/corporate-governance.

This Framework, along with the Company's Risk Management Policy and Appetite Statement, is used to implement a consistent approach to identifying, analysing and evaluating risks to support the Company's business activities and strategies. It also assists in creating a culture of risk awareness and accountability throughout the business at all levels.

IDX continually reviews, assesses and strengthens its policies and procedures in all areas including clinical governance, regulatory, occupational health and safety, IT, finance, business continuity and operations. This risk management process is aided by an independent internal audit program to ensure the effectiveness and compliance of our practices.

Clinical governance is a key component of the Company's risk management and is managed through the Integral Clinical Leadership Committee (ICLC) and Business Unit Clinical Leadership Committees under the ICLC Charter. A copy of the ICLC Charter can be found on the Company's website: www.integraldiagnostics.com.au/corporate-governance.

Business risks

A list of IDX's core risks are described below. These risks are continuously assessed by the business and reported on a regular basis to the RCSC. Please note that this is not a comprehensive list of all actual and potential risks that may impact IDX's financial and operating results in future periods.

Risk Area	Risk Management Strategy
Regulatory changes Changes to funding and government policies and regulations may have a material adverse impact on the financial and operational performance of the Company, including the deregulation of MRIs which may remove significant barriers to entry into the diagnostic imaging market.	<ul style="list-style-type: none"> Regular monitoring of funding and regulatory changes and industry developments. Membership of, and participation in, the Australian Diagnostic Imaging Association. Membership of, and participation in, the Royal Australian New Zealand College of Radiologists.
Maintaining strong referrer relationships A material loss of, or lack of growth in, referrals to IDX would impact financial and operational performance of the Company.	<ul style="list-style-type: none"> Maintenance of existing relationships across IDX's referrer network through a process of continuous engagement. Continuous investment in new technology to enhance access and service for referrers and patients. Clinical Leadership Committees in each business unit, supported by local management to drive clinical governance.
Mergers and acquisitions It is IDX's strategy to drive growth organically and through mergers and acquisitions (M&A). This strategy may place significant demands on management, resources, internal controls and systems, resulting in the failure to realise anticipated benefits or effectively integrate acquisitions.	<ul style="list-style-type: none"> Program of oversight for M&A activity, due diligence and integration. Detailed due diligence processes and procedures, including the development of integration and resourcing plans. Engagement of external advisors to assist in identifying risks, challenges and opportunities of acquisitions.
Contracts and service agreements Contracts and service agreements may be breached, terminated or not renewed resulting in loss of revenue and operating profit.	<ul style="list-style-type: none"> Regular review of all IDX contracts for completeness of information, renewal dates, contract owners and performance against SLA's. Maintenance of a digital contract database which sends automatic reminders to contract owners about contract milestones including expiry dates.
Clinical risk management The risk of patient harm due to human error or a lack of effective clinical governance and processes.	<ul style="list-style-type: none"> ICLC manages and advises on clinical governance matters, including patient care, clinical standards and quality assurance. Consistent clinical risk and incident reporting processes in place across the Company and business units, to review incident data and resulting recommendations at all management levels, through to the ARCC and the Board. Chief Medical Officer (CMO) further strengthens focus on clinical governance within IDX. Maintenance of appropriate insurance arrangements, including in relation to medical malpractice. Radiologist peer review systems in place.
Privacy and confidentiality The Company relies on secure processing, transmission and storage of confidential, proprietary and other information in its IT infrastructure. The loss or misuse of personal information, or inadequate and insecure data protection and privacy protocols, may result in a breach of a patient or referrer privacy and confidentiality.	<ul style="list-style-type: none"> Consistent privacy policies and practices in place across the Company that have been reviewed by external privacy experts for compliance with the required laws in Australia and New Zealand. Provision of training for staff. Cyber security and IT infrastructure controls in place and continually reviewed.

OPERATING AND FINANCIAL REVIEW

For the year ended 30 June 2024

Risk Area	Risk Management Strategy
<p>Cyber security</p> <p>A material cyber security event, data breach or attack on IDX, or the inability of IDX to respond to the continually evolving threats affecting its operations and involving significant remediation resources.</p>	<ul style="list-style-type: none"> • Provision of cyber security training including phishing training and simulations for staff. • Ongoing penetration testing by an external party to review protections against increasing threats. • Regular meetings of Cyber Security Steering Committee. • Alignment of the Company's cyber security framework and controls to industry standards, including annual cyber maturity assessments. • Business continuity and disaster recovery plans in place, including data breach simulations held with senior leaders and the Board.
<p>Attraction and retention of talent</p> <p>The risk of an inability to attract and retain quality radiologists, management and staff due to competition across the market, geographical location of some sites or other factors.</p>	<ul style="list-style-type: none"> • Investment in employee engagement, professional development and culture building activities across IDX. • Implementation of a Leadership Capability Framework and a Performance and Development Framework. • Targeted recruitment campaigns both locally and overseas. • Provision of People and Culture support across the Company for all staff, including an Employee Assistance Program.
<p>Competitive market dynamics</p> <p>Changing competitive trends in the radiology market including the emergence of medical specialist groups purchasing their own diagnostic equipment, new market entrants or increasing competition from radiologists setting up independent practices.</p>	<ul style="list-style-type: none"> • Proactive monitoring of changes in the market, to stay abreast of and respond to identified changes. • Focus on maintaining and growing referrer relationships. • Participation in industry group forums.
<p>Climate change</p> <p>The risk of events resulting from climate change adversely impacting IDX's operations, including providing clinical care to our patients, and having a negative impact on the financial performance and position of the Company.</p>	<ul style="list-style-type: none"> • Maintenance of business continuity plans for both clinical and corporate operations. • Development and implementation of IDX's ESG strategy aligned to its values and with a view to complying with the proposed climate-related disclosure standards in Australia.

REMUNERATION REPORT

For year ended 30 June 2024

Introduction from the People, Culture and Remuneration Committee Chair

Dear Shareholders

On behalf of the Board, I am pleased to present the Remuneration Report for the 2024 financial year. We will seek your approval of the report at our 2024 Annual General Meeting.

Our Executive Remuneration Framework has always sought to achieve the key objectives of being:

- competitive, fair and equitable;
- linked to performance and consistent with the Group's values and strategy;
- aligned with the interests of shareholders and other stakeholders; and
- applied with appropriate transparency, particularly in relation to KMP.

Consistent with FY23, the Company included a risk, compliance and conduct gateway to the granting of any STI award in FY24. While the FY24 gateway was satisfied, the financial KPI threshold representing 50% of the potential STI was not achieved and therefore no award was made for the financial component.

In FY24 the non-financial award portion of the STI included sustainability goals to support the Group's ongoing achievements of its ESG strategy. This recognises that our patients, people, culture and risk management are integral to our ongoing success and ability to differentiate in an increasingly competitive market. Sustainability goals include measures related to patient and referrer satisfaction, employee engagement, safety and injury prevention, employee turnover and environmental impact. The majority of quantifiable outcomes were achieved in the non-financial KPIs by the Executive KMP in FY24.

Details of the Managing Director's achievements against the FY24 STI KPIs are provided on page 46. For all other executive KMP a summary of key individual and common KPIs and the STIs awarded in FY24 are shown on page 47. In total the STI awards ranged from 13% to 40% of the STI opportunity in FY24. The STI maximum opportunity was again set at 50% of the KMP's Total Fixed Remuneration (TFR).

The testing of the FY21 LTI grant at the end of FY24 failed to meet the threshold Diluted Operating EPS growth rates over the period and as such those rights have lapsed.

For FY25, with the transformative potential Capitol Health Limited ("Capitol") merger, the STI KPI framework has been designed to provide for two alternatives depending on whether the Capitol merger proceeds and considers distinct measurement periods and adjusted KPIs. Given the opportunity for shareholders of the Capitol merger, the Board has also determined a one-off performance measured remuneration opportunity for Executive KMP for FY25 should the merger proceed. Details of the adjusted STI framework and the performance measured opportunity are provided on page 50. With these exceptions the Executive Remuneration Framework in FY25 remains essentially the same as in FY24.

The Board also proposes to seek shareholder approval for an increase to the Non-Executive Director (NED) fee pool at our 2024 Annual General Meeting. The NED fee pool has not been changed since it was set in 2015. Details of this proposal are provided at page 51.

We look forward to your support and welcome your feedback on our Remuneration Report.

Sincerely



Andrew Fay

People, Culture
and Remuneration
Committee Chair

27 August 2024

REMUNERATION REPORT

For year ended 30 June 2024

What's inside

The Remuneration Report is set out under the following main headings:

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About the Remuneration Report

The Remuneration Report, which has been audited, outlines the Director and Executive KMP remuneration arrangements for the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key Management Personnel (KMP) of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors. The table below lists KMP for the year ended 30 June 2024 (FY24). All KMP held their position for the duration of FY24, unless otherwise noted.

Name	Position
Executive KMP	
Dr Ian Kadish	Managing Director and Chief Executive Officer
Craig White	Chief Financial Officer
Paul McCrow	Chief Operating Officer (employment ceased 23 October 2023)
Non-Executive Directors	
Toby Hall	Independent, Non-Executive Director (appointed 28 September 2023)
Raelene Murphy	Independent, Non-Executive Director
Andrew Fay	Independent, Non-Executive Director
Ingrid Player	Independent, Non-Executive Director (appointed 29 August 2023)
Helen Kurincic	Independent, Non-Executive Director (resigned 29 November 2023)
John Atkin	Independent, Non-Executive Director (resigned 31 August 2023)
Radiologist Executive Directors	
Dr Jacqueline Milne	Radiologist Executive Director (resigned 5 August 2024)
Dr Nazar Bokani	Radiologist Executive Director (resigned 9 August 2023)

a. The role of the People, Culture and Remuneration Committee

The People, Culture and Remuneration Committee (PCRC) is governed by the PCRC Charter. It is responsible for reviewing and recommending to the Board, compensation arrangements for the Non-Executive Directors (NEDs), Executive Directors, other KMP and Senior Management including:

- 1. contract terms, annual remuneration and participation in any short and long term incentive plans;
- 2. major changes and developments in the Company's remuneration, superannuation, talent attraction, retention and termination policies;
- 3. setting, monitoring and assessing the Company's culture;
- 4. remuneration strategy, performance targets and incentive payments for the CEO and the Executives that report to the CEO; and
- 5. remuneration arrangements for the Chair, NEDs and Executive Directors of the Board.

The PCRC also reviews and makes recommendations to the Board regarding 'people' by monitoring and reviewing the Senior Leadership performance assessment process, reviewing major changes and developments in the personnel practices and industrial relations strategies of the Group, senior leadership succession planning, and overseeing the effectiveness of the Inclusion and Diversity Policy.

The following NEDs, all of whom are regarded as independent, were members of the PCRC for the full FY24 financial year, unless otherwise stated:

Andrew Fay — Chair	Independent, Non-Executive Director
Toby Hall	Independent, Non-Executive Director (appointed 29 September 2023)
Raelene Murphy	Independent, Non-Executive Director
Ingrid Player	Independent, Non-Executive Director (appointed 29 August 2023)
Helen Kurincic	Independent, Non-Executive Director (resigned 29 November 2023)
John Atkin	Independent, Non-Executive Director (resigned 31 August 2023)

Use of remuneration consultants

The Board ensures that any recommendations made by consultants in relation to remuneration arrangements of KMP must be made directly to the Board without any influence from management. These arrangements ensure any advice is independent of management and management are not able to attend Board or Committee meetings where recommendations relating to their remuneration are discussed.

The Board did not engage any remuneration consultants during the financial year.

REMUNERATION REPORT

For year ended 30 June 2024

b. Overview of FY24 Executive Remuneration Framework

The Board of Directors (Board) works to ensure that the Executive Remuneration Framework satisfies the following key criteria:

- being competitive, fair and equitable;
- linked to performance and consistent with the Group's values and strategy;
- aligned with the interests of shareholders and other stakeholders; and
- having appropriate transparency in application, particularly to KMP.

Remuneration Framework

The objective of the Group's Executive Remuneration Framework is to align executive remuneration with the achievement of strategic and sustainability objectives, the creation of value for shareholders, and to ensure the reward for performance is competitive and appropriate for the results delivered.

Figure 1 outlines the components of Executive KMP remuneration and their purpose.

Figure 1:

FY24 KMP Remuneration Framework		
Fixed Remuneration Cash, superannuation, non-monetary awards		
STI 50% delivered as cash	STI 50% delivered as deferred equity	
LTI Performance rights converted to shares after 3 years		
Year 1	Year 2	Year 3
Fixed	Variable 'at risk'	
Fixed Remuneration	Short Term Incentive	Long Term Incentive
Purpose and Alignment		
Market competitive to attract and retain talent.	To drive achievement of short term financial, strategic and sustainability priorities as agreed by the Board.	To reward and incentivise Executive KMP to drive sustained creation of shareholder value.
Value to Individual		
<ul style="list-style-type: none"> • Fixed market remuneration is comparable to market. The market is defined around similar companies based on revenue, comparable industries and business size. • Fixed remuneration may deviate from the market depending on individual alignment to capabilities, experience and performance. 	<ul style="list-style-type: none"> • A risk, compliance and conduct gateway must be met to qualify for a STI. • Awards are based on financial performance, individual performance of strategic KPIs and organisational performance of sustainability KPIs. 	<ul style="list-style-type: none"> • Performance measures are aligned to long term shareholder returns and value creation. • Vesting is based on achievement of aggregate earnings per share (EPS), relative total shareholder returns (rTSR) and target average return on invested capital (ROIC).

Executive KMP remuneration arrangements

The Executive Remuneration Framework for the FY24 financial year had three components:

- fixed remuneration (including base salary and superannuation) and non-monetary benefits;
- short-term performance incentives; and
- long-term performance incentives.

The combination of these comprises the Executives' total remuneration.

An Executive's remuneration arrangement is reviewed annually by the PCRC, based on individual and business performance, the overall performance of the Group and comparable market data. At risk remuneration consists of the short-term (STI) and long-term (LTI) incentive programs, which have been designed to align Executive remuneration with the creation of shareholder value through achievement of financial and non-financial objectives.

Remuneration mix

The stretch remuneration mix is shown below. It reflects the STI opportunity that will be available if the performance conditions are satisfied at stretch, and the face value of the LTI performance rights granted during the year, as determined at grant date. The stretch remuneration mix has a deliberate weighting to the LTI consistent with the Company's strategy of delivering increased shareholder value over the longer term.

Executive KMP	Fixed remuneration (%)	STI (%)	LTI (%)	Total remuneration (%)
Dr Ian Kadish	40%	20%	40%	100%
Craig White	45%	22%	33%	100%
Paul McCrow	50%	25%	25%	100%

With 60% of the CEO's salary at risk, assuming the performance stretch is achieved in FY24, this will result in 50% of remuneration comprising of deferred equity vesting over one to three years.

Fixed remuneration

Delivery mechanism	<ul style="list-style-type: none">• 100% cash payment including base salary, allowances, other non monetary and fringe benefits and employer superannuation contributions.
Considerations	<ul style="list-style-type: none">• Role scope and complexity.• The Executive's skills and experience.
Strategic objective	<ul style="list-style-type: none">• Attract and retain suitably qualified and experienced talent.
Governance	<ul style="list-style-type: none">• Fixed remuneration is reviewed and benchmarked annually by the PCRC with regard to market rates and individual performance and is approved by the Board.• There are no guaranteed increases to fixed remuneration in employment contracts.

REMUNERATION REPORT

For year ended 30 June 2024

Short term incentive (STI)

Delivery mechanism	<ul style="list-style-type: none"> 50% delivered as cash and 50% delivered as deferred equity. 								
Performance period	<ul style="list-style-type: none"> The STI targets were set at the commencement of FY24 and assessed by the PCRC at the end of the financial year, based on the Company's annual financial targets and individual performance against non-financial targets. 								
Gateway and performance measures ¹	<p>Gateway</p> <ul style="list-style-type: none"> A risk, compliance and conduct gateway is in place for all Executives, which must be met before the grant of any STI award can be made. <p>Financial performance target</p> <ul style="list-style-type: none"> 50% of STI is available based on achievement of year-on-year Operating NPAT growth. Operating NPAT growth was selected because it is linked to the creation of shareholder returns. Should a decision be made during the year that significantly changes the number of shares on issue (e.g. acquisition, buyback) the original NPAT hurdle will be adjusted to a diluted Operating EPS measure. <p>Non-financial performance targets</p> <ul style="list-style-type: none"> 50% of STI is available on achievement of non-financial objectives, which are made up of a mix of strategic and sustainability goals and priorities identified by the Board, with measures to assess performance against those objectives set at that time. Sustainability goals include measures related to patient satisfaction, employee engagement, safety and injury prevention, employee turnover and environmental impact. 								
STI opportunity	<p>Maximum STI opportunities are outlined below:</p> <table> <tr> <th>Executive</th><th>Maximum opportunity</th></tr> <tr> <td>Dr Ian Kadish</td><td>50% of fixed remuneration</td></tr> <tr> <td>Craig White</td><td>50% of fixed remuneration</td></tr> <tr> <td>Paul McCrow</td><td>50% of fixed remuneration</td></tr> </table>	Executive	Maximum opportunity	Dr Ian Kadish	50% of fixed remuneration	Craig White	50% of fixed remuneration	Paul McCrow	50% of fixed remuneration
Executive	Maximum opportunity								
Dr Ian Kadish	50% of fixed remuneration								
Craig White	50% of fixed remuneration								
Paul McCrow	50% of fixed remuneration								
Strategic objective	<ul style="list-style-type: none"> The financial performance targets were chosen because they are aligned with the short-term objectives of the business, while being consistent with the long-term strategy of the Company. The non-financial performance targets ensure Executives consider non-financial objectives when making strategic decisions. All are essential to positive outcomes for the Company and its stakeholders, and recognise that our patients, people, culture and risk management are integral to the Company's sustainability, ongoing success and ability to differentiate in an increasingly competitive market. 								
Governance	<ul style="list-style-type: none"> Performance measures and objectives are clearly defined and measurable. Targets are recommended by the PCRC and approved by the Board. Any incentive payment is not an entitlement and provided at the discretion of the Board. 								

1. The remuneration report includes references to non-IFRS financial information. The Directors believe the presentation of non-IFRS financial measures are useful for the users of this remuneration report as they provide additional and relevant information that reflect the underlying financial performance of the business and measurement against performance criteria. For further information on non-IFRS measures used in this report, including a reconciliation to statutory financial information, refer to the 'Non-IFRS Financial Information' section on pages 117-121 of this report.

Long term incentive (LTI)

Delivery mechanism	<ul style="list-style-type: none"> The LTI award is delivered in the form of performance rights. The number of performance rights granted to participants is determined by use of a face value methodology. In the absence of special circumstances warranting another pricing method, a participant's LTI award is divided by the 30-day VWAP for the period up to and including 30 June in the prior financial year and rounded up to the nearest whole number to determine the number of performance rights granted. Each Performance Right entitles the holder to one ordinary share in the Company (or an equivalent cash payment in lieu of an allocation of shares) subject to the satisfaction of performance conditions. performance rights are granted by the Company at no cost to the participant and no payment is required to be made on vesting and exercise of the performance rights. Performance rights will automatically be exercised on vesting. Performance rights do not carry any voting or dividend entitlements prior to vesting and exercise.
Performance Period	The LTI performance rights are tested based on performance over a three-year period commencing on 1 July in the year they are granted.
Performance conditions and measures ¹	<p>The performance rights are subject to measurement against hurdles set for the following three KPIs:</p> <ul style="list-style-type: none"> aggregate diluted Operating Earnings Per Share (EPS) (50% weighting); relative Total Shareholder Return (TSR) (25% weighting); and Return on Invested Capital (ROIC) (25% weighting). <p>The diluted Operating EPS performance condition will be measured by reference to the cumulative Company EPS over a period of three financial years, commencing on 1 July in the year of the grant. EPS measures the earnings generated by the Company attributable to each share on issue on a fully diluted basis. The EPS performance condition was selected because of its correlation with long-term shareholder return and its lower susceptibility to short-term share price volatility. Calculation of EPS and achievement against the performance condition will be determined by the Board in its absolute discretion, having regard to any matters that it considers relevant (including any adjustments for unusual or non-recurring items that the Board consider appropriate).</p> <p>The FY24 LTI EPS performance condition is detailed on page 46.</p> <p>The TSR performance condition measures the growth in the Company's share price, together with the value of any cash dividends and any other shareholder benefits paid during the three-year performance period (and assuming those dividends and other shareholder benefits were reinvested in additional shares in the Company). Relative TSR provides a direct link between executive remuneration and shareholder return relative to the Company's peers.</p> <p>The FY24 TSR performance condition is detailed on page 46.</p> <p>The ROIC performance condition is based on internal targets related to return on invested capital. ROIC has been chosen as a performance condition as the Board believes that a primary focus in coming years should be an improvement in the return from the substantial investments the Company has made into its business. The Board has set ROIC target ranges at the start of the performance period, taking into account the market conditions and company specific factors at the time.</p> <p>At the end of the Performance Period, actual average ROIC will be calculated by taking the total of the actual ROIC achieved for each year of the Performance Period, divided by three. Measurement of the average actual ROIC would exclude any significant one-off events, and the initial impact of business development initiatives, as approved by the Board.</p> <p>In the ordinary course, if there is an asset impairment, the calculation for the Invested Capital will add back the value of the impairment for testing the relevant LTI grants.</p> <p>The FY24 ROIC performance condition is detailed on page 46.</p>
Assessment of performance conditions	<ul style="list-style-type: none"> Aggregate EPS is to be calculated with reference to underlying earnings (operating NPAT²). TSR will be measured against the Company's relevant peer group of S&P ASX300 Accumulation Index, excluding Banks³ and Resource companies. ROIC is to be calculated as earnings before interest and tax (Operating EBIT) divided by invested capital. Invested capital is defined as net debt, plus lease liabilities plus contributed share capital.

REMUNERATION REPORT

For year ended 30 June 2024

Long term incentive (LTI)

Testing of performance conditions	<ul style="list-style-type: none"> Testing of the performance conditions is expected to occur shortly after the end of the Performance Period. Any performance rights that vest will be automatically exercised, and participants are not required to pay an exercise price. Any remaining performance rights that do not vest will lapse. 								
LTI opportunity	<p>Maximum LTI opportunities are outlined below:</p> <table> <tr> <th>Executive</th><th>Maximum opportunity</th></tr> <tr> <td>Dr Ian Kadish</td><td>100% of fixed remuneration</td></tr> <tr> <td>Craig White</td><td>75% of fixed remuneration</td></tr> <tr> <td>Paul McCrow</td><td>50% of fixed remuneration</td></tr> </table>	Executive	Maximum opportunity	Dr Ian Kadish	100% of fixed remuneration	Craig White	75% of fixed remuneration	Paul McCrow	50% of fixed remuneration
Executive	Maximum opportunity								
Dr Ian Kadish	100% of fixed remuneration								
Craig White	75% of fixed remuneration								
Paul McCrow	50% of fixed remuneration								
Additional restrictions	<ul style="list-style-type: none"> Participants in the LTI Plan may elect to place an additional dealing restriction, by way of a holding lock, foregoing the right to trade on any shares they may receive on vesting and exercise of the performance rights. The minimum additional restriction periods that may be chosen range from one to eight years after vesting. 								
Treatment of cessation	<ul style="list-style-type: none"> Where a participant ceases employment for cause or due to resignation (other than due to death, permanent disability or serious illness), all unvested performance rights will be forfeited unless the Board determines otherwise. In all other circumstances, a pro-rata portion of performance rights (based on the portion of the Performance Period that has elapsed) will remain on foot and be subject to the original performance conditions, as though the participant had not ceased employment, unless the Board determines otherwise. 								
Change of control ⁴	<ul style="list-style-type: none"> Where there is a takeover bid or other transaction, event or state of affairs that, in the Board's opinion, is likely to result in a change of control of the Company, the Board has the discretion to accelerate vesting of some or all of the performance rights (but not less than a pro-rata portion calculated based on the portion of the Performance Period that has elapsed and tested based on performance against the performance condition to that date). Where only some of the performance rights are vested on a change of control, the remainder of the performance rights will immediately lapse. If an actual change of control occurs before the Board exercises its discretion, a pro-rata portion of the performance rights (equal to the portion of the relevant Performance Period that has elapsed up to the change of control) will be tested based on performance against the performance condition to that date. The Board retains a discretion to determine whether the remaining unvested performance rights will vest or lapse. 								
Forfeiture and clawback	<ul style="list-style-type: none"> The Board has broad 'clawback' powers to determine that any performance rights granted under the LTI Plan may lapse, shares allocated on vesting and exercise be forfeited, or cash payments or dividends be repaid in certain circumstances (e.g. in the case of fraud or gross misconduct). This protects the Company against the payment of benefits where participants have acted inappropriately. 								
Strategic objective	<ul style="list-style-type: none"> The LTI Plan is designed to encourage Executives to focus on the key performance drivers that underpin sustainable growth in shareholder value within the boundaries of the Company's risk management framework. It is also designed to align the interests of Executives with the interests of shareholders, by providing an opportunity for Executives to receive an equity interest in the Company. 								
Governance	<ul style="list-style-type: none"> The performance conditions are clearly defined and measurable. Any grant is not an entitlement and is provided at the discretion of the Board. 								

1. The remuneration report includes references to non-IFRS financial information. The Directors believe the presentation of non-IFRS financial measures are useful for the users of this remuneration report as they provide additional and relevant information that reflect the underlying financial performance of the business and measurement against performance criteria. For further information on non-IFRS measures used in this report, including a reconciliation to statutory financial information, refer to the 'Non-IFRS Financial Information' section on pages 117-121 of this report.

2. Operating NPAT is defined as NPAT before non-operating transactions as included in the Operating and Financial Review.

3. Banks are defined as entities included in the official S&P/ASX 300 Banks index including NAB, Virgin Money Ltd, Judo Capital Holdings Ltd, CBA, ANZ, Westpac, BOQ, Bendigo & Adelaide Bank Ltd and Mystate Limited..

4. The Board has determined that, absent of malus, if there is a change of control it would exercise discretion to fully accelerate vesting of the CFO FY22 performance rights.

c. Executive KMP remuneration outcomes for FY24

Statutory remuneration outcomes for FY24

Details of the remuneration received by the Group's Executive KMP for FY24 and the prior financial year are set out in the following tables.

	Short term benefits	Post employment benefits	Termination payments	Long term benefits				Proportion of remuneration tied to performance
	Cash salary and fees	Short-term incentive (cash settled)	Super	Termination payments	Share based payments (equity settled)	Leave entitlements	Total remuneration	% ¹
	\$	\$	\$	\$	\$	\$	\$	
Dr Ian Kadish - Managing Director and Chief Executive Officer								
FY24	824,764	72,917	27,399	-	310,063 ²	8,609	1,243,752	30.8%
FY23	794,135	85,913	25,292	-	167,228	25,155	1,097,723	23.1%
Craig White - Chief Financial Officer								
FY24	617,414	65,286	27,399	-	200,481 ³	13,249	923,829	28.8%
FY23	594,720	67,425	25,292	-	106,860	7,410	801,707	21.7%
Paul McCrow - Chief Operating Officer⁴								
FY24	119,532	12,910	24,106	272,862	110,482 ⁵	(8,026)	531,866	23.2%
FY23	418,631	32,977	25,292	-	47,458	12,782	537,140	15.0%
Total Statutory Remuneration for Executive KMP								
FY24	1,561,710	151,113	78,904	272,862	621,026	13,832	2,699,447	28.6%
FY23	1,807,486	186,315	75,876	-	321,546	45,347	2,436,570	20.8%

1. There were no non-monetary benefits for KMP's in FY24.

2. Dr Ian Kadish's FY24 share based payments is comprised of \$71,085 of equity settled STI awards and \$238,978 of LTI awards.

3. Craig White's FY24 share based payments is comprised of \$59,818 in equity settled STI awards and \$140,663 in LTI awards.

4. Paul McCrow left the Group on 23 October 2023 and ceased as a KMP on this date. Mr McCrow was deemed a good leaver by the Board, and as a result, the remaining expense relating to the FY23 LTI grant on foot has been recognised in the income statement in the current year, as the service condition is deemed to have been met. The termination payments include \$192,033 of gardening leave and \$80,829 of lump sum termination payments made to Mr McCrow upon cessation.

5. Paul McCrow's FY24 share based payments is comprised of \$26,200 of equity settled STI awards and \$84,282 of LTI awards.

REMUNERATION REPORT

For year ended 30 June 2024

Realised remuneration for FY24 (non-IFRS information)

The following table shows the actual remuneration paid to, and the equity which vested for, each Executive KMP in the FY24 and FY23 financial years. Realised remuneration differs from statutory remuneration presented in the previous table, which is prepared in accordance with the Corporations Act 2001 (Cth) and Accounting Standards, and require share-based payments to be reported as remuneration from the time of grant, even though the actual value ultimately may not be realised from these share based payments.

Realised remuneration only reports remuneration and awards vested by the participants in any given financial year. The Directors believe this information provides clarity as to the relationship between the statutory remuneration reported in the table above to actual remuneration realised.

	Fixed remuneration \$	STI \$ ¹	Super \$	Annual leave entitlements \$	Vesting of prior LTI grants \$ ²	Total remuneration \$
Dr Ian Kadish - Managing Director and Chief Executive Officer						
FY24	824,764	72,917	27,399	(1,420)	-	923,660
FY23	794,135	85,913	25,292	(12,077)	-	893,263
Craig White - Chief Financial Officer						
FY24	617,414	65,286	27,399	14,298	-	724,397
FY23	594,720	67,425	25,292	(5,088)	-	682,349
Paul McCrow - Chief Operating Officer³						
FY24	392,394	12,910	24,106	11,167	-	440,577
FY23	418,630	32,977	25,292	(2,978)	-	473,921
Total Realised Remuneration for Executive KMP						
FY24	1,834,572	151,113	78,904	24,045	-	2,088,634
FY23	1,807,485	186,315	75,876	(20,143)	-	2,049,533

1. Of the total STI realised for FY24, only 50% will be settled in cash. The remaining 50% of the STI award (totalling \$151,113) will be settled in deferred equity provided the participant is employed by the Group at 30 June 2025.

2. Valued on the five day VWAP of IDX ordinary shares up to vesting date.

3. Paul McCrow left the Group on 23 October 2023 and ceased as a KMP on this date. Realised fixed remuneration includes the payment of outstanding annual leave balances totalling \$47,915.

Alignment of remuneration with Group performance

The Company aims to align its Executive remuneration with its strategic and business objectives and the creation of shareholder value. The table below shows measures of the Group's financial performance over the past four years. Consistent with Company strategy, the table shows the Group's performance over that period.

The link between the Company's performance and STI and LTI outcomes is considered in the sections below.

Key measures of the Group ^{1,2}	FY24	FY23	FY22	FY21	FY20
Operating EBITDA as a % of revenue	19.5%	19.3%	20.8%	26.8%	27.6%
Operating NPAT as a % of revenue	3.9%	4.0%	6.0%	10.9%	11.4%
Diluted Operating EPS	7.7 cps	7.6 cps	10.2 cps	19.0 cps	16.6 cps
Return on invested capital	7.0%	7.3%	8.2%	14.1%	16.2%
Closing share price	2.67	3.28	3.03	5.20	3.90
Dividends paid or declared per share	5.8 cps	6.0 cps	7.0 cps	12.2 cps	9.5 cps
Declared operating dividend payout ratio	74.4%	77.9%	84.9%	68.8%	80.0%

1. Key measures for the period are measured on a pre-AASB 16 basis.

2. The remuneration report includes references to non-IFRS financial information. The Directors believe the presentation of non-IFRS financial measures are useful for the users of this remuneration report as they provide additional and relevant information that reflect the underlying financial performance of the business and measurement against performance criteria. For further information on non-IFRS measures used in this report, including a reconciliation to statutory financial information, refer to the 'Non-IFRS Financial Information' section on pages 117-121 to 126 of this report.

Fixed Executive Remuneration

Fixed remuneration in FY24 increased by 4% for all Executive KMP, to \$821,600 for the CEO, \$644,800 for the CFO and \$409,500 for the COO.

STI Outcomes and Payments

The Committee undertakes a quarterly and end of financial year performance review of the Executive KMP achievements against the financial and non-financial criteria to recommend the STI award payable. Any award of a STI to Executive KMP requires Board approval. Cash STI payments are made the financial year following the year in which they were earned.

The Board has ultimate discretion to apply judgement or make adjustments when approving the final performance outcomes. The Board did not exercise any discretions or make any adjustments in determining the outcome of the Executive KMP's STI award for FY24.

For each strategic and sustainability goal the Board established criteria by which achievement of that goal could be assessed. This was designed to ensure that as far as possible the achievement was capable of objective determination.

A summary of the CEO's performance criteria, achievements and outcomes for the FY24 STI opportunity is provided on page 43. A summary table providing the aggregate STI results for Executive KMP is shown on page 45.

For year ended 30 June 2024

Criteria	Weighting	Strategic objectives	Result	Performance detail
Financial	50%	Operating NPAT targets set by the Board: <ul style="list-style-type: none"> < \$22.8m = 0% \$22.8m (threshold) = 50% \$24.0m (target) = 75% ≥ \$26.7m (stretch) = 100% 	0%	<ul style="list-style-type: none"> Operating NPAT of \$18.1m below threshold. Material improvement in second half results (1H FY24: \$7.4m, 2H FY24: \$10.7m). Operating EPS +1.2% year on year, (1H FY24: -6.1% versus 1H FY23; 2H FY24: +7.4% versus 2H FY23).
Non Financial	30%	Execution of projects critical for long term performance and growth of the business <ul style="list-style-type: none"> Execute on value accretive organic or inorganic growth opportunities with the potential to deliver >\$20m EBITDA Assessment of deliverables relating to market growth and key strategic and commercial projects including digital and AI technologies for patient care, service or efficiency 	10% 10%	<ul style="list-style-type: none"> The Capitol merger opportunity will result in over \$20m additional EBITDA with forecast pro forma double digit EPS accretion for IDX shareholders. Integration plan agreed as part of the merger. Integration teams and Steering Committee in place, completed all key deliverables in accordance with the plan. IDX like for like Australian revenue growth rate of slightly below Medicare growth rate. Mixed Radiologist recruitment and retention results. Increased usage of AI algorithms, voice recognition reporting, digital patient apps across the wider group aiding in efficiencies and better patient outcomes. Third party Teleradiology contract wins to grow IDXT revenues. Expanded gap pricing where appropriate due to Medicare's significantly lower than inflation price increases.
	20%	Sustainability, leadership and culture <ul style="list-style-type: none"> Patient satisfaction Employee engagement Safety and injury prevention Employee turnover Environmental impact 	15.5%	<ul style="list-style-type: none"> Patient satisfaction levels were consistently high achieving an average NPS score of 84. Improvement in employee engagement score which was above stretch for FY24. Safety and injury prevention met the threshold requirement for FY24. The target for reduction in unplanned staff turnover was partially achieved in FY24. IDX Carbon Emissions Reduction Strategy was not fully implemented and did not reach target.
Total Financial	50%		0.0%	
Total Non-Financial	50%		35.5%	
Total of STI opportunity	100%		35.5%	

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The table below shows the STI awarded for each KMP for the current and preceding financial years:

Executive KMP	FY24			FY23		
	STI foregone (%)	STI awarded (%)	STI awarded \$ ¹	STI foregone (%)	STI awarded (%)	STI awarded \$
Dr Ian Kadish	64%	36%	145,834	55%	44%	171,825
Craig White	60%	40%	130,572	55%	44%	134,850
Paul McCrow ²	87%	13%	25,819	66%	34%	65,953

1. Includes both cash and equity settled STI awards.

2. Paul McCrow's FY24 STI award has been prorated to 23 April 24, the date that his gardening leave ended.

The CFO and the COO were also set non-financial measurable targets comprising of strategic and sustainability objectives. These are outlined below:

Strategic Objectives	
CFO	COO
<ul style="list-style-type: none"> Business development through organic and inorganic growth opportunities Acquisition integration Reduce ongoing business cost structures primarily in central functions Implementation of group-wide Operational Dashboard to aid business efficiency 	<ul style="list-style-type: none"> Improving operational performance Growth initiatives and supporting local greenfield and brownfield strategies Acquisition integration Radiologist and referrer engagement
Sustainability Objectives	
Applicable to both	
<ul style="list-style-type: none"> Patient satisfaction Employee engagement Safety and injury prevention Employee turnover Environmental impact 	

LTI Outcomes and Payments

The FY21 LTI was tested over four years to the results for the year ended 30 June 2024. Diluted Operating Earnings per Share declined from 16.2 to 7.7 cents per share, representing a negative compound annual growth rate of (17.0%). This did not meet the threshold target of 5% growth set for the FY21 LTI performance rights and therefore all FY21 LTI Rights have lapsed.

REMUNERATION REPORT

For year ended 30 June 2024

LTI performance rights granted in FY24

For FY24, the LTI performance conditions have been determined as follows:

Performance conditions and measures

EPS performance condition	The percentage of LTI Rights subject to the EPS performance condition that will be eligible for vesting (if any) at the end of the performance period of three years will be determined as follows:	
	Aggregate diluted Operating EPS (cents per share) over the performance period	% of LTI Rights that vest
	Less than 35cps	Nil
	Equal to 35cps	20%
	Between 35 and 45cps	Straight line pro rata vesting between 20% and 100%
	Equal to, or above, 45cps	100%
TSR performance condition	The percentage of LTI Rights subject to the TSR performance condition that will be eligible for Vesting (if any) at the end of the performance period of three years will be determined as follows:	
	TSR ranking achieved	% of LTI Rights that vest
	Below the 51st percentile	Nil
	51st percentile	50%
	Greater than 51st and less than 75th percentile	Straight line pro rata vesting between 50% and 100%
	75th percentile and above	100%
ROIC performance condition	The percentage of LTI Rights subject to the ROIC performance condition that will be eligible for Vesting (if any) at the end of the performance period of three years will be determined as follows:	
	Average ROIC over 3 years	% of LTI Rights that vest
	Less than 8.5% Average ROIC	Nil
	Equal to 8.5% Average ROIC	20%
	Greater than 8.5% Average ROIC and less than 11% Average ROIC	Straight line pro rata vesting between 20% and 100%
	11% of Average ROIC or greater	100%
	The threshold targets are set at a level that the Board regards as attainable. The stretch targets are set at a level that the Board regards as demonstrating clear outperformance. Full vesting occurs when performance equals or exceeds stretch.	

The Board also determined the number of FY24 LTI performance rights awarded was by use of the 30-day VWAP prior to 30 June, consistent with the FY23 grant.

The table below shows the LTI details for each Executive for the financial year ended 30 June 2024:

Executive KMP	Grant date	Number of performance rights granted	Fair value on grant date	Aggregate fair value	Vesting and exercise date	Performance rights expiry date
Dr Ian Kadish	29-Nov-23	248,970	1.25	310,652	30-Jun-26	30-Jun-27
Craig White	29-Nov-23	146,546	1.25	182,853	30-Jun-26	30-Jun-27

d. Cumulative interest of Executives under the LTI program

The LTI program is the key element of the 'at risk component' of the Executives' remuneration. None of the performance rights vested or lapsed during the reporting period, however following testing after financial year end, the FY21 performance rights lapsed.

Movements in performance rights held by Executives

The following table sets out the movement of performance rights held by each Executive and their related parties for each respective grant.

	Grant Year	Grant Date	Opening balance Number	Granted during year Number	Vested Number	%	Lapsed Number	%	Balance at end of year (unvested) Number	Value yet to be expensed \$
Dr Ian Kadish	FY24	29-Nov-23	-	248,970	-	0.0%	-	0.0%	248,970	109,879
	FY23	4-Nov-22	241,591	-	-	0.0%	-	0.0%	241,591	154,155
	FY22	5-Nov-21	157,371	-	-	0.0%	-	0.0%	157,371	-
	FY21	31-Oct-20	184,616	-	-	0.0%	184,616	100.0%	-	-
Craig White	FY24	29-Nov-23	-	146,546	-	0.0%	-	0.0%	146,546	64,676
	FY23	3-Nov-22	142,202	-	-	0.0%	-	0.0%	142,202	90,737
	FY22	24-Jan-22	48,550	-	-	0.0%	-	0.0%	48,550	-
Paul McCrow	FY23	3-Nov-22	60,207	-	-	0.0%	-	0.0%	60,207	-
	FY22	26-Aug-21	39,219	-	-	0.0%	-	0.0%	39,219	-
	FY21	17-Aug-20	23,270	-	-	0.0%	23,270	100.0%	-	-

LTI Plan Target Summary

Diluted Operating earnings per share (diluted Operating EPS) tranche

LTI Plan	FY24	FY23	FY22	FY21
Beginning of period	01-Jul-23	01-Jul-22	01-Jul-21	01-Jul-20
End of period	30-Jun-26	30-Jun-25	30-Jun-25	30-Jun-24
Diluted operating EPS of at beginning of period	n/a	n/a	19.0	16.6
Threshold 5% CAGR	n/a	n/a	23.07	20.18
Stretch 12% CAGR	n/a	n/a	29.87	26.12
20% vesting hurdle (cumulative 3 year) ¹	35.00	35.00	n/a	n/a
100% vesting hurdle (cumulative 3 year) ²	45.00	45.00	n/a	n/a

1. Nil LTI rights will vest if this threshold is not achieved.

2. LTI rights will vest on a straight-line pro rata basis between the 20% and 100% vesting hurdles.

Relative total shareholder return (TSR) tranche

LTI Plan	FY24	FY23	FY22	FY21
Beginning of period	01-Jul-23	01-Jul-22	01-Jul-21	01-Jul-20
End of period	30-Jun-26	30-Jun-25	30-Jun-25	30-Jun-24
20% LTI rights vesting hurdle ¹	50.0%	50.0%	n/a	n/a
100% LTI rights vesting hurdle ²	100.0%	100.0%	n/a	n/a

1. Nil LTI rights will vest if this threshold is not achieved.

2. LTI rights will vest on a straight-line pro rata basis between the 20% and 100% vesting hurdles.

REMUNERATION REPORT

For year ended 30 June 2024

Return on invested capital (ROIC) tranche

LTI Plan	FY24	FY23	FY22	FY21
Beginning of period	01-Jul-23	01-Jul-22	01-Jul-21	01-Jul-20
End of period	30-Jun-26	30-Jun-25	30-Jun-25	30-Jun-24
20% LTI rights vesting hurdle ¹	8.5%	8.5%	n/a	n/a
100% LTI rights vesting hurdle ²	11.0%	11.0%	n/a	n/a

1. Nil LTI rights will vest if this threshold is not achieved.

2. LTI rights will vest on a straight-line pro rata basis between the 20% and 100% vesting hurdles.

FY25 remuneration

For FY25, the Board has determined an initial set of STI KPIs based on IDX's budget and business on a standalone basis. However, as disclosed in the Directors' Report on 18 July 2024, the Company has announced an agreement to enter into a binding Merger Implementation Deed to acquire 100% of Capitol Health Limited's ("Capitol") issued shares via a scheme of arrangement. The Board has determined that should the Capitol merger proceed, performance against the year-to-date STI KPIs at the time of the merger implementation will be measured to determine a pro rata STI outcome for this period. At this time, relevant adjusted STI KPIs will be set for the balance of the year and will be measured at year end to determine performance for the second pro rata period. Should the Capitol merger not proceed, then the STI will be determined on the initial STI KPIs set for the entire year.

Given the transformative opportunity for shareholders of the Capitol acquisition, the Board has also determined a one-off performance measured remuneration opportunity for Executive KMP for FY25 should the merger proceed. The opportunity has specific KPIs focused on achieving the financial and cultural integration of the Capitol business case, which forms the basis of the stated pro forma double-digit EPS accretion for IDX shareholders. The maximum opportunity will not exceed 50% of the Executive KMP's FY25 total fixed remuneration (TFR) and any achievement will be a mix of cash and deferred equity. It has also been determined that the Executive KMP's FY25 TFR remains unchanged from FY24 levels.

With these exceptions the Executive Remuneration Framework in FY25 remains essentially the same as in FY24.

e. Executive Service Agreements

Remuneration arrangements for Executive KMP are formalised in employment agreements. Key conditions for Executive KMP are outlined below:

Name	Agreement Commenced	Agreement Expiry	Notice of Termination by Group	Employee Notice
Dr Ian Kadish	22 May 2017	No fixed date	Six months, or 12 months if change of control event	Six months
Craig White	24 January 2022	No fixed date	Six months	Six months

Other than those set out in this remuneration report, there are no further termination benefits offered to Executive KMP.

f. Non-Executive Director and Radiologist Executive Director Remuneration

Pursuant to the Constitution, the Board determines the remuneration each Director is entitled to for his or her service as a Director. However, the total aggregate amount provided to all NEDs for their services as Directors must not exceed in any financial year the amount fixed by the Company in general meeting. This amount has been fixed at \$1,000,000 since the Company's IPO in 2015. At our 2024 Annual General Meeting, the Company will propose an increase to the NED fee pool to \$1,300,000.

The Company's remuneration policy for NEDs aims to ensure that the Company can attract and retain suitably qualified and experienced NEDs, and recognises the specific governance of this medical specialist company and the higher workload with four independent NEDs.

Fees to NEDs reflect the demands and responsibilities of their role, the specialist nature of a diagnostic imaging business, and the deliberate structure of our Board, which includes four independent NEDs. Two Radiologist Executive Directors employed as radiologists also served on the Board during the financial year. All NEDs' fees are reviewed periodically by the PCRC. The PCRC may, from time to time, receive advice from independent remuneration consultants to ensure NEDs' fees are appropriate and in line with the market.

The Chair's fees are determined independently from the fees of other NEDs, based on comparative roles in the external market and the specific nature of the expertise and role for the Company. NEDs do not receive share options or other incentives and their remuneration must not include a commission on, or a percentage of, operating revenue.

Radiologist Executive Directors' remuneration arrangements

Dr Jacqueline Milne and Dr Nazar Bokani are deemed to be Radiologist Executive Directors as they are engaged as radiologists by the Group. However, it is important to note that they do not report to the Chief Executive or the other Executives. The key terms of their contracts are consistent with other radiologists and include remuneration at market rates plus allowances where appropriate. During FY23 and until his resignation on 9 August 2023, Dr Bokani provided some of his radiology services through a related party Tele-Rad Consultancy L.L.C-FZ, on terms consistent with other radiologists. Details of the related party transaction are detailed in Note 32 to the financial statements.

In addition, they receive a Radiologist Executive Director Board fee, which is set by reference to the fees paid to the NEDs.

Non-Executive Director and Radiologist Executive Director Board fees for FY24

The following annual fees were paid to Radiologist Executive Directors, NEDs and the Chair for their services in FY24:

- for Radiologist Executive Directors (excluding the MD/CEO), \$68,750;
- for NEDs, a base fee of \$100,000;
- for committee members, a fee of \$12,500 per committee, excluding the Nomination Committee;
- for committee chairs, a fee of \$25,000; excluding the Nomination Committee;
- and
- for the Chair, \$250,000 (inclusive of all Committee Chair and Committee member roles).

All NEDs' fees include superannuation where applicable.

REMUNERATION REPORT

For year ended 30 June 2024

FY24 Non-Executive and Radiologist Executive Director statutory remuneration

Details of the statutory remuneration received by the Group's NEDs and Radiologist Executive Directors for FY24 and the prior financial year are set out in the following table.

	Short-term benefits	Post employment benefits	Long-term benefits		
	Cash salary and fees	Super	Leave entitlements	Share based payments	Total remuneration
	\$ ¹	\$	\$	\$	\$
Non-Executive Directors					
Toby Hall²					
FY24	152,027	16,347	n/a	n/a	168,374
FY23	-	-	n/a	n/a	-
Raelene Murphy					
FY24	126,604	13,926	n/a	n/a	140,530
FY23	124,434	13,066	n/a	n/a	137,500
Andrew Fay					
FY24	123,874	13,626	n/a	n/a	137,500
FY23	119,250	12,521	n/a	n/a	131,771
Ingrid Player³					
FY24	100,194	11,021	n/a	n/a	111,215
FY23	-	-	n/a	n/a	-
Helen Kurincic⁴					
FY24	106,673	11,442	n/a	n/a	118,115
FY23	259,708	25,292	n/a	n/a	285,000
John Atkin⁵					
FY24	19,806	2,292	n/a	n/a	22,098
FY23	130,967	6,533	n/a	n/a	137,500
Radiologist Executive Directors^{6,7}					
Dr Jacqueline Milne					
FY24	1,094,731	27,399	27,009	n/a	1,149,139
FY23	987,060	25,292	37,685	n/a	1,050,037
Dr Nazar Bokani⁸					
FY24	126,342	7,916	21,004	-	155,262
FY23	963,970	25,292	(70,637)	28,929	947,554
Total Director Fees and Remuneration for Non-Executive and Radiologist Executive Directors					
FY24	1,850,251	103,969	48,013	-	2,002,233
FY23	2,585,389	107,996	(32,952)	28,929	2,689,362

1. Includes Executive Director fees and normal pay for the Company's radiologist directors.

2. Toby Hall commenced KMP position on 28 September 2023.

3. Ingrid Player commenced KMP position on 29 August 2023.

4. Helen Kurincic ceased KMP position on 29 November 2023.

5. John Atkin ceased KMP position on 31 August 2023.

6. In FY24, Dr Bokani received director fees of \$7,897 (FY23: \$68,750) and Dr Milne received \$68,750 (FY23: \$68,750). With the exception of these director fees, all other remuneration received by Dr Bokani and Dr Milne is consideration for their respective roles as radiologists and are on commercial terms commensurate with other radiologists within the Group.

7. Share based payments relate to reflect movements due to the Radiologist Loan Funded Share Plan for Executive Radiologist Directors.

8. Dr Nazar Bokani ceased KMP position on 09 August 2023.

FY24 Director Fees

	Director Fees \$ ¹
FY24	774,479
FY23	829,271

1. Director fees inclusive of superannuation.

FY24 Non-Executive Director and Radiologist Executive Director realised remuneration

	Fixed remuneration \$	Super \$	Annual leave entitlements \$	Total remuneration \$
Non-Executive Directors				
Toby Hall¹				
FY24	152,027	16,347	-	168,374
FY23	-	-	-	-
Raelene Murphy				
FY24	126,604	13,926	-	140,530
FY23	124,434	13,066	-	137,500
Andrew Fay				
FY24	123,874	13,626	-	137,500
FY23	119,250	12,521	-	131,771
Ingrid Player²				
FY24	100,194	11,021	-	111,215
FY23	-	-	-	-
Helen Kurincic³				
FY24	106,673	11,442	-	118,115
FY23	259,708	25,292	-	285,000
John Atkin⁴				
FY24	19,806	2,292	-	22,098
FY23	130,967	6,533	-	137,500
Radiologist Executive Directors				
Dr Jacqueline Milne				
FY24	1,094,731	27,399	15,913	1,138,043
FY23	987,060	25,292	10,187	1,022,539
Dr Nazar Bokani⁵				
FY24	200,896	7,916	(6,567)	202,245
FY23	963,970	25,292	(85,204)	904,058
Total Director Fees and Realised Remuneration for Non-Executive and Radiologist Executive Directors				
FY24	1,924,805	103,969	9,346	2,038,120
FY23	2,585,389	107,996	(75,017)	2,618,368

1. Toby Hall commenced KMP position on 28 September 2023.

2. Ingrid Player commenced KMP position on 29 August 2023.

3. Helen Kurincic ceased KMP position on 29 November 2023.

4. John Atkin ceased KMP position on 31 August 2023.

5. Dr Nazar Bokani ceased KMP position on 09 August 2023. Dr Bokani's realised fixed remuneration includes the cash payment of long service leave of \$74,554.

REMUNERATION REPORT

For year ended 30 June 2024

g. KMP Minimum Shareholding Policy and Shareholdings

Minimum shareholding policy

To ensure Board members and KMP are aligned with the interests of shareholders, from 1 July 2018 the Board introduced a Minimum Shareholding Policy. It requires NEDs, Radiologist Executive Directors and other KMP to build and maintain a minimum shareholding by the later of the fifth anniversary of the policy, or the fifth anniversary of the KMP's appointment. During the year this Policy was reviewed, and amended to confirm the minimum shareholding can be satisfied either by the total actual amount invested, or by the number of shares multiplied by the current share price.

KMP and Directors are required to meet a minimum shareholding equivalent as per the prescribed percentage of their total fixed remuneration or annual director fees as outlined below:

• Managing Director and CEO	100%
• CFO	75%
• Other Executive KMP	50%
• Non-Executive Directors	100%
• Radiologist Executive Directors	100%

All KMP currently comply with the Minimum Shareholding Policy with the exception of Raelene Murphy. Ms Murphy is aiming to be in compliance with this policy as soon as practicable, taking into account the provisions of related policies such as the Securities Dealing Policy.

KMP shareholding

The number of shares in the Company held during the financial year, by each Director and other members of the KMP, including their personal related parties, is set out below:

	Balance at 1 July 2023	Additions	Disposals/other	Number of shares held upon ceasing to be KMP	Balance at 30 June 2024
Non-Executive Directors					
Toby Hall ¹	n/a.	151,719	-	-	151,719
Raelene Murphy	30,945	-	-	-	30,945
Andrew Fay	40,000	45,000	-	-	85,000
Ingrid Player ²	n/a.	35,000	-	-	35,000
Helen Kurincic ³	555,579	-	-	555,579	-
John Atkin ⁴	187,526	-	-	187,526	-
Radiologist Executive Directors					
Dr Jacqueline Milne	25,200	-	-	-	25,200
Dr Nazar Bokani ⁵	277,716	-	-	277,716	-
Executive KMP					
Dr Ian Kadish	539,441	20,000	-	-	559,441
Craig White	-	-	-	-	-
Paul McCrow	-	-	-	-	-

1. Toby Hall commenced KMP position on 28 September 2023.

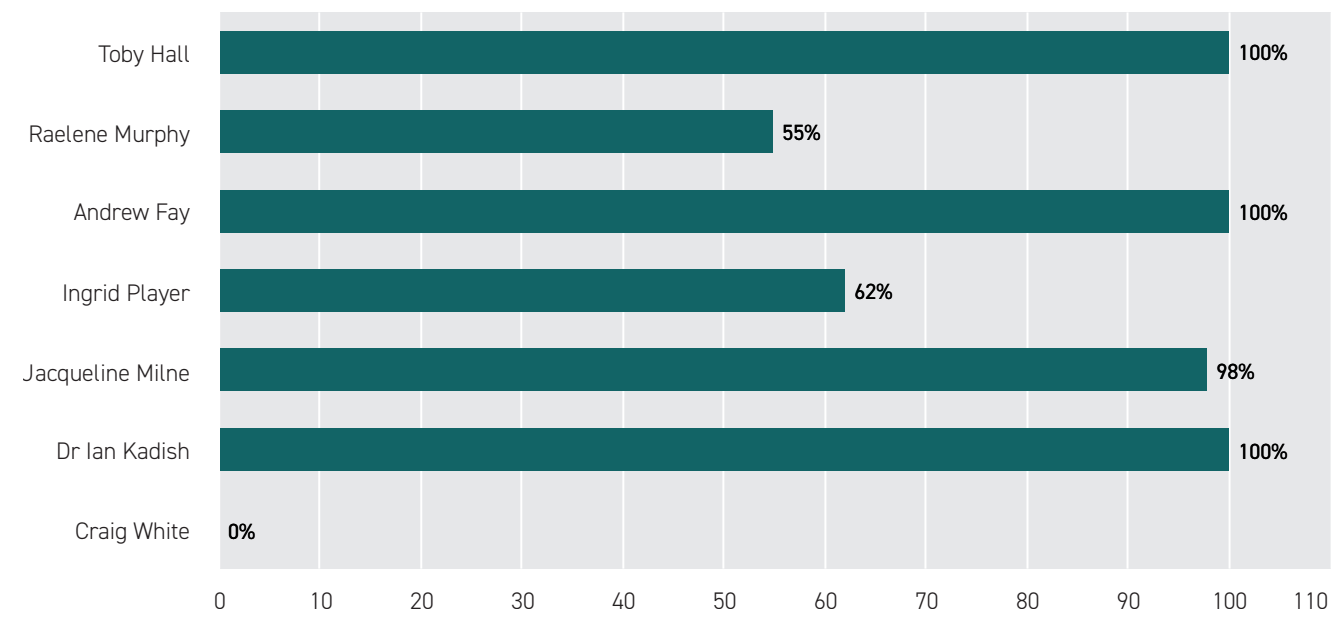
2. Ingrid Player commenced KMP position on 29 August 2023.

3. Helen Kurincic ceased KMP position on 29 November 2023.

4. John Atkin ceased KMP position on 31 August 2023.

5. Dr Nazar Bokani ceased KMP position on 09 August 2023. Dr Bokani is a participant in the Radiologist Loan Share Scheme, under which 185,144 shares are subject to a limited recourse loan.

Minimum shareholding



Mr White and Ms Player do not currently have the required minimum shareholdings under the Minimum Shareholding Policy but are not required to attain the minimum until, respectively, January 2027 and August 2028.

REMUNERATION REPORT

For year ended 30 June 2024

h. Other Transactions with KMP and their Related Parties

The following transactions occurred with related parties to KMP:

	Consolidated \$	% interest	KMP interest \$
30 June 2024			
Payment for teleradiology services to Tele-Rad Consultancy L.L.C-FZ of which Dr Nazar Bokani is related	54,377	100%	54,377

The above FY24 related party transactions relate to teleradiology services provided to the Group by Dr Bokani and are on commercial terms consistent with other teleradiology providers to the Group.

Financial Accommodation

	Balance 9 August 2023	Balance 30 June 2023	Interest paid and payable
Dr Nazar Bokani	446,614	446,614	-

The above loan relates to Dr Bokani's participation in the Radiologist Loan Funded Share Plan (Loan Plan) in 2019, prior to his appointment as a Director. The loan was made on an interest free basis to enable the purchase of shares in the Company. Shares issued attaching to the loan are subject to a continued employment condition of four years. The loan can be repaid after the employment condition is satisfied and any time up to 1 March 2029. The shares are subject to a holding lock until the loan is repaid. The dividend streams relating to the loan-funded shares are allocated, net of tax, to the repayment of the loan. These terms and conditions are consistent with those offered to other radiologists under the rules governing the Loan Plan.

Loans

No Executive KMP has entered into a loan made, guaranteed or secured, directly or indirectly, with or by the Company or any of its subsidiaries during the reporting period.

The Remuneration Report has been audited.

AUDITOR'S INDEPENDENCE DECLARATION

For year ended 30 June 2024



Auditor's Independence Declaration

As lead auditor for the audit of Integral Diagnostics Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in black ink, appearing to read 'Niamh Hussey'.

Niamh Hussey
Partner
PricewaterhouseCoopers

Melbourne
27 August 2024

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



\$469.7M

Revenue MAGNETOM Aera
A Tim+Dot System

↑ 6.6% increase



\$91.5M

Operating EBITDA

↑ 7.4% increase



\$18.1M

Operating NPAT

↑ 1.3% increase



\$56.0M

Free Cash Flow

↑ 5.5% increase



\$9.3M

Capex Invested

In growth initiatives



5.8 cents

Per Share

Fully Franked FY24 Dividend





Financial Report

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2024

	Note	30 June 2024 \$'000	30 June 2023 \$'000
Revenue			
Revenue	5	469,697	440,762
Interest and other income	5	861	448
Total revenue and other income		470,558	441,210
Expenses			
Consumables	6	(22,920)	(21,040)
Employee benefits expense	6	(294,289)	(276,607)
Depreciation expense	6	(27,888)	(25,459)
Amortisation expense	6	(18,974)	(18,027)
Transaction, restructuring and integration benefits/(expenses)	6	(2,918)	10,412
Share based payment expense	24	(1,589)	(2,540)
Equipment related expenses		(15,819)	(15,616)
Occupancy expenses		(9,926)	(7,769)
Technology expenses		(15,421)	(12,936)
Other general expenses		(20,703)	(22,302)
Impairment expense		(74,639)	-
Finance costs	6	(22,547)	(18,365)
Share of net losses of joint ventures accounted for using the equity method	16	(60)	(328)
Total expenses		(527,693)	(410,577)
(Loss)/profit before income tax expense		(57,135)	30,633
Income tax expense	7	(3,564)	(5,593)
(Loss)/profit for the year from continuing operations		(60,699)	25,040
(Loss)/profit is attributable to:			
Owners of Integral Diagnostics Limited		(60,699)	25,040

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Note	30 June 2024 \$'000	30 June 2023 \$'000
(Loss)/profit for the year		(60,699)	25,040
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		87	1,017
Net (loss)/gain on cash flow hedges		-	-
Other comprehensive (loss)/income for the year, net of tax		(60,612)	26,057
Total comprehensive (loss)/income for the year		(60,612)	26,057
Total comprehensive income is attributable to:			
Owners of Integral Diagnostics Limited		(60,612)	26,057

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2024

	Note	30 June 2024 \$'000	30 June 2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	8	42,438	33,855
Trade and other receivables	9	24,491	21,690
Income tax receivable		328	96
Other assets	10	5,912	5,251
Inventory	11	1,651	1,848
Total current assets		74,820	62,740
Non-current assets			
Property, plant and equipment	12	148,734	153,059
Right-of-use assets	13	121,648	129,397
Intangible assets	14	399,069	474,772
Deferred tax asset	15	-	3,806
Investments accounted for using the equity method	16	5	15
Total non-current assets		669,456	761,049
Total assets		744,276	823,789
Liabilities			
Current liabilities			
Trade and other payables	17	32,823	31,145
Borrowings	18	2,210	2,454
Lease liabilities	13	13,960	14,214
Contingent consideration	20	9,189	7,479
Provisions	19	27,501	27,375
Total current liabilities		85,683	82,667
Non-current liabilities			
Contingent consideration	20	673	7,778
Borrowings	21	219,756	221,142
Lease liabilities	13	121,871	127,266
Deferred tax liability	15	3,834	2,367
Provisions	22	10,752	9,521
Total non-current liabilities		356,886	368,074
Total liabilities		442,569	450,741
Net assets		301,707	373,048
Equity			
Contributed capital	23	335,001	333,280
Reserves	24	(8,329)	(9,788)
Retained profits	25	(24,965)	49,556
Total equity		301,707	373,048

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Contributed capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2022	322,543	(12,455)	37,156	347,244
Profit after income tax expense	-	-	25,040	25,040
Movement in translation of foreign operations	-	1,017	-	1,017
Total comprehensive income	-	1,017	25,040	26,057
Transactions with owners in their capacity as owners:				
Issue of ordinary shares as consideration for a business combination, net of transaction costs and tax (Note 23)	1,322	-	-	1,322
Issue of ordinary shares under Radiologist Incentive Scheme (Note 23)	9,023	-	-	9,023
Share based payments (Note 24)	-	1,650	-	1,650
Dividends paid and reinvested in equity (Note 26)	392	-	(12,640)	(12,248)
Balance at 30 June 2023	333,280	(9,788)	49,556	373,048

	Contributed capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2023	333,280	(9,788)	49,556	373,048
(Loss)/profit after income tax expense	-	-	(60,699)	(60,698)
Movement in translation of foreign operations	-	87	-	87
Total comprehensive income	-	87	(60,699)	(60,611)
Transactions with owners in their capacity as owners:				
Issue of ordinary shares under Radiologist Incentive Scheme (Note 23)	291	-	-	291
Issue of ordinary shares as consideration for a business combination, net of transaction costs and tax (Note 23)	-	-	-	-
Share based payments (Note 24)	-	1,372	-	1,372
Acquisition of treasury shares by IDX Equity Trust	(87)	-	-	(87)
Dividends paid and reinvested in equity (Note 26)	1,517	-	(13,822)	(12,305)
Balance at 30 June 2024	335,001	(8,329)	(24,965)	301,708

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Note	30 June 2024 \$'000	30 June 2023 \$'000
Cash flows from operating activities			
Receipts from customers		465,880	440,367
Payments to suppliers and employees		(378,077)	(349,757)
Transaction and integration costs relating to acquisition of subsidiaries		(2,102)	(3,976)
Interest and other finance costs paid		(22,115)	(17,814)
Interest received		861	448
Income taxes received/(paid)		1,712	(1,992)
Net cash from operating activities	36	66,159	67,276
Cash flows from investing activities			
Payments for purchase of subsidiary, net of cash acquired		-	(84,813)
Payments in settlement of contingent consideration	20	(4,025)	(150)
Payments for property, plant and equipment		(23,878)	(43,995)
Net cash used in investing activities		(27,903)	(128,958)
Cash flows from financing activities			
Proceeds from issue of share capital	23	1,721	2,203
Proceeds from borrowings drawn		-	43,049
Repayment of borrowings		(2,424)	(45,209)
Repayment of the principal element of lease liabilities		(14,929)	(14,978)
Dividends paid to Company shareholders		(13,822)	(12,640)
Net cash from financing activities		(29,454)	(27,575)
Net (decrease)/increase in cash and cash equivalents		8,802	(89,389)
Cash and cash equivalents at the beginning of the financial year		33,855	123,193
Effects of exchange rate changes on cash and cash equivalents		(219)	51
Cash and cash equivalents at the end of the financial year	8	42,438	33,855

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. General information

The Financial Report covers Integral Diagnostics Limited as a Group consisting of Integral Diagnostics Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (collectively referred to as the 'Group'). The financial statements are presented in Australian dollars, which is Integral Diagnostics Limited's functional and presentation currency and are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

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

Suite 9.02, Level 9, 45 William Street MELBOURNE VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 August 2024. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below.

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 (IFRSs) as issued by the International Accounting Standards Board (IASB).

The financial report has been prepared on a going concern basis. While the Group is in a net current asset deficit position at 30 June 2024, the Group has sufficient operating cash flows and available debt facilities to pay its debts as and when they fall due for 12 months from the date of signing these financial statements.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 33.

New, revised or amending accounting standards and interpretations adopted

The Group has adopted all new, revised or amended accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. There is no material impact from the adoption of these new standards.

Any new, revised or amending accounting standards or interpretations that are not yet mandatory have not been early adopted.

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Integral Diagnostics Limited as at 30 June 2024 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Joint arrangements

The Group's interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Current and non-current classification

Assets and liabilities are presented in the Consolidated Statement of Financial Position based on current and non-current classification.

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

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

Foreign currencies

The Group's consolidated financial statements are presented in Australian dollars, which is also the parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income ("OCI") or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date, and their statements of profit or loss are translated at average exchange rates for the period. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss. Any goodwill arising on the acquisition of a foreign operation, and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition, are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Impairment of non-financial assets

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

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

Share-based payments

Employees of the Group (including senior management and radiologists), receive remuneration and benefits in the form of share-based payments. These employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made, using an appropriate valuation model.

That cost is recognised in expense, together with a corresponding increase in equity (share based payment reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired, and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award, unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding performance rights is reflected as additional share dilution in the computation of diluted earnings per share.

The loan associated with loan-funded shares is non-recourse in nature and it is held off balance sheet and no corresponding amounts held in equity for the issued shares. The cost of the loan is recorded in the income statement over the service period, with the corresponding amount charged to equity. This equity value is recorded as share capital when the holder of the loan-funded shares repays the loan in full, which is at their election in years 5 to 10 from grant date.

Investments and other financial assets

Classification

The Group classifies its financial assets at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial assets at amortised cost

Loans and receivables are initially recognised at fair value and subsequently at amortised cost, using the effective interest rate method less any allowance under the expected credit loss (ECL) model.

All loans and receivables with maturities greater than 12 months after the balance date are classified as non-current assets.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement when determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL. The Group considers reasonable and supportable information that is relevant and available. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and current market conditions, as well as forward-looking estimates at the end of each reporting period.

Debts that are known to be uncollectable are written off when identified.

Revenue

Revenue from diagnostic imaging services is recognised on completion and reporting of imaging to the referring doctor. For diagnostic imaging services provided under contract, revenue is recognised based on the actual service provided to the end of the reporting period. This is determined based on the actual volume of exams reported.

Refer to note 5 for further details in relation to the point of revenue recognition for the Group's specific revenue streams.

Property leases

Property leases are recognised as a right-of-use asset and a corresponding liability at the date at which the property is available for use by the Group. Lease payments are allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The corresponding right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from property leases are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable;
- variable lease payments that are based on an index or a rate; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the Group's incremental borrowing rate, being the rate that would be paid to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are those with a lease term of 12 months or less.

Extension and termination options are included in most property leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. Most extension and termination options held are exercisable only by the Group and thus it has been assumed that these are to be exercised in the measurement of lease liabilities and right of use assets, as is expected to be the case with future lease renewals.

Rounding of amounts

The Group is of a kind referred to in Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off'. Amounts in this Report have been rounded off in accordance with this Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. None of these new standards and interpretations are expected to have a material impact on the Group's financial statements.

Note 3. Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event.

The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently, if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 14.

The recoverable amounts of cash-generating units have been determined based on value-in-use (VIU) calculations. These calculations require the use of assumptions, including anticipated sales growth, long-term growth rate and the post-tax discount rate.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assessed impairment of non-financial assets, other than goodwill and other indefinite life intangible assets at, each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves ViU calculations, in conjunction with the goodwill impairment testing, which incorporates a number of key estimates and assumptions, including the continuation of the stable regulatory environment and current competitive practices for healthcare services in both Australia and New Zealand.

Provision for make good

The Group records a provision for make good costs of lease properties. Make good costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the make good liability. The unwinding of the make good is expensed as incurred and recognised in the statement of profit or loss. The estimated future costs of the make good are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

Business combination accounting

In applying business combination accounting to its acquisitions, the Group makes estimations of future cash flows and applies an appropriate discount rate to measure identified assets, including brand names and customer contracts. The Group is also required to estimate contingent considerations, involving the estimation of future earnings to be generated by the acquired business for a defined period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Operating segments

Identification of reportable operating segments

The Group comprises the single reportable operating segment of the operation of diagnostic imaging facilities.

Major customers

During the year ended 30 June 2024, there was no external revenue greater than 10% to any one customer (2023: nil).

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (CODM), which includes the KMP of the Company. The CODM are responsible for the allocation of resources to operating segments and assessing their performance.

Operating segment information

Revenue is attributable to the country where the service was transacted. The consolidated entity operates in two main geographical areas, Australia and New Zealand.

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
<i>Total revenue and other income from continuing operations</i>		
Australia	412,652	386,287
New Zealand	57,906	54,923
	470,558	441,210
<i>Total non-current assets</i>		
Australia	588,039	590,610
New Zealand	81,417	185,661
	669,456	776,271

Note 5. Revenue

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Sales revenue		
Services revenue	469,697	440,099
Other revenue		
Other revenue	-	663
Revenue	469,697	440,762
Interest and other income		
Interest income	861	423
Other income	-	25
	861	448
Total revenue and other income	470,558	441,210
Timing of revenue recognition		
At a point in time	450,745	422,793
Over time	18,952	17,969
	469,697	440,762

Accounting policy for revenue recognition

Revenue is recognised when the Group has fulfilled its contractual performance obligations to its customers. Revenue is measured at the fair value of the consideration received or receivable, and except for specific customer contracts where service revenues are recognised over time, revenue recognised is at a point in time.

Rendering of services

Rendering of services revenue is recognised when the service is rendered for the provision of medical imaging services. For some specific customer contracts, service revenues are recognised over time on a straight-line basis, which reflects the contract requirement for services to be delivered evenly over the term. All other service revenues are recognised at the time the images are read and reported on.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established. Other revenue largely includes compensation payments received under equipment and leasehold contracts, as well as labour cost charges to hospitals and Government (trainees and paid parental leave).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Expenses

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Profit before income tax includes the following specific expenses:		
Depreciation expense		
Leasehold improvements	4,093	3,701
Plant and equipment	17,769	16,899
Motor vehicles	69	70
Office furniture and equipment	5,957	4,789
Total depreciation	27,888	25,459
Amortisation expense		
Customer contracts	1,489	2,153
Right-of-use assets	17,485	15,874
Total amortisation	18,974	18,027
Total depreciation and amortisation	46,862	43,486
Net (gain)/loss on disposal of property, plant and equipment	(20)	17
Transaction, restructuring and integration costs relating to acquisition of subsidiaries		
Remeasurement of contingent consideration liabilities	(1,337)	(15,839)
Professional fees, labour and other costs	4,255	5,427
Total transaction and integration costs	2,918	(10,412)
Finance costs		
Interest and finance charges paid/payable	16,772	12,904
Interest and finances charges paid/payable - leases	5,541	5,391
Unwinding of the effect of discounting provisions	234	70
Finance costs expensed	22,547	18,365
Employee benefits expense		
Employee benefits	237,075	228,905
Superannuation contributions	17,096	15,362
Labour supply	40,118	32,340
Total employee benefits expense	294,289	276,607

Costs of inventories recognised as expense were \$22.9 million (2023: \$21.0 million).

Accounting policy for finance costs

Borrowing costs are expensed in the period in which they are incurred. Amounts relating to the unwinding of discounting are classified as finance costs.

Government grants

No amounts relating to government grants were recognised during the year (2023: nil).

Note 7. Income tax expense

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Income tax expense		
Current tax (benefit)/expense	(1,735)	5,464
Deferred tax – origination and reversal of temporary differences	5,273	129
Total income tax expense	3,538	5,593
Deferred tax included in income tax expense comprises:		
Increase/(decrease) in deferred tax (Note 15)	5,273	129
	5,273	129
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	(57,134)	30,633
Tax at the Australian statutory rate of 30% (2023: 30%)	(17,140)	9,190
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment costs	60	37
Transaction costs, including remeasurement of contingent consideration liabilities	56	(4,830)
Share based payments	275	664
Share of profits of joint ventures	18	122
Impairment	19,837	-
Other	195	-
	3,301	5,183
Adjustment recognised for prior periods	(1,176)	457
Impact of lower corporate tax rate in New Zealand	1,439	(47)
Income tax expense	3,564	5,593

Accounting policy for income tax

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Current assets – cash and cash equivalents

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Cash on hand	25	22
Cash at bank	42,413	33,833
	42,438	33,855

Accounting policy for cash and cash equivalents

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

Note 9. Current assets – trade and other receivables

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Trade receivables	25,160	21,998
Less: loss allowance	(683)	(499)
	24,477	21,499
Other receivables	14	191
	24,491	21,690

Impairment of receivables

Movements in the loss allowance for trade receivables are as follows:

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Opening balance	499	303
Additional allowance recognised	639	357
Receivables written off during the year as uncollectable	(455)	(161)
Closing balance	683	499

The ageing of receivables past due is as follows:

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Past due 31 to 60 days	4,977	2,858
Past due 61 to 90 days	2,452	932
Past due more than 91 days	4,037	3,052
	11,466	6,842

Ageing of trade receivables has deteriorated during the financial year, however the Group has assessed the likelihood of recovery and determined that the provision for impairment is appropriate and no further provision is required.

Accounting policy for trade and other receivables

Trade receivables are amounts due from customers for services rendered. They are generally due for settlement within 30 to 60 days and are therefore all classified as current. Trade receivables are initially recognised at the amount of consideration that is unconditional. None of the Group's trade receivables have a significant financing component. The Group holds these receivables to collect the contractual cash flows and thus subsequently measures these at amortised cost, less any loss allowance. Due to the short-term nature of these receivables, their carrying amount is assumed to approximate fair value. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The Group applies the simplified approach to measuring expected credit losses using a lifetime expected credit losses (ECL) allowance for all trade receivables. The expected credit loss rates are based on the payment profile of sales in recent periods and historical loss rates. The historical loss rates are adjusted to reflect current and forward looking information, on factors affecting the ability of customers to settle the receivable, including an increased risk associated with collection of outstanding amounts based on additional factors, such as probability of bankruptcy or financial reorganisation.

Other receivables are recognised at amortised cost, less any provision for impairment.

Note 10. Current assets – other

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Accrued income	2,357	2,092
Prepayments	3,323	2,778
Security deposits	232	381
	5,912	5,251

Note 11. Inventory

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Contrast, drugs, needles and personal protective equipment	1,651	1,848

Accounting policy for inventory

Inventory is valued at the lower of cost and net realisable value. Inventory has been recognised based on categories of high-value items used in the production of medical images that the Company holds in large volumes including contrast, drugs, needles and personal protective equipment. Costs of inventories recognised as an expense was \$22.9 million (2023: \$21.0 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Work in progress – at cost	3,173	3,004
Leasehold improvements – at cost	60,160	57,283
Less: Accumulated depreciation	(20,756)	(17,177)
	39,404	40,106
Plant and equipment – at cost	174,901	163,651
Less: Accumulated depreciation	(89,106)	(71,451)
	85,795	92,200
Motor vehicles – at cost	521	537
Less: Accumulated depreciation	(292)	(238)
	229	299
Office furniture and equipment – at cost	40,016	31,391
Less: Accumulated depreciation	(19,883)	(13,941)
	20,133	17,450
	148,734	153,059

Reconciliations

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

	Work in progress	Leasehold improvements	Plant and equipment	Motor Vehicles	Office furniture and equipment	Total
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2022	8,124	33,026	70,590	164	12,348	124,252
Business combination	-	2,465	7,959	133	773	11,330
Additions	17,679	1,427	22,048	75	3,905	45,134
Transfers	(22,809)	6,884	10,601	-	5,324	-
Disposals/write offs	-	(31)	(2,171)	-	(96)	(2,298)
Depreciation expense	-	(3,701)	(16,899)	(70)	(4,789)	(25,459)
Exchange differences	10	36	72	(3)	(15)	100
Balance at 30 June 2023	3,004	40,106	92,200	299	17,450	153,059
Additions	14,759	344	7,266	-	1,518	23,887
Transfers	(14,581)	3,153	4,300	-	7,128	-
Disposals/write offs	-	(72)	(135)	(1)	-	(208)
Depreciation expense	-	(4,093)	(17,769)	(69)	(5,957)	(27,888)
Exchange differences	(9)	(34)	(67)	-	(6)	(116)
Balance at 30 June 2024	3,173	39,404	85,795	229	20,133	148,734

Property, plant and equipment secured under asset financing facility

Refer to Note 21 for further information on property, plant and equipment secured under asset financing.

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

- Leasehold improvements 5 – 25 years
- Plant and equipment 4 – 15 years
- Motor vehicles 5 – 8 years
- Office furniture and equipment 3 – 15 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter, and include the expected future cost of making good leasehold premises at the conclusion of the lease term.

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

Costs that are necessarily incurred while commissioning a new asset, in the period before they are capable of operating in the manner intended by management, are capitalised as Work in Progress. Upon completion of the asset and all associated costs being recognised, the Work in Progress is transferred to the correct property, plant and equipment classification, at which point it is accounted for in accordance with the policy set out above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 13. Leases

The balance sheet shows the following amounts in respect of leases:

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Right-of-use assets		
Property leases	121,648	129,397
Lease liabilities		
Current	13,960	14,214
Non-current	121,871	127,266
	135,831	141,480

Additions to the right-of-use assets during the year were \$0.5m (2023: \$31.9m, of which \$20.9m was acquired through business combinations).

The statement of profit or loss shows the following amounts relating to leases:

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Amortisation charge against right-of-use assets	17,485	15,874
Interest expense (included in finance cost)	5,539	5,311
(Benefit)/expense relating to short-term leases (included in occupancy expenses)	(170)	240

Reconciliation of movements in lease liabilities during the period

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Lease liabilities recognised at 1 July	141,480	117,939
Lease liabilities assumed on acquisition	-	20,909
Remeasurement of liability	10,675	5,258
Early termination of leases	(1,895)	(11,739)
New leases entered into during the period	520	23,696
Repayment of lease liabilities, net of interest	(14,929)	(14,978)
Exchange Rate	(20)	395
Lease liabilities recognised at 30 June	135,831	141,480

Note 14. Non-current assets – intangibles

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Goodwill – at cost	373,338	444,477
Brand names and trademarks – at cost	25,683	28,763
Customer contracts – at cost	17,578	17,625
Less: Accumulated amortisation	(17,530)	(16,093)
Customer contract - net	48	1,532
Total intangible assets	399,069	474,772

Reconciliations

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

Consolidated	Goodwill \$'000	Brand names & trademarks \$'000	Customer contracts \$'000	Total \$'000
Balance at 30 June 2022	352,462	25,546	2,479	380,487
Assets recognised on business combination acquisitions	89,305	3,042	1,175	93,522
Amortisation expense	-	-	(2,153)	(2,153)
Foreign currency conversion	2,710	175	31	2,916
Balance at 30 June 2023	444,477	28,763	1,532	474,772
Amortisation expense	-	-	(1,489)	(1,489)
Impairment expense	(71,598)	(3,042)	-	(74,640)
Foreign currency conversion	459	(38)	5	426
Balance at 30 June 2024	373,338	25,683	48	399,069

Reconciliations of the carrying values by cash generating unit are set out below:

Consolidated	Australia \$'000	New Zealand \$'000	Total \$'000
Goodwill	300,973	72,365	373,338
Brand names and trademarks	16,184	9,499	25,683
Customer contracts	48	-	48
Balance at 30 June 2024	317,205	81,864	399,069

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Impairment test for goodwill and intangibles

Goodwill and brand names are tested for impairment annually (as at 30 June) and when circumstances indicate the carrying value may be impaired, and were last tested at 31 December 2023. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. An assessment of identifiable cash generating units and a review of allocations of goodwill to the identified cash generating units is conducted annually.

Management has concluded that the current centralised structure of operations in Australia, and the ongoing synergies and opportunities this delivers to the Group's Australian operations, warrants the continued allocation of goodwill to form one cash-generating unit in Australia, and a second cash generating unit in New Zealand for impairment testing purposes.

At 31 December 2023, the Group considered whether there were any impairment indicators that warranted impairment testing, and for both cash generating units (CGU) in Australia and New Zealand, persistent cost inflation and a tight labour supply market placing continued pressure on earnings margin were considered impairment indicators. The recoverable amount of the two CGUs was determined based on value-in-use calculations using five-year forecasts, consistent with the methods used as at 30 June 2023, as disclosed in Note 14 of the 2023 Annual Report.

As a result of this assessment, including the expected recovery in performance going forward, the impairment testing concluded:

- The recoverable amount is determined based on value-in-use calculations which require the use of assumptions to forecast future cash flows;
- At 31 December 2023, the recoverable amount of the Australian CGU is estimated to exceed its carrying value by \$317.9m; and
- The recoverable amount of the New Zealand CGU was estimated to be less than its carrying value, and as a result an impairment loss of \$71.5m has been recorded, which has reduced the carrying value of goodwill to \$74.3m at 31 December 2023.

As the macroeconomic environment continues to stabilise after the COVID-19 pandemic, inflationary cost pressures and a tight labour market for clinical practitioners continue to persist. The five-year compound annual revenue growth rate and long term earnings margin assumption have been reassessed to reflect this slower recovery in operating conditions.

This impairment assessment was prepared again at 30 June 2024, as the impairment indicators identified at 31 December 2023 were assessed to still apply. As a result of the 30 June 2024 assessment, the impairment testing concluded:

- The recoverable amount is determined based on value-in-use calculations, which require the use of assumptions to forecast future cash flows;
- The recoverable amount of the Australian CGU at 30 June 2024 is estimated to exceed its carrying value by \$321.3m; and
- The recoverable amount of the New Zealand CGU at 30 June 2024 is estimated to exceed its carrying value by \$11.7m.

The timing of a return to target cost inflationary ranges in Australia and New Zealand and their impact on earnings margins remains uncertain at this stage and will be continually monitored and acted upon appropriately.

Following a review of the brand portfolio for the Group, certain brands relating to the Peloton Group were identified for retirement. As part of the 30 June 2024 impairment assessment, the carrying value has been reduced to nil, and an impairment charge of \$3.1m recognised in the income statement.

Key assumptions for value-in-use calculations

Five-year compound annual revenue growth rate

The calculations use cash flow projections based on financial budgets approved by the Board. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with the long-term strategic growth forecasts for the Group, and assume a continuation of the stable regulatory environment for healthcare services in both Australia and New Zealand.

Long term growth rate

The long term growth rate has been assessed to reflect macroeconomic and inflationary conditions in the Australian and New Zealand markets, with the rate used to calculate the terminal value for both the Australian and New Zealand value-in-use calculations remaining consistent with prior period assumptions.

Long term earnings margin

The long term earnings margin used to calculate the terminal value for both the Australian and New Zealand value-in-use calculations is based on financial budgets approved by the Board, extrapolated for the five-year compound annual growth rate for revenue and estimated cost inflation. This margin is consistent with the long-term strategic growth forecasts for the Group.

Pre-tax discount rate

The pre-tax discount rate has been assessed with input from independent experts to reflect the current weighted average cost of capital for the Group.

Regulatory environment

The calculations assume the continuation of a stable regulatory environment for healthcare services in Australia and New Zealand.

Key assumption sensitivities

The value-in-use calculations have been assessed for the sensitivities of the key assumptions. The following table outlines the impact on the assessed value-in-use, following a reasonable possible change in the key assumptions:

	Current Assumption	Reasonable change in assumption	Impact of change on value-in-use \$000s	Impact of change on value-in-use %
Australia				
Five year compound growth rate	6.5%	(0.5%)	(127,000)	(39.5%)
Long-term growth rate	2.5%	(0.5%)	(31,000)	(9.6%)
Long-term earnings margin	22.8%	(2.5%)	(99,000)	(30.8%)
Pre-tax discount rate	11.5%	1.0%	(85,000)	(26.5%)
New Zealand				
Five year compound growth rate	5.3%	(0.5%)	(14,000)	(119.9%)
Long-term growth rate	2.5%	(0.5%)	(4,000)	(34.3%)
Long-term earnings margin	30.0%	(2.5%)	(10,000)	(85.6%)
Pre-tax discount rate	13.6%	1.0%	(11,000)	(94.2%)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting policy for intangible assets

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

Goodwill

Goodwill arises on the acquisition of a business and is not amortised. Instead, Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Brand names and trademarks

Significant costs associated with brand names and trademarks are not amortised, but are tested for impairment annually on the same basis and within the same ViU calculation as outlined above and are carried at cost.

Customer Contracts

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being the remaining term of the contract as at the date of acquisition.

Note 15. Deferred tax

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Deferred tax assets		
Deferred tax asset comprises temporary differences attributable to:		
Employee benefits and other provisions	10,883	13,005
Provisions for lease make good	1,251	1,237
Transaction costs in equity	-	745
Transaction costs	1,032	433
Tax losses available	906	5
Leases	4,266	3,603
Total deferred tax asset	18,338	19,028
Set-off of deferred tax liabilities pursuant to set-off provisions	(18,338)	(15,222)
Net deferred tax assets	-	3,806
Amount expected to be recovered within 12 months	5,878	5,645
Amount expected to be recovered after more than 12 months	12,460	13,383
	18,338	19,028
Movements:		
Opening balance	19,028	17,252
Credited to profit or loss (Note 7)	(690)	931
Additions through business combinations	-	845
Closing balance	18,338	19,028

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Deferred tax liabilities		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss		
Property, plant and equipment	(14,643)	(8,705)
Brand names and customer contracts	(7,529)	(8,884)
Total deferred tax liabilities	(22,172)	(17,589)
Set-off of deferred tax liabilities pursuant to set-off provisions	18,338	15,222
Net deferred tax liabilities	(3,834)	(2,367)
Amount expected to be settled within 12 months	(1,464)	(871)
Amount expected to be settled after more than 12 months	(20,708)	(16,718)
	(22,172)	(17,589)
Movements:		
Opening balance	(17,589)	(14,226)
Credited to profit or loss (Note 7)	(4,583)	(1,060)
Additions through business combinations	-	(2,303)
Closing balance	(22,172)	(17,589)

Accounting policy for deferred tax

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

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

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Integral Diagnostics Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax-consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax-consolidated group continue to account for their own current and deferred tax amounts. The tax-consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax-consolidated group. In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax-consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from, or payable to, other entities in the tax-consolidated group. The tax consolidated group has a tax sharing agreement in place to limit the liability of subsidiaries in the tax-consolidated group, arising under the joint and several liability provisions of the tax consolidation system, in the event of default by the head entity to meet its payment obligations.

Note 16. Interests in other entities

Interests in joint ventures

Set out below are the joint ventures of the Group as at 30 June 2024. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of joint venture	Place of incorporation	Ownership interest		Measurement method	Carrying amount	
		2024 %	2023 %		2024 \$'000	2023 \$'000
MedX	Australia	50%	50%	Equity method	5	15
Ascot at Maranui ¹	New Zealand	0%	100%	Equity method	-	-

1. The remaining share capital in this entity was acquired during the year and is now consolidated.

Summarised financial information for joint ventures

The table below summarises the financial information for those joint ventures of the group accounted for using the equity method.

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Aggregate carrying amount of individual immaterial joint ventures	5	15
Aggregate share of amounts of the group's share of:		
Profit/(loss) from continuing operations	(60)	(328)
Total comprehensive income	(60)	(328)

Note 17. Current liabilities – trade and other payables

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Trade payables	10,176	10,408
Other payables and accruals	22,647	20,737
	32,823	31,145

Refer to Note 27 for further information on financial liabilities.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. They are recognised at their fair value. The amounts are unsecured and are usually paid within 30 days of recognition. Due to the short-term nature of these payables, their carrying amount is assumed to approximate fair value.

Note 18. Current liabilities – borrowings

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Asset financing facility	2,210	2,454

Refer to Note 21 for accounting policy on borrowings and further information on assets pledged as security and financing arrangements and Note 27 for further information on financial risk management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19. Current liabilities – provisions

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Annual leave	19,212	18,461
Long service leave	7,526	8,501
Employee benefits	236	312
Lease make good	527	101
	27,501	27,375

Accounting policy for short-term employee benefits

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

The leave obligations cover the Group's liability for long service leave, annual leave and rostered days off. The current provision of this liability includes all accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service, and also where employees are entitled to pro-rata payments in certain circumstances.

Note 20. Contingent consideration

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Current portion	9,189	7,479
Non-current portion	673	7,778
	9,862	15,257

The movements in each element of contingent consideration during the financial are set out below:

Consolidated	Total \$'000
Carrying amount at the start of the year	15,257
Remeasurements charged through profit or loss	(1,329)
Foreign exchange differences	(41)
Amounts paid during the year	(4,025)
Balance at 30 June 2024	9,862

Contingent consideration

Contingent consideration arises from contractual commitments entered into on the acquisition of businesses. Where contingent consideration payments are significantly linked to requirements for ongoing employment, the cost of the deferred payment is charged to profit or loss as earned. Where contingent consideration is linked to the enterprise value of the entity acquired, and each vendor is entitled to the payment of the earn-out regardless of their employment status, the amounts are recognised in goodwill as part of the business combination accounting and based on expectation of payment. Any increment or decrement arising from remeasurement of these liabilities is charged to profit or loss.

For the year ended 30 June 2024, \$2.9m of contingent consideration was paid out relating to the first earn-out period for Peloton Radiology, and additional \$0.6m in deferred consideration linked to service conditions. The conditions of the second earn-out contingent consideration provision relating to Peloton Radiology were deemed not to have been met and the provision was reduced to nil, with the movement recognised in the income statement.

Deferred consideration of \$0.5m linked to service conditions was paid relating to the X-Ray Group for the year ended 30 June 2024, with a further \$0.3m recognised in the income statement.

The contingent consideration provision for the potential second earn-out payment relating to the acquisition of Horizon Radiology was reassessed from \$1.4m to \$0.5m, with the difference recognised in the income statement.

The contingent consideration provision for the Imaging Queensland Group has not changed for the year ended 30 June 2024. The Group has made efforts to settle the \$2.2m liability for Earn-out A, based on the valuation provided by an independent expert, however the vendors have declined settlement, and the matter remains in dispute at the date of this report. The provision for Earn-out B liability remains unchanged at \$5.5m.

Note 21. Non-current liabilities – borrowings

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Debt facility	219,756	218,952
Asset financing facility	-	2,190
	219,756	221,142

The fair values of these borrowings are not materially different from their carrying amounts, as the interest payable on those borrowings reflects either current market rates or, that the borrowings are of a short-term nature.

Refer to Note 27 for further information on financial risk management.

Total secured liabilities

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

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Debt facility	219,756	218,952
Asset financing facility	2,210	4,644
	221,966	223,596

Assets pledged as security

The asset finance liabilities are effectively secured, as the financiers have rights to the assets under finance in the event of default. Under the club debt facility, the financiers have security over the cash flows of the business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial arrangements

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

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Total facilities		
Asset finance facility	55,500	55,500
Cash advance facility	290,118	316,017
Standby letter of credit or guarantee facility	7,236	7,000
Commercial cards facility	870	881
	353,724	379,398
Used at the reporting date		
Asset finance facility	2,210	4,643
Cash advance facility	219,757	218,952
Standby letter of credit or guarantee facility	3,232	3,296
Commercial cards facility	-	148
	225,199	227,039
Unused at the reporting date		
Asset finance facility	53,290	50,857
Cash advance facility	70,360	97,065
Standby letter of credit or guarantee facility	4,005	3,704
Commercial cards facility	870	733
	128,525	152,359

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs incurred. They are subsequently measured at amortised cost using the effective interest method. During the year, the terms of the Group's facilities were renegotiated with the lenders. There were no substantial changes to the terms of the agreement. Under the current lending arrangement the cash advance facilities expire in February 2026.

Note 22. Non-current liabilities – provisions

	Consolidated	
	30 June 2024	30 June 2023
	\$'000	\$'000
Long service leave	6,369	4,681
Lease make good	4,383	4,840
	10,752	9,521

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms. Property lease agreements include various obligations at the end of the respective lease terms, such as removal of tenant installations and making good any damage caused by installation or removal, removing signage, and other general maintenance obligations (e.g. painting, cleaning). These costs and the probability of lease renewals have been estimated for each location, based on specific terms of individual leases, size of the individual sites, and historical experience of costs incurred when vacating a site.

Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits (current and non-current), are set out below:

	Lease make good \$'000
Consolidated – 2024	
Carrying amount at the start of the year	4,941
Additions for new leases	34
Remeasurements offset against make-good asset	(123)
Remeasurements charged through profit or loss	(0)
Interest credited to provision	234
Amounts used	(176)
Carrying amount at the end of the year	4,910

Accounting policy for provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Accounting policy for other long-term employee benefits

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Equity – contributed capital

	Consolidated		Consolidated	
	30 June 2024 #	30 June 2023 #	30 June 2024 \$'000	30 June 2023 \$'000
Ordinary shares – fully paid	233,961,997	233,029,358	335,088	333,280
Treasury shares - fully paid	(46,187)	-	(87)	-
	233,915,810	233,029,358	335,001	333,280

Movement in ordinary share capital	Date	Number of Shares	Issue Price	Total \$'000
Balances at 1 July 2022		229,070,797		322,543
Shares issued as consideration as part of Horizon Radiology acquisition	1 July	463,635	3.90	1,810
Shares issued as consideration as part of Peloton Radiology acquisition	1 July	2,096,657	3.44	7,213
Shares issued under Radiologist Loan & Option Share Scheme – Self-funded	5 September	439,010	3.02	1,322
Shares issued under Radiologist Loan Share Scheme1 – Loan Shares	5 September	815,066	-	-
Shares issued under dividend reinvestment plan (DRP)	5 October	73,386	2.68	196
Shares issued under dividend reinvestment plan (DRP)	4 April	70,807	2.77	196
Balance at 30 June 2023		233,029,358		333,280
Shares issued under Radiologist Loan & Option Share Scheme – Self-funded	6 September	96,349	3.02	291
Shares issued under Radiologist Loan Share Scheme1 – Loan Shares	6 September	192,698	-	-
Shares issued under dividend reinvestment plan (DRP)	4 October	151,564	2.93	444
Acquisition of treasury shares by IDX Equity Trust	12 December	(46,187)	1.87	(87)
Shares issued under dividend reinvestment plan (DRP)	2 April	492,028	2.18	1,073
Balance at 30 June 2024		233,915,810		335,001

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands, every member present at a meeting in person or by proxy shall have one vote, and on a poll one vote for each fully paid ordinary share held.

Capital risk management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the Consolidated Statement of Financial Position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, adjustments may be made to the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group has also initiated a dividend reinvestment plan (DRP) during the previous year, to allow its shareholders to reinvest their dividends into additional share capital.

The Group looks to raise capital when an opportunity to invest in a business or company is seen as value-adding, relative to the current company's share price at the time of the investment.

The Group is subject to certain financing arrangement covenants and meeting these is given priority in all capital risk management decisions. Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants;

- net debt to pre-AASB 16 EBITDA not greater than 3.5; and
- fixed charge cover greater than 1.75.

The Group has complied with the covenants throughout the reporting period. The calculation basis provided for in the terms to the Group's borrowing facilities allows for the exclusion of the impacts of AASB 16 Leases, and the adoption of AASB 16 Leases has not impacted compliance with these financial covenants.

Accounting policy for contributed 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 24. Equity – reserves

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Share-based payments reserve	5,462	4,090
Capital reorganisation reserve	(3,849)	(3,849)
Transactions with non-controlling interest	(8,013)	(8,013)
Foreign currency translation reserve	(1,929)	(2,016)
	(8,329)	(9,788)

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees as part of their remuneration, and as part of their compensation for services.

Capital reorganisation reserve

The reserve is used to account for historical capital reorganisation of Lake Imaging Pty Ltd, whereby the assets and liabilities of the acquired party are recorded at their previous book values and no Goodwill is recognised. Any difference between the cost of the transaction and the carrying amount of the assets and liabilities are recorded directly in this reserve.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 2. The reserve is recognised in profit and loss when the net investment is disposed of.

Movements in reserves

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

Consolidated	Share-based payment reserve \$'000	Capital re- organisation reserve \$'000	Transaction with non- controlling interest \$'000	Foreign currency translation reserve \$'000	Total \$'000
Balance at 1 July 2022	2,440	(3,849)	(8,013)	(3,033)	(12,455)
Issuance of shares held in escrow	(563)	-	-	-	(563)
Recognition of share-based payments	2,213	-	-	-	2,213
Movement in translation of foreign operations	-	-	-	1,017	1,017
Balance at 30 June 2023	4,090	(3,849)	(8,013)	(2,016)	(9,788)
Issuance of shares held in escrow	-	-	-	-	-
Recognition of share-based payments	1,372	-	-	-	1,372
Movement in translation of foreign operations	-	-	-	87	87
Balance at 30 June 2024	5,462	(3,849)	(8,013)	(1,929)	(8,329)

The expense recognised for share based payments during the year was based on valuations using the Black-Scholes model.

	30 June 2024 \$'000	30 June 2023 \$'000
Amount recognised in share based payment expense:		
Share based payment expense - Management LTI Plan	-	408
Share based payment expense - Radiologist Loan Funded Share Plan (LFSP)	999	1,444
	999	1,852
Amount recognised in employee benefits expense:		
Share-based payment expense – Management STI Plan	218	327
Share-based payment expense – Management LTI Plan	372	361
Total share based payment expense	1,589	2,540

There were no cancellations or modifications to the awards in 2024 or 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Valuation of equity-settled awards

The fair values of equity-settled awards such as performance rights under the Management Long Term Incentive (LTI) scheme, and shares and options granted under the Radiologist Loan Funded Share & Option Plan (LFSP) were estimated using a Monte Carlo simulation methodology and Black-Scholes option pricing technique, and consider the following:

- exercise price;
- expected life of the award;
- current market price of the underlying shares;
- expected volatility using an analysis of historic volatility over different rolling periods;
- expected dividends;
- the risk-free interest rate, which is an applicable government bond rate; and
- market-based performance hurdles (relative TSR).

Long term incentive (LTI) plan

The following table illustrates the number of, and movements in, performance rights issued under the LTI plan to executives and members of the senior management team during the year. The exercise price of these rights is \$nil.

Under the plan, performance rights granted prior to FY23 only vest with an equity settlement if an EPS growth hurdle and a four-year service condition are met. Performance rights granted in FY23 or later only vest if an cumulative EPS hurdle (50% of rights granted), relative TSR hurdle (25% of rights granted) or return on invested capital (ROIC) hurdle (25% of rights granted) are met respectively. All performance rights granted in FY23 or later are also subject to a three year service condition.

Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

	2024 Number	2023 Number
Outstanding at 1 July	1,377,523	1,656,384
Granted during the year	729,476	732,581
Lapsed / forfeited during the year	(385,540)	(1,011,442)
Converted to ordinary shares during the year	-	-
Expired during the year	-	-
Outstanding at 30 June	1,721,459	1,377,523
Exercisable at 30 June	-	-

The following table lists the inputs to the valuation model used for the LTI plan. In FY24 the LTI plan was granted to members of the Senior Management Team and the Senior Leadership Team and the CEO on 29 November 2023. The valuation metrics applicable to each LTI grant are set out below:

	2024 LTI Plan	2023 LTI Plan	2022 LTI Plan	2021 LTI Plan
Weighted average fair values at the measurement date (\$)	1.25	2.23	4.90/4.53	3.35/3.75
Dividend yield (%)	3.61	3.42	2.50	3.00
Expected volatility (%)	40.00	40.00	N/A	N/A
Risk-free interest rate (%)	4.00	3.25	0.59/1.37	0.27/0.13
Expected life of share (years)	2.59	2.70	4.00	4.00
Weighted average share price (\$)	1.72	2.75	5.39/4.96	3.91
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

The fair value at grant date of equity-settled share awards is recognised in the income statement over the period for which the benefits of employee services are expected to be derived. Where awards are forfeited because non-market-based vesting conditions are not met, the expense previously recognised is reversed proportionately.

Radiologist Loan Funded Share & Option Plan (LFSP)

The following tables the number of, and movements in, shares and options issued under the Radiologist Loan Funded Share Plan (LFSP). The allocated value of the shares issued to participating radiologists under the plan on 6 September 2023 was \$3.19 and a loan equivalent to the issued shares is due and payable at the Radiologist's option. This option can be exercised between 4-10 years from the issue date, once the loan is fully paid the loan shares are released from Escrow and will no longer be subject to Escrow restrictions.

Options were issued in lieu of loan shares to the Group's New Zealand resident radiologists. These options were issued with a strike price of \$3.36 and an expiry date of 6 September 2033.

	Options	WAEP ¹	Shares	WAEP ¹
Outstanding at 1 July 2022	860,388	3.32	2,712,412	3.35
Granted during the year	62,954	3.02	815,066	4.96
Forfeited during the year	-	-	(55,418)	-
Exercised during the year	-	-	-	-
Outstanding at 30 June 2023	923,342	3.30	3,472,060	3.33
Granted during the year	-	3.19	192,698	3.19
Forfeited during the year	(15,352)	-	(48,822)	-
Exercised during the year	-	-	-	-
Outstanding at 30 June 2024	907,990	3.36	3,615,936	3.36
Exercisable at 30 June	-	-	-	-

1. Weighted average exercise price (WAEP)

The following table lists the inputs to the models used for the LFSP.

	2024 LFSP Options	2024 LSFP Shares	2023 LFSP Options	2023 LSFP Shares
Grant Date	28 June 2023	28 June 2023	27 June 2022	27 June 2022
Weighted average fair values at the measurement date (\$)	1.14	1.61	1.00	1.47
Dividend yield (%)	N/A	N/A	N/A	N/A
Expected volatility (%)	40.00	40.00	40.00	40.00
Risk-free interest rate (%)	3.74	3.78	3.40	3.67
Expected life of instrument (years)	4.19	7.19	4.19	7.19
Weighted average share price (\$)	3.19	3.19	3.02	3.02
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

Note 25. Equity – retained profits

	Consolidated	
	30 June 2024	30 June 2023
	\$'000	\$'000
Retained profits at the beginning of the financial year	49,556	37,156
Profit after income tax expense for the year	(60,699)	25,040
Dividend paid (Note 26)	(13,822)	(12,640)
Retained profits at the end of the financial year	(24,965)	49,556

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 26. Equity – dividends

Dividends

Full franked dividends paid during the financial year were as follows:

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Dividend paid 3.0 cents per share on 5 October 2022	-	6,885
Dividend paid 2.5 cents per share on 4 April 2023	-	5,755
Dividend paid 3.5 cents per share on 4 October 2023	8,060	-
Dividend paid 2.5 cents per share on 2 April 2024	5,762	-
	13,822	12,640

Franking credits

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	23,244	34,793

The amount recorded above as the franking credit amount is based on the amount of Australian income tax paid in respect of the liability for income tax at the balance date.

Accounting policy for dividends

Dividends are recognised when declared during the financial year and payment is no longer at the discretion of the Company.

Note 27. Financial risk management

Financial risk management objectives

The Group's activities expose it to a variety of financial risks:

- market risk (including interest rate and foreign exchange risk);
- credit risk; and
- liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign currency risks and ageing analysis for credit risk.

Risk management is carried out by management under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group, and appropriate procedures, controls and risk limits. Finance reports to the Board on a monthly basis.

Market risk

Interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

As at the reporting date, the Group had the following interest-bearing financial assets and liabilities:

	2024		2023	
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
Consolidated				
Cash at bank and on deposit	3.52%	42,518	1.12%	33,833
Club debt facility	7.03%	(219,756)	5.45%	(218,952)
Asset finance facility	2.50%	(2,210)	2.50%	(4,643)
Net exposure to cash flow interest rate risk		(179,448)		(189,762)

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

If interest rates were to increase/decrease by 100 (2023: 100) basis points from rates used to determine fair values as at the reporting date, assuming all other variables that might impact on fair value remain constant, then the impact on profit for the year and equity is as follows:

	Basis points increase effect on			Basis points decrease effect on		
	Basis points change	(Loss)/profit before tax \$'000	Effect on equity post tax \$'000	Basis points change	Profit/(loss) before tax \$'000	Effect on equity post tax \$'000
2024	100	(2,231)	(1,561)	(100)	2,231	1,561
2023	100	2,211	1,548	(100)	(2,211)	(1,548)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows on an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the New Zealand dollar (NZD). The Group manages its exposure to fluctuations on the translation into Australian dollars of its foreign operations by holding net borrowings in foreign currencies, creating a natural hedging relationship. The Group assessed the remaining risk exposure and given the exchange rate is not expected to fluctuate significantly, has not entered into other hedging relationships. The Group will monitor this risk on an ongoing basis.

Foreign Currency Sensitivity

	Change in NZD Rate	Effect on profit post tax \$'000	Effect on equity \$'000
2024	+2.5c	(1,674)	1,278
	-2.5c	1,674	(1,278)
2023			
	+2.5c	(167)	(2,001)
	-2.5c	167	2,001

The above table demonstrates the sensitivity to a reasonably possible change in NZD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in translation rates. The impact on the Group's equity is due to changes in the fair value of the net investment.

Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. Credit risk for cash deposits is managed by holding all cash deposits with major Australian banks. Credit risk for trade receivables is managed by completing credit checks for new customers. Outstanding receivables are regularly monitored for payments in accordance with credit terms. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Consolidated Statement of Financial Position and notes to the financial statements. The Group does not hold any collateral.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

The credit risk for derivative financial instruments arises from the potential failure of the counter-party to meet its obligations. The credit risk exposure of forward contracts is the net fair value of these contracts.

Liquidity risk

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

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

Subject to the continuance of satisfactory credit ratings and compliance with banking covenants, the bank loan facilities may be drawn at any time and have a maturity of one year, eight months (2023: two years, eight months). The bank loan facilities are interest-only repayments.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn based on the undiscounted cash flows of financial liabilities at the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities, therefore these totals may differ from their carrying amount in the statement of financial position.

As at 30 June 2024	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contracted cashflows \$'000
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	10,176	-	-	-	10,176
Other payables	-	22,647	-	-	-	22,647
Contingent consideration	-	9,189	419	254	-	9,862
<i>Interest-bearing – variable</i>						
Debt facility	7.03%	-	220,485	-	-	220,485
Asset financing facility	2.50%	2,210	-	-	-	2,210
Property lease liabilities	4.02%	19,362	17,196	43,855	95,325	175,738
Total non-derivatives		63,583	238,100	44,109	95,325	441,118

As at 30 June 2023	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contracted cashflows \$'000
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	10,408	-	-	-	10,408
Other payables	-	20,737	-	-	-	20,737
Deferred consideration	-	7,479	7,778	-	-	15,257
<i>Interest-bearing – variable</i>						
Debt facility	5.45%	-	-	220,120	-	220,120
Asset financing facility	2.50%	2,455	2,189	-	-	4,644
Property lease liabilities	4.10%	18,922	18,182	42,057	90,695	169,856
Total non-derivatives		60,001	28,149	262,177	90,695	441,022

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 28. Key management personnel disclosures

Compensation

The aggregate compensation paid to Directors and other members of the Key Management Personnel of the Group is set out below:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Short-term employee benefits	3,616,963	4,484,029
Post-employment benefits	155,504	183,872
Long-term employee benefits	28,453	107,556
Share-based payments	621,026	350,475
	4,421,946	5,125,932

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the Company's auditors:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Audit services		
<i>PricewaterhouseCoopers Australia</i>		
Audit and review of the financial statements		
Consolidated group	574,000	723,000
Controlled entities	-	-
	574,000	723,000
Other services		
<i>PricewaterhouseCoopers Australia</i>		
Due diligence and tax advisory services	-	-
Tax compliance services	-	-
Other services	114,550	-
	114,550	-
<i>Network firms of PricewaterhouseCoopers</i>		
Tax compliance and company secretarial services	-	-
Due diligence and tax advisory services	-	-
	-	-
Total other services	114,550	-
Total remuneration	688,550	723,000

Note 30. Contingent liabilities

The Group has given bank guarantees as at 30 June 2024 of \$3.2 million (2023: \$3.3 million) to various landlords.

Refer to Note 20 for details on contingent consideration liabilities held by the Group.

Note 31. Commitments

As at 30 June 2024, there were capital commitments for plant and equipment and leasehold improvements of \$11.7 million (2023: \$10.3 million).

Note 32. Related party transactions

Parent entity

Integral Diagnostics Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in Note 34.

Joint ventures

Interests in joint ventures are set out in Note 16.

Key management personnel

Disclosures relating to KMP are set out in Note 28 and the Remuneration Report on pages 33 - 57.

All transactions with KMP are made on commercial arm's length terms and conditions, and in the ordinary course of business. The Board has an established Related Party Transaction Policy, which is overseen by the Audit, Risk and Compliance Committee (ARCC), to ensure that related party transactions are managed and disclosed in accordance with the Corporations Act, ASX Listing Rules, accounting requirements and in accordance with good governance practices. This is to ensure that a financial benefit is not provided to related parties without approval by the Board and, where required, shareholders.

The following transactions occurred with related parties:

	Consolidated \$	% interest	KMP interest \$
30 June 2024			
Payment for teleradiology services to Tele-Rad Consultancy L.L.C-FZ of which Dr Nazar Bokani is related	54,377	100%	54,377

The above FY24 related party transactions relate to teleradiology services provided to the Group by Dr Bokani and are on commercial terms consistent with other teleradiology providers to the Group.

Loans to related party

	Consolidated	
	30 June 2024 \$	30 June 2023 \$
Loan to key management personnel		
Balance at the beginning of the year	446,614	454,658
Repayments	-	(8,044)
Balance at cessation of Dr Bokani as KMP ¹	(446,614)	-
Balance at the end of the year	-	446,614

1. Dr Nazar Bokani ceased KMP position on 9 August 2023. As such, the disclosed balance of his related party loan is at this date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Dr Bokani is a radiologist employed by the Group. The loan above arose on Dr Bokani's participation in the Radiologist Loan Funder Share Plan in 2019, prior to his appointment as a director. The non-recourse loan was made on an interest-free basis, is subject to a four-year continuous service condition, has a 10-year term, is repayable in full on 1 March 2029, and is thus accounted for as a share option. These terms are consistent with those offered to other radiologists under rules governing the loan share scheme.

Note 33. Parent entity information

Summary financial information

The individual financial statements for the parent entity, Integral Diagnostics Limited, show the following aggregate amounts.

Statement of Profit or Loss and Other Comprehensive Income

	Parent	
	30 June 2024	30 June 2023
	\$'000	\$'000
(Loss)/profit after income tax	14,316	1,793
Total comprehensive income	14,316	1,793

Statement of Financial Position

	Parent	
	30 June 2024	30 June 2023
	\$'000	\$'000
Total current assets	5,099	3,540
Total assets	878,542	671,872
Total current liabilities	(19,208)	(4,392)
Total liabilities	526,792	323,795
Equity		
Contributed capital	335,088	333,280
Share-based payments reserve	6,024	4,652
Retained profits	10,638	10,145
Total equity	351,750	348,077

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity is party to the deed of cross guarantee, as disclosed in Note 36.

Contingent liabilities

Except as disclosed in Note 30, there are no other contingent liabilities of the parent entity as at 30 June 2024.

Capital commitments – property, plant and equipment

The parent entity had \$0.2m in capital commitments for property, plant and equipment as at 30 June 2024.

Significant accounting policies

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

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

34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

Name of entity	Principal place of business/ country of incorporation	Ownership interest	
		2024 %	2023 %
Lake Imaging Pty Ltd	Australia	100	100
Radploy Pty Ltd	Australia	100	100
Radploy 2 Pty Ltd	Australia	100	100
Radploy 3 Pty Ltd	Australia	100	100
Radploy 4 Pty Ltd	Australia	100	100
Global Diagnostics (Australia) Pty Ltd	Australia	100	100
SCR Corporate Pty Ltd	Australia	100	100
RAD Corporate Pty Ltd	Australia	100	100
Integral Diagnostics No. 1 Pty Ltd	Australia	100	100
Imaging Queensland Pty Ltd	Australia	100	100
Queensland Nuclear Medicine Pty Ltd	Australia	100	100
Advanced Women's Imaging Pty Ltd	Australia	100	100
Imaging Queensland IP Pty Ltd	Australia	100	100
Radiology 24/7 Pty Ltd	Australia	100	100
Sunshine Coast Radiology Pty Ltd	Australia	100	100
SC Radiology Pty Ltd	Australia	100	100
Central Queensland Radiology Pty Ltd	Australia	100	100
CQ Radiology Pty Ltd	Australia	100	100
IQ Radiology Pty Ltd	Australia	100	100
IQ Radiology Services Pty Ltd	Australia	100	100
Integrated Pain Management Pty Ltd	Australia	100	100
Bodyscreen Pty Ltd	Australia	100	100
The X-Ray Group Pty Ltd	Australia	100	100
Martlesham Pty Ltd	Australia	100	100
Warby X-Ray Services Pty Ltd	Australia	100	100
Wang X-Ray Unit Trust	Australia	100	100
Tern Hill Pty Ltd	Australia	100	100
Yarrowonga X-Ray Services Pty Ltd	Australia	100	100
Yarra X-Ray Unit Trust	Australia	100	100
The Imaging Trust	Australia	100	100
Citiscan Radiology Pty Ltd	Australia	100	100
Peloton Radiology Pty Ltd	Australia	100	100
The Women's Imaging Group Pty Ltd	Australia	100	100
X-Ray & Imaging Holdings Pty Ltd	Australia	100	100
X-Ray & Imaging Pty Ltd	Australia	100	100
Specialist Radiology and MRI Limited	New Zealand	100	100
Trinity MRI Limited	New Zealand	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name of entity	Principal place of business/ country of incorporation	Ownership interest	
		2024 %	2023 %
Integral Diagnostics New Zealand Limited	New Zealand	100	100
Astra Radiology Limited	New Zealand	100	100
Insight Radiology Limited	New Zealand	100	100
Horizon Radiology Limited	New Zealand	100	100

Note 35. Deed of cross guarantee

The following entities are party to a Deed of Cross Guarantee, under which each company guarantees the debts of the others:

- Integral Diagnostics Limited (formerly known as Lake Imaging Holdings Pty Ltd)
- Lake Imaging Pty Ltd
- Radploy Pty Ltd
- Radploy 2 Pty Ltd
- Radploy 3 Pty Ltd
- Radploy 4 Pty Ltd
- Global Diagnostics (Australia) Pty Ltd
- SCR Corporate Pty Ltd
- RAD Corporate Pty Ltd
- Integral Diagnostics No. 1 Pty Ltd
- Imaging Queensland Pty Ltd
- Queensland Nuclear Medicine Pty Ltd
- Advanced Women's Imaging Pty Ltd
- Imaging Queensland IP Pty Ltd
- Radiology 24/7 Pty Ltd
- Sunshine Coast Radiology Pty Ltd
- SC Radiology Pty Ltd
- Central Queensland Radiology Pty Ltd
- CQ Radiology Pty Ltd
- IQ Radiology Pty Ltd
- IQ Radiology Services Pty Ltd
- Integrated Pain Management Pty Ltd
- Bodyscreen Pty Ltd
- Martlesham Pty Ltd
- The X-Ray Group Pty Ltd
- Warby X-Ray Services Pty Ltd
- Tern Hill Pty Ltd
- Yarrawonga X-Ray Services Pty Ltd
- Citiscan Radiology Pty Ltd
- Peloton Radiology Pty Ltd
- The Womens Imaging Group Pty Ltd
- X-Ray & Imaging Holdings Pty Ltd
- X-Ray & Imaging Pty Ltd

By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare financial statements and a Directors' Report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission (ASIC).

The above companies represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Integral Diagnostics Limited, they also represent the 'extended closed group'.

The consolidated statement of profit or loss, consolidated statement of comprehensive income, summary of movements in consolidated retained earnings, and consolidated statement of financial position of the entities that are members of the Closed Group are as follows:

Consolidated Statement of Profit or loss and Comprehensive income

	Note	30 June 2024 \$'000	30 June 2023 \$'000
Revenue			
Revenue		411,823	385,627
Interest, management fees and dividends eliminated on consolidation		-	3,899
Interest and other income		829	447
Total revenue and other income		412,652	389,973
Expenses			
Consumables		(20,163)	(18,550)
Employee benefits expense		(265,397)	(249,432)
Depreciation expense		(23,702)	(22,221)
Amortisation expense		(15,981)	(14,632)
Transaction and integration expenses		(5,243)	8,016
Share based payment expense		(1,589)	(2,540)
Equipment related expenses		(13,658)	(13,307)
Occupancy expenses		(7,539)	(6,055)
Other expenses		(37,850)	(30,149)
Finance costs		(16,752)	(12,489)
Share of net profits of joint ventures accounted using the equity method		(60)	(328)
Total expenses		(407,934)	(361,687)
Profit before income tax expense		4,718	28,286
Income tax expense		(3,795)	(5,294)
Profit for the year from continuing operations		923	22,992
Profit is attributable to:			
Owners of Integral Diagnostics Limited		923	22,992
Comprehensive income			
Items that may be reclassified to profit & loss:			
Net (loss)/gain on cash flow hedges		-	-
Total comprehensive income		923	22,992

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

	Note	30 June 2024 \$'000	30 June 2023 \$'000
Assets			
Current assets			
Cash and cash equivalents		34,747	27,034
Trade and other receivables		18,612	58,346
Income tax receivable		(2,483)	173
Other assets		76,955	4,851
Inventory		1,398	1,632
Total current assets		129,229	92,036
Non-current assets			
Property, plant and equipment		125,502	129,753
Right-of-use assets		99,031	106,657
Intangibles		317,316	321,122
Deferred tax asset		-	3,807
Investment		46,188	46,198
Total non-current assets		588,037	607,537
Total assets		717,266	699,573
Liabilities			
Current liabilities			
Trade and other payables		27,825	24,895
Borrowings		2,190	2,356
Lease liabilities		12,167	12,600
Contingent consideration		8,731	6,101
Provisions		25,833	26,012
Total current liabilities		76,746	71,964
Non-current liabilities			
Contingent consideration		673	7,778
Borrowings		169,386	147,205
Lease liabilities		99,717	105,133
Deferred tax liability		1,683	-
Provisions		10,060	8,784
Total non-current liabilities		281,519	268,900
Total liabilities		358,265	340,864
Net assets		359,001	358,709
Equity			
Contributed capital		335,001	333,280
Reserves		(6,401)	(7,723)
Retained profits		30,401	33,152
Total equity		359,001	358,709

Note 36. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	30 June 2024 \$'000	30 June 2023 \$'000
(Loss)/profit after income tax expense for the year	(60,699)	25,040
Adjustments for:		
Depreciation and amortisation	46,862	43,486
Impairment of assets	74,639	-
Loan establishment costs amortisation/write-off	438	391
Share-based payments	1,372	2,212
(Profit)/loss on the sale of assets	(20)	17
Remeasurement of make good provisions	-	(849)
Unwinding of discounting for makegood provisions	234	190
Remeasurement of contingent consideration liabilities	(1,334)	(15,839)
Bad debts	638	356
Unrealised FX (gain)	(6)	(3)
Share of (profits)/losses of joint venture	60	328
Change in operating assets and liabilities, net of the effects of business combinations:		
Increase in trade and other receivables	(3,250)	(352)
Decrease/(increase) in deferred taxes	5,273	(1,764)
(Increase)/decrease in other operating assets and inventory	(466)	693
Increase/(decrease) in trade and other payables	1,694	3,159
Increase/(decrease) in deferred income	(35)	(82)
Increase/(decrease) in provision for income tax	(251)	5,355
Increase/(decrease) in other provisions	1,010	4,938
Net inflow cash from operating activities	66,159	67,276

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of liabilities arising from financing activities

Consolidated	Property leases due within 1 year \$'000	Property leases due after 1 year \$'000	Borrowings due within 1 year \$'000	Borrowings due after 1 year \$'000	Total \$'000
Balance as at 1 July 2022	11,740	106,199	5,470	217,582	340,991
Business combination	1,765	19,144	195	-	21,104
New leases net of terminations	978	12,213	-	-	13,191
Impact of liability maturity for period	18,890	(10,596)	41,905	(41,600)	8,599
Cash flows	(19,252)	-	(45,209)	43,049	(21,412)
FX	93	306	93	2,111	2,603
Balance as at 30 June 2023	14,214	127,266	2,454	221,142	365,076
Business combination	-	-	-	-	-
New leases net of terminations	(574)	(760)	-	-	(1,334)
Impact of liability maturity for period	20,767	(4,954)	2,177	(1,740)	16,250
Cash flows	(20,468)	-	(2,424)	-	(22,892)
FX	21	320	4	354	699
Balance as at 30 June 2024	13,960	121,872	2,211	219,756	357,799

Net debt reconciliation

	30 June 2024 \$'000	30 June 2023 \$'000
Cash and cash equivalents	42,438	33,855
Borrowings – repayable within one year	(2,210)	(2,454)
Borrowings – repayable after one year	(219,756)	(221,142)
Net debt	(179,528)	(189,741)
Cash and liquid investments	42,438	33,855
Gross debt – variable interest rates	(221,966)	(223,596)
Net debt	(179,528)	(189,741)

Note 37. Earnings per share

	30 June 2024 \$'000	30 June 2023 \$'000
(Loss)/profit after income tax	(60,699)	25,040
(Loss)/profit after income tax attributable to the owners of Integral Diagnostics Limited	(60,699)	25,040

	30 June 2024 #	30 June 2023 #
Weighted average number of ordinary shares used in calculating basic earnings per share	233,496,534	232,718,711
Adjustments for calculation of diluted earnings per share:		
Weighted average number of performance rights over ordinary shares	2,419,593	2,928,429
Weighted average number of options over ordinary shares	414,323	148,156
Weighted average number of ordinary shares used in calculating diluted earnings per share	236,330,450	235,795,296

	Cents	Cents
Basic (loss)/earnings per share attributable to the owners of Integral Diagnostics Limited	(26.0)	10.8
Diluted (loss)/earnings per share attributable to the owners of Integral Diagnostics Limited	(26.0)	10.6

Accounting policy for earnings per share

Basic earnings per share

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

Diluted earnings per share

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 38. Events after the reporting period

Resignation of Director

On 5 August 2024, the Company announced the resignation of Dr Jacqueline Milne from the Board of Directors, effective 5 August 2024.

Proposed acquisition of Capitol Health Limited

On 18 July 2024, the Group announced that following the completion of a two-way confirmatory due diligence process, an agreement had been reached to enter into a binding Merger Implementation Deed to acquire 100% of Capitol Health Limited's ("Capitol") issued shares via a scheme of arrangement.

The Merger Implementation Deed outlines the terms and conditions on which both parties can now proceed to implement the merger via a scheme of arrangement, consistent with the terms of the merger process deed entered into by both parties as announced on 17 June 2024. Under the proposed scheme, shareholders in Capitol would receive 0.12849 shares in IDX per Capitol share.

Capitol's Board have unanimously recommended that Capitol shareholders vote in favour of the scheme, in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the scheme is in the best interests of Capitol shareholders. Subject to these qualifications, each Capitol Director has confirmed they intend to vote any shares that they hold or control in favour of the scheme. The scheme is subject to customary conditions and approvals for a transaction of this nature, including court, regulatory and Capitol shareholder approvals, as well as no material adverse changes or prescribed occurrences.

Results of the performance conditions for the Long Term Incentive (LTI) awards

The performance condition relating to the performance rights issued as part of the FY21 Long Term Incentive (LTI) awards was tested on 27 August 2024. The performance required for vesting was not met, and as a result 373,374 performance rights lapsed.

Dividend declaration

Subsequent to year end, a dividend of 3.3 cents per share was declared and will be paid on 3 October 2024.

Other matters or circumstances

Other than those detailed above, no other matters or circumstances have arisen since 30 June 2024 that have significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

As at 30 June 2024						
Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Place of business/ country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Integral Diagnostics Limited	Company	-	100	Australia	Australia	n/a
Lake Imaging Pty Ltd	Company	-	100	Australia	Australia	n/a
Radploy Pty Ltd	Company	-	100	Australia	Australia	n/a
Radploy 2 Pty Ltd	Company	-	100	Australia	Australia	n/a
Radploy 3 Pty Ltd	Company	-	100	Australia	Australia	n/a
Radploy 4 Pty Ltd	Company	-	100	Australia	Australia	n/a
Global Diagnostics (Australia) Pty Ltd	Company	-	100	Australia	Australia	n/a
SCR Corporate Pty Ltd	Company	-	100	Australia	Australia	n/a
RAD Corporate Pty Ltd	Company	-	100	Australia	Australia	n/a
Integral Diagnostics No. 1 Pty Ltd	Company	-	100	Australia	Australia	n/a
Imaging Queensland Pty Ltd	Company	-	100	Australia	Australia	n/a
Queensland Nuclear Medicine Pty Ltd	Company	-	100	Australia	Australia	n/a
Advanced Women's Imaging Pty Ltd	Company	-	100	Australia	Australia	n/a
Imaging Queensland IP Pty Ltd	Company	-	100	Australia	Australia	n/a
Radiology 24/7 Pty Ltd	Company	-	100	Australia	Australia	n/a
Sunshine Coast Radiology Pty Ltd	Company	-	100	Australia	Australia	n/a
SC Radiology Pty Ltd	Company	-	100	Australia	Australia	n/a
Central Queensland Radiology Pty Ltd	Company	-	100	Australia	Australia	n/a
CQ Radiology Pty Ltd	Company	-	100	Australia	Australia	n/a
IQ Radiology Pty Ltd	Company	-	100	Australia	Australia	n/a
IQ Radiology Services Pty Ltd	Company	-	100	Australia	Australia	n/a
Integrated Pain Management Pty Ltd	Company	-	100	Australia	Australia	n/a
Bodyscreen Pty Ltd	Company	-	100	Australia	Australia	n/a
The X-Ray Group Pty Ltd	Company	-	100	Australia	Australia	n/a
Martlesham Pty Ltd	Company	-	100	Australia	Australia	n/a
Warby X-Ray Services Pty Ltd	Company	Trustee	100	Australia	Australia	n/a
Wang X-Ray Unit Trust	Trust	-	100	Australia	Australia	n/a
Yarrowonga X-Ray Services Pty Ltd	Company	Trustee	100	Australia	Australia	n/a
Yarra X-Ray Unit Trust	Trust	-	100	Australia	Australia	n/a
Tern Hill Pty Ltd	Company	Trustee	100	Australia	Australia	n/a
The Imaging Trust	Trust	-	100	Australia	Australia	n/a
Citiscan Radiology Pty Ltd	Company	-	100	Australia	Australia	n/a
Peloton Radiology Pty Ltd	Company	-	100	Australia	Australia	n/a
The Women's Imaging Group Pty Ltd	Company	-	100	Australia	Australia	n/a
X-Ray & Imaging Holdings Pty Ltd	Company	-	100	Australia	Australia	n/a
X-Ray & Imaging Pty Ltd	Company	-	100	Australia	Australia	n/a
Specialist Radiology and MRI Limited	Company	-	100	New Zealand	Foreign	New Zealand
Trinity MRI Limited	Company	-	100	New Zealand	Foreign	New Zealand

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name of entity	Type of entity	As at 30 June 2024				
		Trustee, partner or participant in JV	% of share capital	Place of business/ country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Integral Diagnostics New Zealand Limited	Company	-	100	New Zealand	Foreign	New Zealand
Astra Radiology Limited	Company	-	100	New Zealand	Foreign	New Zealand
Insight Radiology Limited	Company	-	100	New Zealand	Foreign	New Zealand
Horizon Radiology Limited	Company	-	100	New Zealand	Foreign	New Zealand

Basis of preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10: Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency.

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5:

- Foreign tax residency.

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

Partnerships and trusts

Entities are typically taxed on a flow-through basis. Australian tax law generally does not contain corresponding residency tests for partnerships and trusts, and these additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

DIRECTORS' DECLARATION

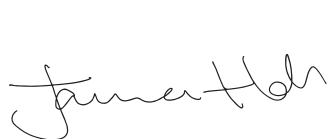
In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the accounting standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- the Consolidated Entity Disclosure Statement on page 109 is true and correct, and
- at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group will be able to meet any obligations or liabilities to which they are, or may become, subject to by virtue of the deed of cross guarantee described in Note 35 to the financial statements.

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

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

On behalf of the Directors



Toby Hall

Chair



Ian Kadish

Managing Director and Chief
Executive Officer

27 August 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRAL DIAGNOSTICS LIMITED



Independent auditor's report

To the members of Integral Diagnostics Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Integral Diagnostics Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of profit or loss for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

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

Independence

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

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2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
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Liability limited by a scheme approved under Professional Standards Legislation.



Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

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 for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matter to the Audit Committee.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRAL DIAGNOSTICS LIMITED



Key audit matter	How our audit addressed the key audit matter
<p>Carrying value of goodwill and brand names and trademarks (Refer to note 14) [\$399.1 million]</p> <p>At 30 June 2024, the Group has a goodwill balance of \$373.4 million and indefinite life brand names and trademarks of \$25.7 million.</p> <p>The Group's goodwill and brand names are tested for impairment across two cash generating unit Groups ("CGU's") – Australia and New Zealand.</p> <p>Under Australian Accounting Standards, the Group is required to assess the goodwill and brand names for impairment at least annually. The Group has performed impairment tests over the CGU's based on value in use discounted cash flow models (the models). This requires the Group to make significant judgements and assumptions, including estimation of forecast cash flows, terminal value growth rates and discount rates.</p> <p>During the year, the Group recognised the following impairment charge:</p> <ul style="list-style-type: none"> \$71.6 million in respect of goodwill in the New Zealand CGU; and \$3.0 million in respect of brand names and trademarks in the Australia CGU. <p>The carrying value of goodwill and indefinite life brand names and trademarks was determined to be a Key Audit Matter due to:</p> <ul style="list-style-type: none"> the significant to the consolidated statement of financial position; and the degree of judgement requirement by the Group in estimating discounted future cash flows and assessing the impairment charge to be recognised. 	<p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> Tested the mathematical accuracy of key underlying calculations in the impairment models. Compared the forecast future cash flows used in the model with the forecasts formally approved by the board. Compared growth assumptions in the forecast cash flows to historical results and external data sources such as economic and industry forecasts. With assistance of our internal valuation experts, we assessed the discount rates and long-term growth rates used in the models by comparing them to external market data and comparable companies. <p>We evaluated the disclosures made in Note 14, including those regarding key assumptions in light of the requirements of Australian Accounting Standards.</p>



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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 on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 have 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 the 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 at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRAL DIAGNOSTICS LIMITED



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 34 to 54 of the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Integral Diagnostics Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Niamh Hussey'.

Niamh Hussey
Partner

Melbourne
27 August 2024

NON-IFRS FINANCIAL INFORMATION

Certain parts of this report contain financial measures that have not been prepared in accordance with the Australian equivalents of international financial reporting standards (IFRS) and are not recognised measures of financial performance or liquidity under IFRS. In addition to the financial information presented in accordance with IFRS, certain 'non-GAAP financial measures' have been included in this report. These measures include Capital Expenditure, Free Cash Flow, Operating EBITA, Operating EBITDA, Operating NPAT, Reported EBITDA, Net Debt, Net Debt to EBITDA (leverage ratio), Net Debt to Equity, Net Tangible Assets, and Net Tangible Asset per Ordinary Security, Return on Invested Capital (ROIC) and Return on Operating Assets.

These non-IFRS financial measures are defined below. This section provides a reconciliation of these measures to the Group's Financial Statements.

The Group believes that the non-IFRS financial measures it presents, provide a useful means through which to examine the underlying performance of its business. These measures however, should not be considered to be an indication of, or an alternative to, corresponding measures of gross profit, net profit, cash flows from operating activities, or other figures determined in accordance with IFRS. In addition, such measures may not be comparable to similar measures presented by other companies.

Undue reliance should not be placed on the non-IFRS financial measures contained in this report, and the non-IFRS financial measures should not be considered in isolation or as a substitute for financial measures computed in accordance with IFRS.

Although certain of these data have been extracted or derived from the Group's Financial Statements, these data have not been audited or reviewed by the Group's independent auditors.

Definition and calculation of Non-IFRS financial information

Definitions and calculation methodology for non-IFRS financial information used in this report are as follows:

Non-IFRS Financial Information	Management use	Calculation methodology
Capital Expenditure	Used to assess the Group's deployment of capital. Management uses this measure to aid the decision making of capital allocation and productivity.	Includes capital additions for monies spent on fixed assets such as office furniture equipment, plant and equipment, motor vehicles, software and leasehold improvements.
Free Cash Flow	Used to assess the cash available for investing and financing activities, including shareholder distributions, and debt servicing after running the Group's operations.	Cash flow from operating subtracting replacement capital expenditure.
Net Debt	Used to measure the structure of the balance sheet, and the financing of the Group, and aids Management in tracking the relative debt level of the Group.	Calculated as interest bearing liabilities less cash and cash equivalents.
Net Debt to EBITDA (leverage ratio)	Used to measure the profitability of the Group relative to the debt required to be serviced, and aids Management in determining debt servicing requirements of the Group.	Calculated as net debt divided by Reported EBITDA, adjusted for items of income and expense as set out per the Group's lending covenant requirements.
Net Tangible Assets	Used to measure the Group's net asset position (after excluding intangible assets) to aid Management in assessing the liquidity and solvency positions of the Group.	Calculated as net assets after subtracting intangible assets, including right-of-use assets.
Net Tangible Assets per Ordinary Security	Used to measure the Group's capital allocation decisions relative to the performance of its share price (equity valuation).	Calculated as net tangible assets, divided by ordinary shares on issue.

NON-IFRS FINANCIAL INFORMATION

Non-IFRS Financial Information	Management use	Calculation methodology
Operating EBITA	Used to assess the Group's operational profitability, excluding amortisation of non-operating intangibles, net finance costs and income tax expense, in order to help Management track the performance of the Group from its operations only, after excluding the impacts of exceptional and abnormal items.	Calculated as profit before income tax expense and net finance costs, excluding non-operating items.
Operating EBITDA	Used to assess the Group's operational profitability, excluding depreciation, amortisation, net finance costs and income tax expense, in order to help Management track the performance of the Group from its operations, only after excluding the impact of exceptional and abnormal items. This assists Management in determining optimal resource allocation decisions.	Calculated as profit before income tax expense, net finance costs, depreciation and amortisation, excluding non-operating items.
Operating NPAT	Used to assess the Group's operational profitability after excluding the impacts of exceptional and abnormal items.	Calculated as statutory net profit after tax, after excluding tax effective non-operating items.
Reported EBITA	Used to assess the Group's operational profitability, excluding amortisation of non-operating intangibles, net finance costs and income tax expense in order to help management track the performance of the Group from its operations only.	Calculated as profit before income tax expense and net finance costs.
Reported EBITDA	Used to assess the Group's operational profitability, excluding depreciation, amortisation, net finance costs and income tax expense, in order to help Management track the performance of the Group from its operations.	Calculated as profit before income tax expense, net finance costs, depreciation and amortisation.
Return on Invested Capital (ROIC)	Used to assess the Group's efficiency in allocating capital to investments, and aids Management in making investment decisions.	Calculated as Operating EBITA divided by the sum of net debt and share capital (averaged over 24 months).
Return on Operating Assets	Used to assess the Group's efficiency in utilising operating assets to generate earnings, and aids management in making investment decisions.	Calculated as LTM organic Operating NPAT (plus trailing acquisitions NPAT) divided by the sum of current assets and property plant and equipment (at cost).

Reconciliation of statutory earnings to non-IFRS financial information

Derived from the Statutory Consolidated Statement of Profit or Loss

	30 June 2024 \$'000	30 June 2023 \$'000
Operating NPAT		
Statutory NPAT	(60,699)	25,040
<i>Adjusted for:</i>		
Remeasurement of contingent consideration liabilities (tax-effected)	(1,337)	(15,774)
Transaction, restructuring and integration costs (tax-effected) ^{1,2}	3,393	4,879
Share based payments (tax-effected)	999	1,852
Share of net profit of joint ventures (tax-effected)	60	328
Amortisation of customer contracts (tax-effected)	1,057	1,537
Impairment expense (tax-effected)	74,639	26
Operating NPAT	18,112	17,888
Reported EBITA/EBITDA		
Statutory NPAT	(60,699)	25,040
<i>Adjusted for:</i>		
Income tax expense	3,564	5,593
Interest income	(861)	(423)
Finance costs	22,547	18,365
Reported EBITA	(35,449)	48,575
<i>Adjusted for:</i>		
Amortisation of customer contracts	1,489	2,153
Depreciation expense	27,888	25,459
Depreciation expense - right-of-use asset	17,485	15,874
Reported EBITDA	11,413	92,061
Operating EBITA		
Reported EBITA	(35,449)	48,575
<i>Adjusted for:</i>		
Remeasurement of contingent consideration liabilities	(1,337)	(15,839)
Transaction, restructuring and integration costs ^{3,4}	5,694	6,762
Share based payments	999	1,852
Share of net profit of joint ventures	60	328
Amortisation of customer contracts	1,489	2,153
Impairment expense	74,639	-
Operating EBITA	46,095	43,831

1. FY24 transaction, restructuring and integration costs contain \$1.9m (tax-effected) of labour costs directly attributable to, or resulting from non-operating transaction, restructuring and integration activities (2023: \$1.0m).

2. Includes \$1.0m (tax-effected) of labour costs (2023: \$0.9m) that are classified as transaction, restructuring and integration costs to reflect the underlying financial performance of the Group.

3. FY24 transaction, restructuring and integration costs contain \$2.7m of labour costs directly attributable to, or resulting from non-operating transaction, restructuring and integration activities (2023: \$1.4m).

4. Includes \$1.4m of labour costs (2023: \$1.3m) that are classified as transaction, restructuring and integration costs to reflect the underlying financial performance of the Group.

NON-IFRS FINANCIAL INFORMATION

	30 June 2024 \$'000	30 June 2023 \$'000
Operating EBITDA		
Reported EBITDA	11,413	92,061
<i>Adjusted for:</i>		
Remeasurement of contingent consideration liabilities	(1,337)	(15,839)
Transaction, restructuring and integration costs ^{1,2}	5,694	6,762
Share based payments	999	1,852
Share of net profit of joint ventures	60	328
Impairment expense	74,639	26
Operating EBITDA	91,468	85,190

1. FY24 transaction, restructuring and integration costs contain \$2.7m of labour costs directly attributable to, or resulting from non-operating transaction, restructuring and integration activities (2023: \$1.4m).

2. Includes \$1.4m of labour costs (2023: \$1.3m) that are classified as transaction, restructuring and integration costs to reflect the underlying financial performance of the Group.

Derived from the Consolidated Statement of Profit or Loss and Consolidated Statement of Financial Position

	30 June 2024 \$'000	30 June 2023 \$'000
Diluted Operating EPS		
Operating NPAT	18,112	17,888
<i>Divided by:</i>		
	30 June 2024 #000s	30 June 2023 #000s
Weighted average no. of shares (WaNoS)		
WaNoS	233,497	232,719
WaN diluting instruments	2,834	3,076
Total dilutive WaNoS	236,331	235,795
Diluted Operating EPS (cents per share)	7.7	7.6

	30 June 2024 \$'000	30 June 2023 \$'000
Return on invested capital		
Operating EBITA	46,095	43,831
<i>Divided by:</i>		
Operating assets		
Current debt	2,210	2,454
Non-current debt	219,756	221,142
Current lease liabilities	13,960	14,214
Non-current lease liabilities	121,871	127,266
Cash	(42,438)	(33,855)
Net Debt (including lease liabilities)	315,359	331,221
Share Capital	335,001	333,280
Capital invested	650,360	664,501
Average capital invested	657,430	602,421
Return on invested capital	7.0%	7.3%

	30 June 2024 \$'000	30 June 2023 \$'000
Declared dividend payout ratio		
Interim dividend of 2.5 cents per share paid on 4 April 2024	5,746	5,755
Final dividend of 3.3 cents declared on 27 August 2024	7,721	8,156
Total dividend paid or declared	13,467	13,911
<i>Divided by:</i>		
Operating NPAT	18,112	17,888
Declared dividend payout ratio	74.4%	77.9%



SHAREHOLDER INFORMATION

The following is additional information required under ASX Listing Rule 4.10 and not shown elsewhere in this Annual Report. This information is current as at 7 August 2024.

a. Top 20 shareholders – ordinary shares

Rank	Name	Number of fully paid ordinary shares	% of issued capital
1	Citicorp Nominees Limited	42,793,666	18.29
2	J P Morgan Nominees Australia Pty Limited	39,158,798	16.74
3	HSBC Custody Nominees (Australia) Limited	38,626,662	16.51
4	HSBC Custody Nominees (Australia) Limited - A/c 2	4,678,603	2.00
5	Warbont Nominees Pty Ltd (Unpaid Entrepot A/c)	4,119,561	1.76
6	Washington H Soul Pattinson and Company Limited	4,087,223	1.75
7	HSBC Custody Nominees (Australia) Limited (NT-Comnwlth Super Corp A/c)	3,906,185	1.67
8	Citicorp Nominees Pty Limited (Colonial First State Inv A/c)	3,552,881	1.52
9	BNP Paribas Nominees Pty Ltd (HUB24 Custodial Serv Ltd)	3,407,901	1.46
10	New Imaging Pty Ltd (New Imaging A/c)	3,389,045	1.45
11	Lethean Holdings Pty Ltd (Howitt No 8 A/c)	2,944,760	1.26
12	Firbar Pty Ltd (The Howitt No 4 A/c)	2,357,230	1.01
13	J A Mullins Pty Ltd (James A Mullins Family A/c)	2,316,051	0.99
14	Masfen Securities Limited	2,250,000	0.96
15	Mittal Holdings Pty Ltd (Howitt No 12 A/c)	2,085,907	0.89
16	Mr Vincent Michael O'Sullivan (O'Sullivan A/c)	2,020,000	0.86
17	Wyndham Salter Pty Ltd (The Howitt No 10 A/c)	1,792,947	0.77
18	A & S French Pty Ltd (The AJ French Family A/c)	1,778,327	0.76
19	BNP Paribas Nominees Pty Ltd (Agency Lending A/c)	1,711,682	0.73
20	BNP Paribas Noms Pty Ltd	1,636,566	0.70
Total Top 20 Shareholders		168,613,995	72.07
Total Remaining Holders Balance		65,348,002	27.93

b. Register of substantial shareholdings

Shareholder	Number of fully paid ordinary shares	% of issued capital
Yarra Capital Management Limited	20,362,716	8.72
Viburnum Funds Pty Ltd	16,105,036	6.88
Integral Diagnostics Limited	13,470,639	5.77

¹ As a result of voluntary escrow arrangements entered into by IDX under the Company's Equity Incentive Plan and in connection with acquisitions announced to ASX, the Company has a relevant interest in its own shares under section 608(1)(c) of the Corporations Act. IDX has no right to acquire these shares or to control the voting rights attached to these shares.

² Includes: Yarra Capital Management Limited; Yarra Funds Management Limited; Yarra Capital Management Holdings Pty Ltd; Yarra Management Nominees Pty Ltd; AA Australia Finco Pty Ltd; TA SP Australia Topco Pty Ltd and TA Universal Investment Holdings Ltd.

SHAREHOLDER INFORMATION

c. Distribution of shareholders – ordinary shares

Range	Total holders	Number of fully paid ordinary shares	% of Issued capital
1 to 1,000	1,798	793,311	0.34
1,001 to 5,000	1,915	5,146,155	2.20
5,001 to 10,000	692	5,063,668	2.16
10,001 to 100,000	732	20,343,935	8.70
100,001 and Over	122	202,614,928	86.60
Rounding			0.00
Total	5,259	233,961,997	100.00

d. Less than marketable parcels of ordinary shares

There are 462 shareholders holding less than a marketable parcel of ordinary shares (i.e. less than \$500 per parcel of shares) based on the Company's closing share price of \$2.49 at 7 August 2024.

e. Distribution of unquoted securities – performance rights

Range	Number of performance rights over ordinary shares	%	Number of holders of performance rights	%
1 to 1,000				
1,001 to 5,000				
5,001 to 10,000				
10,001 to 100,000	539,408	24.02%	12	66.67%
100,001 and over ¹	1,705,852	75.98%	6	33.33%
Total	2,245,260	100.00%	18	100.00%

¹ All performance rights are issued under the Company's Equity Incentive Plan. Dr Ian Kadish holds greater than 20% of the performance rights: 858,583.

f. Distribution of unquoted securities – options

Range	Number of options over ordinary shares	%	Number of holders of options	%
1 to 1,000				
1,001 to 5,000				
5,001 to 10,000				
10,001 to 100,000	397,760	43.81%	9	75.00%
100,001 and over ¹	510,230	56.19%	3	25.00%
Total	907,990	100.00%	12	100.00%

¹ All options have been issued under the Company's Equity Incentive Plan.

g. Voting rights

In accordance with the Company's Constitution, each member present at a meeting, whether in person, by proxy, by power of attorney or by a duly authorised representative in the case of a corporate member, shall have one vote on a show of hands and one vote for each fully paid ordinary share on a poll.

Holders of performance rights and options do not have voting rights.

h. On-market buy backs

There is no current on-market buy back.

i. Securities subject to voluntary escrow

Class	Expiry Date	Number of fully paid ordinary shares
Ordinary	1-Sep-24	965,133
Ordinary	1-Nov-24	876,068
Ordinary	7-Nov-24	3,257,573
Ordinary	1-Jul-25	533,539
Ordinary	1-Sep-25	965,141
Ordinary	1-Nov-25	876,068
Ordinary	1-Jul-26	178,146
Ordinary	1-Nov-26	876,069
Ordinary	1-Jul-27	178,137
Total shares on issue subject to voluntary escrow		8,705,874

The above table details only those shares that are subject to voluntary escrow arrangements. It does not include securities issued under an employee incentive scheme that have restrictions on their transfer such as a holding lock under the terms of the scheme. The expiry date noted above is the date at which the escrow period ends under the terms of the relevant restriction deed. The actual dates of release may differ due to the restriction deeds containing certain exceptions from the dealing restrictions, including death/permanent incapacity, leaving the business and the Board applying discretion.

CORPORATE DIRECTORY

Directors

Toby Hall – Independent Non-Executive Chair
Ian Kadish – Managing Director and Chief Executive Officer
Raelene Murphy – Independent Non-Executive Director
Andrew Fay – Independent Non-Executive Director
Ingrid Player – Independent Non-Executive Director

Company Secretaries

Nikki Dalle Valle and John Merity

Registered office

Suite 9.02 Level 9, 45 William Street
Melbourne, Victoria 3000
T + 61 3 5339 0704

Share registrar

Computershare Investor Services Pty Ltd
Yarra Falls 452 Johnston Street
Abbotsford, Victoria 3067
T 1300 787 272

Auditor

PricewaterhouseCoopers
Level 19, 2 Riverside Quay
Melbourne, Victoria 3006

Solicitors

Herbert Smith Freehills
Level 24, 80 Collins Street
Melbourne, Victoria 3000

Bankers

Westpac Banking Corporation
Commonwealth Bank of Australia
Australia and New Zealand Banking Group

Stock exchange listing

Integral Diagnostics Limited shares are listed on the Australian Securities Exchange (ASX code: IDX)

Website

integraldiagnostics.com.au

Corporate Governance Statement

The Corporate Governance Statement was approved by the Board of Directors on 27 August 2024 and can be found at: www.integraldiagnostics.com.au/corporate-governance

ESG Report

The FY24 ESG Report will be published prior to our Annual General Meeting on the Company's website: www.integraldiagnostics.com.au/reports

NOTES

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