

1 September 2021

Dear Shareholder,

On behalf of the Directors of IMEXHS Limited (**IMEXHS** or **Company**), I am pleased to invite you to attend an Extraordinary General Meeting (**Meeting**) of IMEXHS.

On 26 July 2021 the Company announced to ASX that the Company has entered into a share sale deed, since amended, (**SPA**) for the purchase of all of the issued shares in RIMAB SAS (**RIMAB**) from RIMAB's shareholders (**Vendors**) (**Proposed Transaction**).

RIMAB is a Colombian company which was incorporated in 2012 and provides radiological diagnostic services. RIMAB is based in Bogotá, Colombia. RIMAB and IMEXHS have a strong existing relationship.

Details of the Proposed Transaction are set out in detail in the enclosed Notice of Meeting and Explanatory Statement and the Company's ASX announcement lodged on 26 July 2021.

The Meeting will be held virtually (online) on Wednesday 29 September 2021 commencing at 10:00am (AEST). Due to the current and changing circumstances in relation to COVID-19, and with the safety of our shareholders and staff in mind, there will be no physical Meeting. To attend and participate at the Meeting, you will need to log in and pre-register for the Meeting at an online platform provided by our share registry, Automic at:

https://us02web.zoom.us/webinar/register/WN_K4e51T66SOCGvF9UV2IZ4A

We will not be sending you a hard copy of the Notice of Meeting or Proxy Form by post ahead of this Meeting. This approach is consistent with the temporary position adopted by ASIC in response to the COVID-19 pandemic. Instead, you are able to view and download a copy of the Notice of Meeting from our website <https://imexhs.com/investors-centre/> or via the ASX announcements platform.

Also available on our website, will be all the information you need to attend the Meeting, including access to the Notice of Meeting, which includes details of how to use the online facility and instructions on how to vote and ask questions ahead of and at the Meeting.

All resolutions considered at the Meeting will be decided on by poll. I encourage you to read the Notice of Meeting (including the Explanatory Statement) and consider directing your proxy how to vote in each resolution by marking either the "for" box, the "against" box or the "abstain" box on the Proxy Form or registering to vote online.

Subject to the abstentions noted in the Explanatory Statement, the Directors of IMEXHS unanimously recommend that shareholders vote in favour of all resolutions.

Thank you for your continued support of IMEXHS.

Yours faithfully,



Doug Flynn
Chairman



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IMEXHS LIMITED

ACN 096 687 839

Notice of Extraordinary General Meeting

Notice is given that an Extraordinary Meeting of Shareholders of IMEXHS Limited ACN 096 687 839 (“IMEXHS” or “Company”) will be held at:

TIME: 10:00 am (AEST)
DATE: Wednesday 29 September 2021
PLACE: The Meeting will be held virtually. See details below.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Please note that with the current circumstances relating to COVID-19 and associated government imposed restrictions and recommendations on public gatherings, the Meeting will be held virtually by using an online meeting platform powered by Automic (further instructions are enclosed in this Notice). Shareholders will not be able to physically attend the Meeting. The Company will ensure that all Shareholders have a reasonable opportunity to participate in the Meeting via the following means:

- ***ability to ask questions in advance of the Meeting by sending your questions to enquiries@imexhs.com.au at least 48 hours before the start of the Meeting; and***
- ***the Meeting will be live webcast, with the ability of Shareholders to submit questions and vote in real time via the platform. Shareholders will be required to pre-register for the meeting at:***
https://us02web.zoom.us/webinar/register/WN_K4e51T66SOCGvF9UV2IZ4A.

Voting on all resolutions will be decided by poll.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of shareholders of the Company will be held virtually on Wednesday 29 September 2021 at 10:00 am (AEST) (**Meeting**), for the purpose of transacting the following business referred to in this Notice of Meeting.

The Explanatory Statement provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice.

Please note the important limitations and procedural requirements that will apply to the Meeting as set out in this Notice. The Company is implementing these limitations and procedural requirements to ensure the health and safety of Shareholders and officers of the Company, to ensure compliance with the government's guidelines on public gatherings which are continually changing and, to ensure that Shareholders will have a reasonable opportunity to participate in the Meeting.

Terms and abbreviations used in this Notice (including the Explanatory Statement) are defined in the Glossary.

BUSINESS OF THE MEETING

RESOLUTION 1 – APPROVAL OF THE ACQUISITION OF A SUBSTANTIAL ASSET FROM THE VENDORS

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, subject to and conditional on the passing of Resolution 2, the Company’s acquisition of 100% of the issued share capital of RIMAB from the Vendors, each of whom is a related party or associate for the purpose of ASX Listing Rule 10.1, on the terms and conditions set out in the Explanatory Statement, is approved under and for the purposes of ASX Listing Rule 10.1, Chapter 2E of the Corporations Act 2001 (Cth), and for all other purposes.”

RESOLUTION 2 – APPROVAL OF ISSUE OF CONSIDERATION SHARES TO VENDORS

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, subject to and conditional on the passing of Resolution 1, the issue to the Vendors (or their respective nominees) of Consideration Shares on the terms and conditions set out in the Explanatory Statement, is approved under and for the purposes of ASX Listing Rule 10.11, and all other purposes.”

INDEPENDENT EXPERT’S REPORT

Shareholders should carefully consider the Independent Expert’s Report contained in Attachment 1 to this Notice. The Independent Expert’s Report comments on the fairness and reasonableness of the of the Proposed Transaction the subject of the Resolutions.

The Independent Expert has determined that the Proposed Transaction is fair and reasonable to the non-associated Shareholders of the Vendors.

VOTING EXCLUSIONS – ALL RESOLUTIONS

In respect of all Resolutions, the Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) any Vendor;
- (b) any associate of a Vendor.

However, this does not apply to a vote cast in favour of a Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodian or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associated of a person excluded from voting on the Resolution; and
 - (ii) the Shareholder votes on the Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

IMPORTANT NOTES FOR SHAREHOLDERS

These notes form part of the Notice of Meeting.

Time and Place of Meeting

Notice is given that an Extraordinary General Meeting of members will be held virtually on Wednesday 29 September 2021 at 10:00 am AEST.

There will be no physical venue of the Extraordinary General Meeting at which Shareholders may attend in person. The Meeting will be held virtually using Automic's online meeting platform, which gives Shareholders access to join and participate in the Meeting virtually, submit questions to the Chairman in real time and directly vote at the Meeting using the webcast.

Shareholders are also invited to submit questions to the Company prior to the Meeting, in relation to the business of the Meeting. The Company requests that Shareholders lodge any questions electronically by email to enquiries@imexhs.com.au at least 48 hours before the start of the Meeting.

Online Voting Procedures During the Meeting

Shareholders who wish to participate in the Meeting may do so from their computer or mobile device, by following the below instructions.

Shareholders will need to:

1. Open their internet browser and go to investor.automic.com.au
2. Login with their username and password or click "**register**" if they haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.**
3. After logging in, a banner will be displayed at the top once the meeting is open for registration, Shareholders should click on "**View**" when this appears.
4. Click on "**Register**" and follow the steps.
5. Click on the URL to join the webcast where Shareholders can view and listen to the virtual Meeting.
6. Once the Chairman of the Meeting has declared the poll open for voting, Shareholders may click on "**Refresh**" to be taken to the voting screen.
7. The next screen will display the resolutions to be put to the Meeting. Shareholders can select their voting direction by selecting either "for", "against" or "abstain" next to the applicable resolution.

8. Once voting has been declared closed, you must select “**next**” to submit your vote. Shareholders select the check box next to “**declaration**” and then click “**confirm**” to submit their vote. **Note that Shareholders cannot amend their vote after it has been submitted.**

If Shareholders are unable to attend the Meeting using the webcast they are encouraged to return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting utilising the webcast should they elect to do so.

Your Vote is Important

The business of the Extraordinary General Meeting affects your shareholding and your vote is important.

Voting Eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00 pm (AEST) on Monday 27 September 2021.

Notice to Persons Outside Australia

This Notice (including the Explanatory Statement) has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to other countries.

The distribution of this Notice may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Notice should inform themselves of, and observe, any such restrictions.

Voting Requirements

Recommendation 6.4 of the ASX Corporation Governance Council’s Corporate Governance Principles and Recommendations (4th edition) and ASX guidance provide that a listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. In accordance with these recommendations, the Chair has determined in accordance with clause 5.10 of the Constitution that all resolutions put to Shareholders at the Meeting will be decided by poll rather than by a show of hands.

In accordance with the Company’s Constitution and the ASX Listing Rules, each Resolution put to Shareholders at the meeting must be passed by way of an ordinary resolution which requires the Resolution be approved by a majority of votes cast by Shareholders entitled to vote on the Resolution.

PROXY AND VOTING INSTRUCTIONS

Voting by Proxy

1. Shareholders are advised that all resolutions will only be decided based on proxy votes and online votes which are received by the Company no later than 10:00 am (AEST) on Monday 27 September 2021.
2. To vote by proxy, please complete a proxy form and return it by the time and in accordance with the instructions set out on the proxy form or vote online. Proxy forms and online voting are available at investor.automic.com.au by **logging in** to your account.
3. In accordance with section 249L of the Corporations Act, members are advised that:
 - a. each member of the Company entitled to attend and vote at the Meeting has a right to appoint a proxy;
 - b. the proxy need not be a member of the Company; and

- c. a member who is entitled to cast 2 or more votes may appoint 2 or more proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.
4. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the Proxy Form:
 - a. the full name of the body corporate appointed as proxy; and
 - b. the full name or title of the individual representative of the body corporate to attend the Meeting.
5. Proxy appointments in favour of the Chairman, the secretary or any Direction that do not contain a direction on how to vote will be voted on by the Chairman in favour of each of the Resolutions proposed in this Notice of Meeting (except as expressly set out in this Notice of Meeting).
6. Proxy Forms must be signed by a Shareholder or the Shareholder's attorney, or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act, or signed by an authorised officer or agent.
7. A Proxy Form is attached and available at investor.automic.com.au by **logging in** to your account. If required, it should be completed, signed (and if the appointment is signed by the appointer's attorney, accompanied by the original authority under which the appointment was signed or a certified copy of the authority). Proxy Forms must be returned in accordance with the instructions on the Proxy Form.

Dated: 1 September 2021

By order of the Board



Reena Minhas
Company Secretary
IMEXHS Limited

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held virtually on Wednesday 29 September 2021 at 10:00 am (AEST).

This Explanatory Statement should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of this Notice of Meeting and available online at investor.automic.com.au by **logging in** to your account.

1. THE PROPOSED TRANSACTION

1.1 Background

On 25 July 2021, IMEXHS and Imaging Experts and Healthcare Services S.A.S (a Colombian, wholly-owned Subsidiary of IMEXHS) (**IMEXHS Colombia**) entered into a share sale deed, since amended (**SPA**) to acquire the entire issued share capital of RIMAB SAS (**RIMAB**) from RIMAB's shareholders (each a **Vendor** and together the **Vendors**) (**Proposed Transaction**). A summary of the key terms of the SPA is set out at Attachment 3. IMEXHS and RIMAB have a long history of being closely affiliated. For example:

- (a) they are parties to a number of joint ventures and revenue sharing arrangements, particularly:
 - (i) Colsubsidio – a revenue sharing contract with Colsubsidio, a large family compensation fund in Colombia (**Colsubsidio Contract**);
 - (ii) National Police Hospital – a joint venture between IMEXHS and RIMAB; and
 - (iii) Clinica Nueva – a revenue sharing agreement with a privately owned hospital in Colombia,(collectively, the **Joint Venture Arrangements**);
- (b) IMEXHS supplies software for 100% of RIMAB's activities; and
- (c) RIMAB's two largest shareholders are:
 - (i) Germán Arango, Chief Executive Officer and a director and shareholder of IMEXHS; and
 - (ii) Jorge Marin, Chief Medical Officer of IMEXHS,(each a **Management Shareholder**).

RIMAB SAS provides contracted radiology diagnostic and interpreting services to major medical institutions in Colombia and Spain. Further, there are several joint arrangements between IMEXHS and RIMAB providing services to medical institutions. RIMAB has an outstanding slate of specialist radiologists and provides an ongoing test bed for the development of its AI tools. RIMAB exclusively uses IMEXHS Aquila software.

The acquisition will provide IMEXHS with significant opportunities for growth through the provision of radiology services in conjunction with software in Colombia and across Latin America where it is common practice to fully outsource the delivery of radiology services. Key drivers of growth in these markets include an aging population, increased demand for diagnostic imaging and for more accurate and technologically advanced imagery (MRI, CT scans etc).

1.2 RIMAB

RIMAB is a Colombian company which was incorporated in 2012 and provides radiological diagnostic services. RIMAB is based in Bogotá, Colombia.

RIMAB has contracts with several major hospital groups in Colombia and provides tele-radiology services in Spain. IMEXHS supplies software for all of RIMAB's activities.

In 2020, RIMAB generated COP\$22.8 billion (approx. A\$8.1m) in revenue from the provision of outsourced radiology services. Revenue is mainly contracted with most contracts one to three years in duration. In 2020 RIMAB reported EBITDA of COP\$3.7 billion (approx. A\$1.3m).

Radiologists provide the services and work under contracted rates for services delivered. This plus software licence fees paid to IMEXHS represent the majority of RIMAB's cost base.

Details of the Vendors' respective shareholdings in RIMAB, and their respective percentage of the total share capital of RIMAB (**Respective Proportions**) are set out in the following table:

Vendor	Number of RIMAB shares held	Respective Proportion
Germán Anibal Arango Bonnet	2,188	54.70%
Jorge H. Marin Muñoz	1,138	28.45%
Julio Alberto Garcia	60	1.50%
Nelson David Bedoya	120	3.00%
Jorge Carrillo	80	2.00%
Sandra Niño	140	3.50%
Manuel Fernando Becerra Arevalo	40	1.00%
Arnaldo Andrew Brito Araujo	26	0.65%
Marcia Cipagauta Villamil	160	4.00%
Emigdio Marriaga Pinerez	40	1.00%
David Enrique Torres Mendoza	8	0.20%
TOTAL:	4,000	100.00%

1.3 Purchase Price under the Proposed Transaction

The agreed purchase price for the Vendors' RIMAB Shares is COP24.3 billion, or approximately AU\$8.5 million (taking the exchange rate of COP2,840:AUD1 as at 3 business days prior to signing the SPA (**Exchange Rate**) (**Purchase Price**), to be satisfied by a combination of cash and consideration shares in IMEXHS.

The cash component of the Purchase Price, to be paid by IMEXHS Colombia, is approximately COP4 billion (subject to certain adjustments), or approximately AU\$806,450 (using the Exchange Rate). That amount, less a retention amount of approximately COB2 billion (to be used as security for Vendor warranty claims and purchase price adjustments) will be payable on completion of the Proposed Transaction under the SPA (**Completion**), with the balance of the Purchase Price being satisfied by the issue of ordinary shares in IMEXHS to the Vendors (**Scrip Consideration**) as described below.

The Purchase Price will be subject to a customary net debt / net cash adjustment at Completion, and working capital adjustment following Completion. The Scrip Consideration component of the Purchase Price will total COP 20.3 billion or approximately AU\$7.1 million

(using the Exchange Rate) subject to the net debt and working capital adjustments and capped at 3,464,273 ordinary shares.

The ordinary shares in IMEXHS to be issued to the Vendors as the Scrip Consideration (**Consideration Shares**) will be issued in two tranches, with the total number of ordinary shares issued in each tranche being calculated by dividing the applicable portion of the Scrip Consideration by the 10 day volume weighted average price of IMEXHS's shares on the date which was 3 days prior to the announcement of the Proposed Transaction, which was \$1.76 for Consideration Share (**Issue Price**).

Approximately 71% of the Consideration Shares (capped at 2,451,096 shares) will be issued at Completion (**Completion Tranche**) and the remaining 29% of the Consideration Shares will be issued on 30 April 2023 (**Earn Out Date**) (**Earn Out Tranche**), subject to satisfaction of certain conditions being met, detailed at 1.4 below (**Earn Out Conditions**).

Each Vendor will receive Consideration Shares in accordance with their Respective Proportions as set out in the table at 1.2 above. The actual number of Consideration Shares to be issued at Completion will depend on the estimated working capital and net debt adjustments to the Purchase Price, to be provided shortly before Completion. The maximum number of Consideration Shares that may be issued at completion is 2,451,096 Shares, with any balance of the Purchase Price due at Completion to be paid in cash.

Vendor	Completion Tranche Consideration Shares ¹	Earn Out Tranche Consideration Shares	Total Consideration Shares
Germán Anibal Arango Bonnet	1,340,750	554,207	1,894,957
Jorge H. Marin Muñoz	697,337	288,249	985,586
Julio Alberto Garcia	36,766	15,198	51,964
Nelson David Bedoya	73,533	30,395	103,928
Jorge Carrillo	49,022	20,264	69,286
Sandra Niño	85,788	35,461	121,249
Manuel Fernando Becerra Arevalo	24,511	10,132	34,643
Arnaldo Andrew Brito Araujo	15,932	6,586	22,518
Marcia Cipagauta Villamil	98,044	40,527	138,571
Emigdio Marriaga Pinerez	24,511	10,132	34,643
David Enrique Torres Mendoza	4,902	2,026	6,928
TOTAL	2,451,096	1,013,177	3,464,273

¹ Based on the maximum number of Consideration Shares that may be issued at Completion.

1.4 Earn Out Conditions

The Earn Out Tranche Consideration Shares will only be issued if both of the following Earn Out Conditions are satisfied:

- (a) either as at 31 December 2022, the Colsubsidio Contract remains in place on terms equal to or better than the terms in FY20 and RIMAB has not received notice of termination; or it enters into an agreement with a new (or existing/former) client which generates comparable revenue to the Colsubsidio Contract for RIMAB; and

- (b) revenue and gross margin of RIMAB (assessed for the financial year ending 31 December 2022 (**FY2022**) on a pro forma comparison basis as described below) is not less than the level achieved in the financial year ended 31 December 2020 (**FY2020**) (**Revenue Earn Out Condition**).

With respect to the Revenue Earn Out Condition, it is the intention of IMEXHS to operate all radiology managed services (**RMS**) from Completion through RIMAB. As such, for the purpose of measuring the revenue and gross margin metrics in the Revenue Earn Out Condition and determining whether the Revenue Earn Out Condition has been met, RIMAB and IMEXHS have agreed to use a pro forma calculation of the combined RMS businesses of IMEXHS and RIMAB as at 31 December 2020 (as if those businesses were combined as at that date). The pro forma will reflect (subject to completion of due diligence):

- (a) all revenue from the Joint Venture Arrangements;
- (b) all direct costs associated from the Joint Venture Arrangements; and
- (c) normal commercial terms for software as a service provided by IMEXHS to RIMAB.

The pro forma will also:

- (a) exclude all extraordinary and one-off items of revenue; and
- (b) for the purposes of determining if the Revenue Earn Out Condition is met, both the FY2020 accounts and the FY2022 accounts will be subject to review by an independent accountant.

1.5 Company capital structure

As at the date of this Notice, the Company has 30,449,842 ordinary shares on issue, and 4,126,395 unlisted options on issue. The tables below display the dilutive effect the issue of:

- (a) the Completion Tranche Consideration Shares; and
- (b) all the Consideration Shares (after the issue of both the Completion Tranche Consideration Shares and the Earn Out Tranche Consideration Shares),

on the Company's total share capital on a fully diluted basis, on the assumption that no further voting shares, options or other performance securities are issued in the capital of the Company between the date of this Notice and the issue of the Earn Out Tranche Consideration Shares.

Capital structure	Shares	Unlisted Options	Nil Priced Options	Shares (fully diluted)
Existing Shareholders	30,449,842	3,782,115	344,280	34,576,237
Completion Tranche Consideration Shares	2,451,096 ¹	-	-	2,451,096
Earn Out Tranche Consideration Shares	1,013,177	-	-	1,013,177
Total	33,914,115	3,782,115	344,280	38,040,510

¹ Based on the maximum number of Consideration Shares to be issued at completion

1.6 Interest of the Vendors in the Company following completion of the Proposed Transaction

On the proviso that the Earn Out Tranche Consideration Shares are issued under the Proposed Transaction, and assuming that no further shares, options, or performance securities are issued in the capital of the Company, and assuming that no Vendors (or their associates') shareholding in the Company changes between the date of this Notice and

Completion, then the relevant interests of the Vendors and their associates in the capital of the Company following the Transaction will be as set out in the table below.

Shareholders	Shares	Unlisted Options and Nil Priced Options	Consideration Shares ¹	% (undiluted)	% (fully diluted)
Germán Anibal Arango Bonnet	3,150,503 ²	655,009 ²	1,894,957	14.9%	10.0%
Jorge H. Marín Muñoz	3,150,503 ²	636,137 ²	985,586	12.2%	10.0%
Julio Alberto García	1,600		51,964	0.2%	0.0%
Nelson David Bedoya	16,000		103,928	0.4%	0.0%
Jorge Carrillo			69,286	0.2%	0.0%
Sandra Niño			121,249	0.4%	0.0%
Manuel Fernando Becerra Arevalo	116,334		34,643	0.4%	0.3%
Arnaldo Andrew Brito Araujo			22,518	0.1%	0.0%
Marcia Cipagauta Villamil			138,571	0.4%	0.0%
Emigdio Marriaga Pinerez			34,643	0.1%	0.0%
David Enrique Torres Mendoza			6,928	0.0%	0.0%
TOTAL:	3,284,437³	679,656³	3,464,273	19.9%³	10.4%³

¹Based on the maximum number of Consideration Shares to be issued at Completion

² Note that Germán Arango controls Digital Imaging Solutions S.A.S Pty Ltd, and therefore has a relevant interest in its 3,150,503 ordinary shares and 611,490 unlisted options in the Company.

² Note that Jorge Marín owns 45% of the shares in Digital Imaging Solutions S.A.S Pty Ltd, and therefore has a relevant interest in its 3,150,503 ordinary shares and 611,490 unlisted options in the Company.

³ Note that the shares and options held by Digital Imaging Solutions S.A.S Pty Ltd (and counted toward each of Germán Arango and Jorge Marín's interests) have only been included once in the total. However, each of Germán Arango and Jorge Marín hold a relevant interest in these shares.

1.7 Approvals required

Approval is required under the ASX Listing Rules and Corporations Act for the Proposed Transaction. Importantly, as Germán Arango is a director of IMEXHS, he is a related party of the Company for the purposes of the Corporations Act and the ASX Listing Rules. On signing of the SPA, all other Vendors became associates of Germán Arango, and will therefore acquire voting power in the voting shares in the Company held by Digital Imaging Solutions S.A.S Pty Ltd, an entity controlled by Germán Arango, which currently holds 3,150,503 Shares in IMEXHS.

Consequently, the Proposed Transaction is conditional on the following approvals being obtained:

- (a) approval for the purposes of Listing Rule 10.1, for the acquisition of a "substantial asset" from a related party of the Company and under Chapter 2E of the Corporations Act, for the giving of a financial benefit to a related party of the Company; and

- (b) approval for the purposes of Listing Rule 10.11, being the agreement to issue the Consideration Shares to a related party of the Company.

1.8 Independent Expert appointment

In accordance with Listing Rule 10.10.2, IMEXHS is required to appoint an Independent Expert to review the Proposed Transaction and comment on its fairness to Shareholders.

IMEXHS has appointed PKF Australia to prepare an Independent Expert's Report in respect of the Proposed Transaction.

The Independent Expert has formed the opinion that *"In our opinion the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders of IMEXHS"*.

A copy of the Independent Expert's Report is attached at Attachment 1 to this Notice.

1.9 Directors' recommendations

The Board (with the exception of Germán Arango, abstaining) considers that the Proposed Transaction is in the best interests of Shareholders and unanimously recommend that Shareholders vote in favour of **all resolutions**.

2. RESOLUTION 1: APPROVAL OF THE ACQUISITION OF A SUBSTANTIAL ASSET FROM THE VENDORS

2.1 ASX Listing Rule 10.1

As outlined above, Germán Arango is a director and on signing the SPA all Vendors were deemed to have become associates of Germán Arango by virtue of acting in concert in relation to the affairs of the Company and will accordingly also be considered a "related party" of the Company.

ASX Listing Rule 10.1 provides that a listed entity must not acquire or agree to acquire a substantial asset from, or dispose of or agree to dispose of a substantial asset to (relevantly) a related party (ASX Listing Rule 10.1.1) unless it obtains the approval of its shareholders.

Consequently, as the value of RIMAB exceeds 5% of the equity interests in the Company (and is therefore a "substantial asset"), approval for the Company's acquisition of RIMAB from the Vendors is required for the purpose of ASX Listing Rule 10.1.

2.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must obtain the approval of the public company's members in the manner set out in sections 217-227 of the Corporations Act unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Consideration Shares to the Vendors in consideration for the acquisition of the entire share capital of RIMAB may constitute the giving of a financial benefit for the purposes of Chapter 2E of the Corporations Act. Whilst the Board (other than Germán Arango) considers that the Proposed Transaction is on arm's length terms, it has determined that it is appropriate for non-associated shareholders to approve the Proposed Transaction for the purposes of Chapter 2E of the Corporations Act.

2.3 Independent Expert's Report

In accordance with Listing Rule 10.10.2, IMEXHS has appointed PKF Australia to prepare an Independent Expert's Report in respect of the Proposed Transaction.

The Independent Expert has formed the opinion that *"In our opinion the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders of IMEXHS"*.

A copy of the Independent Expert's Report is attached at Attachment 1 to this Notice.

2.4 What will happen if Resolution 2 is not approved?

For the purpose of ASX Listing Rule 14.1A, if Resolution 1 is not approved by Shareholders, the Proposed Transaction will not be able to proceed on the terms currently contemplated and therefore the Company will not benefit from the acquisition as referred to in section 1.1 above. Resolution 1 is conditional on, and subject to, Shareholders passing Resolution 2 at the Meeting. If any Resolution is not passed by Shareholders at the Meeting, the Company will not be able to satisfy certain conditions precedent to Completion under the SPA and the SPA may be terminated.

2.5 Technical information required by ASX Listing Rule 10.5

- (a) The name of the person:
 - (i) please refer to the table at **Error! Reference source not found.**1.2 above for the names of the Vendors;
- (b) which category in rules 10.1.1 – 10.1.5 the person falls within and why:
 - (i) all Vendors are related parties under 10.1.1 (as outlined above at 2.1)
- (c) details of the asset being acquired:
 - (i) 100% of the shares in RIMAB;
- (d) the consideration for the acquisition or disposal;
 - (i) please refer to section 1.3 for a description of the Purchase Price for the Proposed Transaction;
- (e) the intended source of funds for the acquisition:
 - (i) the cash component of the Purchase Price will be sourced from the Buyers' existing cash reserves, with the balance of the Purchase Price being the issue of the Consideration Shares;
- (f) the timetable for the acquisition:
 - (i) it is currently contemplated that the Proposed Acquisition will have the following key dates:
 - (A) Extraordinary General Meeting of Members: 29 September 2021;
 - (B) Completion and issue of Completion Tranche Consideration Shares: 1 October 2021; and
 - (C) Earn Out Date and issue of Earn Out Tranche Consideration Shares, provided the Earn Out Conditions are met: 30 April 2023; and
- (g) the shares are being issued under the SPA, which is described above and summarised at Attachment 3 to this Notice.

3. RESOLUTION 2: APPROVAL OF ISSUE OF CONSIDERATION SHARES TO THE VENDORS

3.1 ASX Listing Rule 10.11

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, a listed entity must not issue or agree to issue equity securities to a related party (or an associate of a related party) without the approval of the holders of the entity's ordinary securities.

As noted above, on signing of the SPA, all Vendors (other than Germán Arango) will be considered to be acting in concert with Germán Arango and will therefore be considered to be related parties of the Company. On that basis, the issue of the Completion Tranche Consideration Shares, and the Earn Out Tranche Consideration Shares to the Vendors (subject to satisfaction of the Earn Out Conditions), requires Listing Rule 10.11 approval. None of the exceptions in Listing Rule 10.12 apply.

Please refer to the table at 1.3 above for the number of Consideration Shares to be issued to each Vendor.

3.2 Information required under Listing Rule 10.13

In accordance with Listing Rule 10.13, the Company provides the following information in relation to Resolution 2:

- (a) the name of the person:
 - (i) please refer to table at 1.2 above for the names of the Vendors;
- (b) which category in rules 10.11.1 – 10.11.5 the person falls within and why:
 - (i) all Vendors fall under rule 10.11.1;
- (c) the number and class of securities to be issued to the person:
 - (i) please refer to the table at 1.3 above for the number of Consideration Shares (split into Completion Tranche Consideration Shares and Earn Out Tranche Consideration Shares) to be issued to each Vendor under the Proposed Transaction.
- (d) the terms of the securities:
 - (i) the Consideration Shares will be fully paid ordinary shares ranking equally with all other ordinary shares on issue at the date or dates of allotment;
- (e) the dates of issue:
 - (i) Completion (in respect of the Completion Tranche Consideration Shares); and
 - (ii) the Earn Out Date¹ (in respect of the Earn Out Tranche Consideration Shares) subject to satisfaction of the Earn Out Conditions;
- (f) the price or other consideration the entity will receive for the issue:
 - (i) the Consideration Shares will be issued in part consideration for the acquisition by the Company and IMEXHS Colombia of the entire share capital of RIMAB; and
- (g) the shares are being issued under the SPA, which is described at length above.

3.3 What will happen if Resolution 2 is not approved?

For the purpose of ASX Listing Rule 14.1A, if Resolution 2 is not approved by Shareholders, the Proposed Transaction will not be able to proceed on the terms currently contemplated

¹ Noting that ASX has provided a waiver for this date to be at a time that is more than 1 month after the Meeting.

and therefore the Company will not benefit from the acquisition as referred to in section 1.1 above. Resolution 2 is conditional on, and subject to, Shareholders passing Resolution 1 at the Meeting. If any Resolution is not passed by Shareholders at the Meeting, the Company will not be able to satisfy certain conditions precedent to Completion under the SPA and the SPA may be terminated.

3.4 Listing Rule 7.1

In accordance with Listing Rule 7.2 Exception 14, since approval is being sought under Listing Rule 10.11, approval is not required to be obtained from Shareholders under Listing Rule 7.1. As the issue of Consideration Shares to the Vendors will be made with Shareholder approval, the issue will not impact on the Company's 15% placement capacity under ASX Listing Rule 7.1.

4. ASX WAIVERS

On 9 August 2021 the ASX provided the Company with a waiver of Listing Rule 10.13.5 (which provides that a notice of meeting to approve the issue of securities to a person under rule 10.11 must include the date on or by which the entity will issue the securities, which must not be more than one month after the date of the meeting), to allow the Earn Out Tranche Consideration Shares to be issued on the Earn Out Date.

GLOSSARY

\$ or AU\$ means Australian dollars.

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX (as amended or waived from time to time).

Board means the current board of directors of the Company.

Buyers means IMEXHS and IMEXHS Colombia together.

Chair means the chair of the Meeting.

Colsubsidio Contract has the meaning given in 1.1.

Company or **IMEXHS** means IMEXHS Limited ACN 096 687 839.

Completion means Completion of the Proposed Transaction under the SPA.

Completion Tranche means approximately 71% of the Consideration Shares, to be issued to the Vendors on Completion.

Consideration Shares means the ordinary shares in IMEXHS to be issued to the Vendors as the Scrip Consideration.

COP means Colombian Pesos, the lawful currency of Colombia.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Earn Out Conditions means the conditions to issue of the Earn Out Tranche Consideration Shares set out in 1.4.

Earn Out Date means 30 April 2023.

Earn Out Tranche means approximately 29% of the Consideration Shares, which will be issued to the Vendors on the Earn Out Date, subject to satisfaction of the Earn Out Conditions.

Exchange Rate is COP2,840:AUD1

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

IMEXHS Colombia means Imaging Experts and Healthcare Services S.A.S (a Colombian, wholly-owned Subsidiary of the Company).

Issue Price has the meaning given in 1.3.

Joint Venture Arrangements has the meaning given in 1.1.

Management Shareholders has the meaning given in 1.1.

Meeting means the Extraordinary General Meeting the subject of this Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Ordinary Securities has the meaning given in the ASX Listing Rules.

Proposed Transaction means the proposed acquisition by IMEXHS and IMEXHS Colombia of the share capital in RIMAB.

Proxy Form means the proxy form accompanying the Notice.

Purchase Price has the meaning given in 1.3.

Respective Proportions has the meaning given in 1.2.

Resolution means a resolution set out in the Notice.

Retention Period means the period from Completion to the date on which the FY2022 financial results are released to the ASX by IMEXHS.

Revenue Earn Out Condition has the meaning given in 1.4.

RIMAB means RIMAB S A S.

Scrip Consideration has the meaning given in 1.3.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

SPA means the share sale deed between the Vendors, IMEXHS and IMEXHS Columbia for the purchase of 100% of the share capital in RIMAB dated 25 July 2021, as amended.

Subsidiary means a subsidiary of the Company from time to time.

Vendor means a shareholder of RIMAB as listed in the table in 1.2 (together the **Vendors**).

Otherwise, terms used have the meanings given to them in the ASX Listing Rules.

ImExHS Limited

Independent Expert's Report

1 September 2021

1 September 2021

The Directors
ImExHS Limited
122 O’Riordan Street
MASCOT NSW 2020
AUSTRALIA

Dear Directors,

INDEPENDENT EXPERT’S REPORT AND FINANCIAL SERVICES GUIDE

PART ONE – INDEPENDENT EXPERT’S REPORT

Introduction

On 26 July 2021, the shareholders of RIMAB S.A.S. (“**RIMAB**” or “**the Target**”) entered into a Share Sale Deed (“**SSD**”) whereby ImExHS Limited (“**IMEXHS**” or “**the Company**”), together with its wholly-owned Colombian subsidiary IMAGING EXPERTS AND HEALTHCARE SERVICES S.A.S (“**IMEXHS Colombia**”), agreed to acquire 100% of the shares in RIMAB.

IMEXHS provides technology solutions for the healthcare industry, mainly as a diagnostic imaging software and ancillary service provider in Australia and internationally. RIMAB is a Colombian based company founded by Dr German Arango (“**Dr Arango**”). It provides radiological diagnostic services to hospitals and medical facilities in Colombia and teleradiology services in Spain.

RIMAB has been highly associated with activities of IMEXHS prior to, and since, IMEXHS’s 2018 listing on the Australian Securities Exchange (“**ASX**”). RIMAB and IMEXHS have revenue sharing agreements for serving a number of clients.

Dr Arango, Chief Executive Officer and a director of IMEXHS, and Dr Jorge Marin (“**Dr Marin**”), Chief Medical Officer of IMEXHS, are both shareholders of RIMAB. The other shareholders of RIMAB are Julio Alberto Garcia, Nelson David Bedoya, Jorge Carrillo, Sandra Niño, Manuel Fernando Becerra, Arnaldo Andrew Brito, Marcia Cipagauta Villamil, Emigdio Marriaga Pinerez and David Enrique Torres (together, “**the Vendors**”)

IMEXHS has offered the Vendors COP 24.3 billion (approximately \$8.5 million, based on exchange rate 3 days prior to the agreement) (“**Purchase Consideration**” or “**Consideration**”) to acquire 100% of RIMAB before adjustments for net debt and working capital (“**Proposed Transaction**”).

The Purchase Consideration will consist of the following:

- COP 4 billion in cash, including a retention amount of COP 2 billion to be withheld until the release of the Company’s FY2022 audited results on the ASX in which the Target is included (“**Cash Consideration**”); and
- COP 20.3 billion in IMEXHS shares based on the share price calculated using the volume weighted average price (“**VWAP**”) for the previous 10 days calculated 3 days prior to the announcement of the Transaction on 23 July 2021 (“**Share Consideration**”) (COP 5,009 or \$1.76, based on exchange rate 3 days prior to the agreement).

75% of the Share Consideration is payable on completion of the Proposed Transaction (“**Initial Share Consideration**”) with the reminder 25% payable based on achievement of certain operation and financial milestones (“**Deferred Consideration**”). The Initial Share Consideration will be adjusted by any remaining net debt and any surplus / deficiencies in the net working capital balance of RIMAB on the completion date (together, “**Adjustment Amount**”).

Subsequent to execution of the SSD, on 5 August 2021, IMEXHS, IMEXHS Colombia and the Vendors executed a side letter to the SSD (“**Side Letter**”) under which they agreed that the number of shares issued under the Initial Share Consideration, after accounting for the Adjustment Amount, will be capped at 2,451,096, with any balance of the Initial Share Consideration to be paid in cash.

The SSD details the following conditions precedent for the completion of the Proposed Transaction:

- IMEXHS obtaining all necessary approvals under the ASX Listing Rules and the Corporations Act, as well as approval from the Superintendency of Industry and Commerce in Colombia;
- Settlement of outstanding loans payable and receivable between the Target and the Vendors in full; and
- The key employee (Alvaro Salamanca) has entered into a new employment agreement with IMEXHS

Further information on the Proposed Transaction is set out in the Notice of Meeting (“**Notice of Meeting**”) issued by IMEXHS to which this report is attached.

Requirement for an IER

The directors of IMEXHS have requested that PKF Corporate Finance (NSW) Pty Ltd (“**PKFCF**”) prepare an Independent Expert Report (“**IER**” or the “**Report**”) pursuant to ASX Listing Rule 10.1, and Chapter 2E of the *Corporations Act 2001 (Cth)* (“**Corporations Act**”) for the benefit of shareholders not associated with the Vendors (“**Non-Associated Shareholders**”).

ASX Requirements

ASX Listing Rule 10.1

ASX Listing Rule 10.1 prohibits the Company from acquiring a substantial asset from or disposing of a substantial asset to (amongst other persons) a related party or any of its associates without the approval of shareholders.

As Dr Arango is a director of IMEXHS, he is a related party of IMEXHS within the definition contained in the ASX Listing Rules and as he is a significant shareholder of RIMAB, IMEXHS will be acquiring a substantial asset from Dr Arango. In addition, on signing of the SSD, all other Vendors will become associates of Dr Arango and acquire voting power in the voting shares in IMEXHS held by Digital Imaging Solutions S.A.S, an entity controlled by Dr Arango, which currently holds 3,150,503 shares in IMEXHS. Together, the Vendors will hold 3,284,437 shares in IMEXHS on signing of the SSD, before the Proposed Transaction.

An asset is a substantial asset if its value or the value of the consideration for it is 5% or more of the equity interests of the company as set out in its latest accounts given to the ASX.

Based on PKFCF analysis, the value of RIMAB is in excess of 5% of the equity interests of the Company and the acquisition of RIMAB is, therefore, the acquisition of a substantial asset within the meaning of ASX Listing Rule 10.2.

Accordingly, the Company is now seeking approval for the Proposed Transaction from the Non-Associated Shareholders in accordance with ASX Listing Rule 10.1.

ASX Listing rule 10.11

ASX Listing rule 10.11 prohibits the Company from issuing or agreeing to issue equity securities to a related party without the approval of ordinary shareholders unless the arrangement meets specified exceptions.

Corporations Act Requirements

Chapter 2E of the Corporations Act

Section 208 under Chapter 2E of the Corporations Act provides that a public company must not, subject to certain exceptions, give a financial benefit to a related party without the approval of the members of the company. Section 228 of the Corporations Act defines a “related party” for the purposes of Chapter 2E of the Corporations Act to include:

- directors of the public company (Section 228(2)(a)); and
- an entity controlled by directors of the public company (Section 228(4)).

A “financial benefit” is defined in Section 229 of the Corporations Act and includes purchasing an asset from a related party and an issue or issues of securities to a related party. Accordingly, the payment of the Consideration to the Vendors constitutes the giving of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

Sections 218, 219 and 221 of the Corporations Act require a public company wishing to obtain shareholder approval of a related party proposal subject to Chapter 2E of the Corporations Act to provide such shareholders with all information that would reasonably be required by shareholders in order to enable them to decide whether or not it is in the public company's interest to approve the related party proposal.

Whilst not compulsory, the company may commission an IER to ensure that members are provided with sufficient information to assess a proposed related party transaction and decide how to vote.

ASIC Regulatory Guides

Guidance is provided by ASIC and in particular, Regulatory Guide 111: *Content of Expert Reports* (“**RG 111**”) that establishes guidelines in respect of independent expert reports under the Corporations Act and the ASX Listing Rules.

RG 111.5 requires an expert to consider that the main purpose of their report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the proposed transaction(s), and form their analysis appropriately.

In accordance with RG111, we will express an opinion as to whether or not the Proposed Transaction is “fair” and “reasonable” to the Non-Associated Shareholders of IMEXHS.

Fair and Reasonable

Generally, ASIC expects an expert who is asked to analyse a related party transaction to express an opinion on whether the transaction is ‘fair and reasonable’ from the perspective of non-associated members. This analysis is specifically required where the expert’s report is also intended to accompany meeting materials for member approval of an asset acquisition or disposal under ASX Listing Rule 10.1.

Where an expert assesses whether a related party transaction is ‘fair and reasonable’, this should not be applied as a composite test - that is, there should be a separate assessment of whether the transaction is ‘fair’ and ‘reasonable’.

An expert should not assess whether the transaction is ‘fair and reasonable’ based simply on a consideration of the advantages and disadvantages of the proposal, as ASIC does not consider this provides members with sufficient valuation information.

Fair

Under RG 111.11, the Proposed Transaction is ‘fair’ if the value of the Consideration is equal to or less than the value of the securities to be acquired. This comparison should be made assuming 100% ownership of the Target and irrespective of whether the consideration is scrip or cash.

The analysis should also be made assuming the Proposed Transaction is occurring between a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious seller acting at arm’s length.

Accordingly, the Proposed Transaction is fair if the value of the Purchase Consideration is equal to or less than the value of the underlying asset, i.e. 100% of the issued capital of RIMAB, being acquired.

Reasonable

Under RG 111.12, the Proposed Transaction must be “reasonable” if it is “fair”.

It might also be “reasonable” despite being “not fair” if the expert considers there are sufficient advantages for the Non-Associated Shareholders to approve the Proposed Transaction. RG111.13 outlines the some of the factors the expert should consider in their assessment of the reasonableness of a proposed transaction.

Based on RG111.13 and our understanding of the terms of the Proposed Transaction, we expect our analysis of reasonableness will involve an assessment of:

- opportunity costs of proceeding with the Proposed Transaction;
- the alternative options available to IMEXHS and the likelihood of those options occurring;
- whether the Proposed Transaction provides selective treatment of any security holder, particularly the related party;
- any special value of the transaction to IMEXHS; and

- any other advantages and disadvantages of the Proposed Transaction to Non-associated Shareholders as a whole.

Summary of conclusions

In our opinion the Proposed Transaction is **fair and reasonable** to the Non-Associated Shareholders of IMEXHS.

Fairness

In our opinion the Proposed Transaction is **fair**. We have formed this opinion based on our assessment of:

- the value of the Purchase Consideration of \$7.0m to \$8.3m; and
- 100% of the equity value of RIMAB of \$6.7m to \$8.9m

As our assessed value of the financial benefit (i.e. Consideration) being offered by IMEXHS is equal to or less than our assessed value of the assets to be acquired (i.e. 100% of RIMAB), we have concluded that the Proposed Transaction is **fair**.

The basis of our assessment is discussed further in **Section 3** and our valuation approaches and calculations are discussed in **Section 7** of this Report.

Reasonableness

In our opinion the Proposed Transaction is **reasonable**. RG 111 establishes that where an offer is fair it must also be reasonable.

Notwithstanding the above, we have assessed a range of advantages and disadvantages of the Proposed Transaction to the Non-Associated Shareholders and summarised our analysis in the table below:

Table 1: Advantages & disadvantages of the Proposed Transaction

Advantages	Disadvantages
<ul style="list-style-type: none"> • The Proposed Transaction is fair RG 111 establishes that an offer is reasonable if it is fair. • Acquisition of a profitable business RIMAB has a track record of operating profitably while IMEXHS has been loss-making since its listing on the ASX. • The Proposed Transaction is earnings accretive for IMEXHS After the Proposed Transaction, the combined business would have achieved pro-forma loss of -\$0.091 to -\$0.094 per share compared to -\$0.119 loss per share in CY20 before the Proposed Transaction. • No loss in minority valuation The minority per share value of IMEXHS of between \$1.34 to \$1.91 after the Proposed Transaction is overlapping with the mid-point minority per share value of IMEXHS before the Proposed Transaction of \$1.70. • A more complete service offering to drive future growth of the business Integration with RIMAB may provide IMEXHS with a more complete service offering and value proposition to potential customers, with potential opportunities for growth across Latin America 	<ul style="list-style-type: none"> • Greater key shareholder concentration The Proposed Transaction will lead to the Vendors (including Drs Arango and Marin) increasing their interests in the Company up to 19.9% on completion. This may allow Drs Arango and Marin to exert an increased level of influence over the Company. We note, however, the Drs are the key executives of IMEXHS and already influence the direction of the business. • Dilution of existing shareholders Should the Proposed Transaction complete, the Non-Associated Shareholders will be diluted from 89.2% to a minimum of 80.1%. We note the Non-Associated Shareholders remain in a position to vote against a special resolution (>75%) so their position in relation to control of the company is not altered. • Change in nature of business IMEXHS will cease to be primarily a medical technology and software company and will diversify its offering to include provision of diagnostic imaging services to clinics and hospitals in Latin America and Spain. While post transaction exposure may not be consistent with the investment strategy of the certain shareholders, we note disaffected shareholders are able to sell their shares on market and may be able to reinvest in medical technology businesses elsewhere.

Advantages	Disadvantages
<p>where fully outsourced radiology service is commonplace.</p> <ul style="list-style-type: none"> Diversification in market and geography of business IMEXHS shareholders will be exposed to greater diversification in markets and geographies such as Colombia and Spain. Reduce potential conflicts of interest Dr Arango and Dr Marin are IMEXHS's Chief Executive Officer and Chief Medical Officer respectively and key shareholders of RIMAB which is a significant client of IMEXHS. Completion of the Proposed Transaction will eliminate any conflicts between IMEXHS's management team and RIMAB and is intended to create better alignment of the interests of the Company, its senior management and shareholders. Streamlined research opportunities IMEXHS and RIMAB focus primarily on imaging software and imaging services. Should the Proposed Transaction complete, management consider that aligned research, specifically concerning artificial Intelligence, will benefit the IMEXHS shareholders. 	<ul style="list-style-type: none"> Exposure to foreign exchange Since RIMAB's functional and presentation currency is the Colombian peso, IMEXHS's P&L and balance sheet may be exposed to greater forex risk.

Source: PKFCF Analysis

A more detailed analysis of the above advantages and disadvantages is set out in **Section 7** of this Report.

Other Matters

In forming our opinion, we have considered the interests of the Non-Associated Shareholders as a whole. Our opinion does not, therefore, consider the financial situation, objectives or needs of individual Non-Associated Shareholders.

It is not practical or possible to assess the implications of the Proposed Transaction for individual Non-Associated Shareholders as their financial circumstances are not known. The decision of the Non-Associated Shareholders as to whether to approve the Proposed Transaction, and whether or not to participate in the Proposed Transaction if it is approved, is a matter for individuals based on, amongst other things, their risk profile, liquidity preference, investment strategy and tax position.

Individual Non-Associated shareholders should therefore consider the appropriateness of our opinion to their specific circumstances before acting on it. An individual's decision to vote for or against the Proposed Transaction may be influenced by their particular circumstances and we recommend individual Non-Associated Shareholders, including residents of foreign jurisdictions, seek their own independent professional financial advice in relation to the Proposed Transaction.

This IER has been prepared at the request of and for the benefit of the independent directors of IMEXHS to:

- assist the independent directors in fulfilling their obligation to provide IMEXHS's shareholders with full and proper disclosure to enable them to assess the merits of the Proposed Transaction; and
- assist the independent directors in their consideration of whether to recommend to IMEXHS's shareholders to vote in favour of or against the Proposed Transaction.

This IER is also for the benefit of Non-Associated Shareholders and will accompany the Notice of Meeting to be provided to IMEXHS's shareholders.

We do not assume any responsibility or liability to any other party as a result of reliance on this Report for any other purpose.

Neither the whole nor any part of this Report or its attachments or any reference thereto may be included in or attached to any document, other than the Notice of Meeting to be sent to IMEXHS shareholders in relation to the Proposed Transaction, without the prior written consent of PKFCF as to the form and context in which it appears. PKFCF consents to the inclusion of this Report in the form and context in which it appears in the Notice of Meeting.

Our opinion is based solely on information available as at the date of this Report as set out in 0 of this Report. We note that we have not undertaken to update our Report for events or circumstances arising after the date of this Report other than those of a material nature which would impact upon our opinion. We refer readers to the limitations and reliance on information as set out in **Section 2** of this Report.

Throughout this Report, Australian dollars and Colombian peso have been referred to as \$ and COP respectively. References to calendar years have been abbreviated to CY.

The Report was prepared in accordance with APES 225 *Valuation Services* issued by the Accounting Professional and Ethical Standards Board Limited.

This section sets out a summary of our Report and its conclusions. You should read our complete Report, which sets out in full the purpose, scope, sources of information, basis of evaluation, limitations, analysis and our findings.

Yours Faithfully



Andrew Jones
Executive Director

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1. Overview of the Proposed Transaction

1.1. Background

On 26 July 2021, the shareholders of RIMAB entered into an SSD whereby IMEXHS, together with IMEXHS Colombia, agreed to acquire 100% of the issued capital of RIMAB.

The key terms of the SSD, including the conditions precedent, are included in the Notice of Meeting and summarised below:

- The Proposed Transaction involves the acquisition by IMEXHS of 100% of the issued share capital of RIMAB. The Purchase Consideration is COP 24.3 billion (approximately \$8.5 million, based on exchange rate 3 days prior to the agreement).
- The Consideration will be adjusted for any remaining net debt and any surplus / deficiency in the net working capital balance of RIMAB (as compared to the target working capital of COP 961 million) on or around the completion date. The estimated net debt amount is to be determined shortly before completion, and the 'fallback' if an estimate is not provided by the Vendors or if the estimate is subject to manifest error is COP 1.78 billion (approximately \$616k).
- The Cash Consideration will be COP 4 billion (approximately \$1.4 million), including COP 2 billion (approximately \$0.7 million) less the aggregate of all resolved financial exposure items prior to the completion of the transaction, to be withheld as a retention and security against the warranties for the period from completion of the proposed Transaction withheld until the release of the Company's FY2022 audited results on the ASX in which the Target is included.
- The Share Consideration will be COP 20.3 billion, adjusted by the Adjustment Amount, calculated on the basis set out below:
 - The number of IMEXHS shares to be issued will be based on the 10-day volume weighted average price ("VWAP") for ImExHS Limited shares as at 20 July 2021 of COP 5,009 or \$1.76, based on exchange rate 3 days prior to the agreement .
 - On completion 75% of the Share Consideration shares, after accounting for the Adjustment Amount, will be issued. The number of shares will be capped at 2,451,096, with any balance to be paid in cash.
 - The remaining 25% of shares will be issued on 30 April 2023 subject to certain earn out conditions including:
 - the renewal of the Colsubsidio contract on terms equal to or better than its current terms and for a term of not less than one year; or it enters into an agreement with a new (or existing / former) client which generates comparable revenue to the Colsubsidio contract for RIMAB; and
 - RIMAB revenue and gross margin in FY2022 is not less than the level achieved in FY2020 (on a pro forma comparison basis).
 - Share Consideration shares will be subject to a 12-month voluntary escrow from issuance.
- The conditions precedent for the completion of the Proposed Transaction are:
 - IMEXHS to obtain all necessary approvals under the ASX Listing Rules and the Corporations Act, together with approval from the Superintendency of Industry and Commerce in Colombia;
 - Settlement in full of outstanding loans payable and receivable between the Target and the Vendors in full; and
 - The key RIMAB employee (Alvaro Salamanca) has entered into a new employment agreement with IMEXHS
- Completion is targeted to take place on the later of 1 October 2021 or 5 business days after all conditions precedent have been satisfied.

Subsequent to execution of the SSD, on 5 August 2021, IMEXHS, IMEXHS Colombia and the Vendors executed the Side Letter under which they agreed that the number of shares issued

under the Initial Share Consideration, after accounting for the Adjustment Amount, will be capped at 2,451,096, with any balance of the Initial Share Consideration to be paid in cash.

Further information on the Proposed Transaction is set out in the Notice of Meeting to which this Report is attached.

1.2. Regulatory requirements

The directors of IMEXHS have requested that PKFCF prepare an IER pursuant to ASX Listing Rule 10.1, and Chapter 2E of the Corporations Act for the benefit of the Non-Associated Shareholders.

ASX Listing Rule 10.1

ASX Listing Rule 10.1 prohibits the Company from acquiring a substantial asset from or disposing of a substantial asset to (amongst other persons) a related party or any of its associates without the approval of shareholders.

As Dr Arango is a director of IMEXHS, he is a related party of IMEXHS within the definition contained in the ASX Listing Rules and as he is a significant shareholder of RIMAB, IMEXHS will be acquiring a substantial asset from Dr Arango. In addition, on signing of the SSD, all other Vendors will become associates of Dr Arango and acquire voting power in the voting shares in IMEXHS held by Digital Imaging Solutions S.A.S, an entity controlled by Dr Arango, which currently holds 3,150,503 shares in IMEXHS. Together, the Vendors will hold 3,284,437 shares in IMEXHS on signing of the SSD, before the Proposed Transaction.

An asset is a substantial asset if its value or the value of the consideration for it is 5% or more of the equity interests of the company as set out in its latest accounts given to the ASX.

Based on PKFCF analysis, the value of RIMAB is in excess of 5% of the equity interests of the Company and the acquisition of RIMAB is, therefore, the acquisition of a substantial asset within the meaning of ASX Listing Rule 10.2.

Accordingly, the Company is now seeking approval for the Proposed Transaction from the Non-Associated Shareholders in accordance with ASX Listing Rule 10.1.

ASX Listing rule 10.11

ASX Listing rule 10.11 prohibits the Company from issuing or agreeing to issue equity securities to a related party without the approval of ordinary shareholders unless the arrangement meets specified exceptions.

Chapter 2E of the Corporations Act

Section 208 under Chapter 2E of the Corporations Act provides that a public company must not, subject to certain exceptions, give a financial benefit to a related party without the approval of the members of the company. Section 228 of the Corporations Act defines a “related party” for the purposes of Chapter 2E of the Corporations Act to include:

- directors of the public company (Section 228(2)(a)); and
- an entity controlled by directors of the public company (Section 228(4)).

Section 228(6) provides that an entity is a related party of a public company at a particular time if the entity believes or has reasonable grounds to believe that it is likely to become a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time in the future.

A “financial benefit” is defined in Section 229 of the Corporations Act and includes purchasing an asset from a related party and an issue or issues of securities to a related party. Accordingly, the payment of the Consideration to the Vendors constitutes the giving of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

Sections 218, 219 and 221 of the Corporations Act require a public company wishing to obtain shareholder approval of a related party proposal subject to Chapter 2E of the Corporations Act to provide such shareholders with all information that would reasonably be required by

shareholders in order to enable them to decide whether or not it is in the public company's interest to approve the related party proposal.

Whilst not compulsory, the Company may commission an IER to ensure that members are provided with sufficient information to assess a proposed related party transaction and decide how to vote.

ASIC Regulatory Guides

Guidance is provided by ASIC and in particular, Regulatory Guide 111: *Content of Expert Reports* ("RG 111") that establishes guidelines in respect of independent expert reports under the Corporations Act and the ASX Listing Rules.

RG 111.5 requires an expert to consider that the main purpose of their report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the proposed transaction(s), and form their analysis appropriately.

In accordance with RG111, we will express an opinion as to whether or not the Proposed Transaction is "fair" and "reasonable" to the Non-Associated Shareholders of IMEXHS.

2. Purpose, Scope & Reliance on Information

2.1. Purpose

This IER has been prepared at the request, of and for the benefit, of the independent directors of IMEXHS to:

- assist the independent directors in fulfilling their obligation to provide IMEXHS shareholders with full and proper disclosure to enable them to assess the merits of the Proposed Transaction; and
- assist the independent directors in their consideration of whether to recommend to IMEXHS shareholders to accept or reject the Proposed Transaction.

This IER is also for the benefit of Non-Associated Shareholders and will accompany the Notice of Meeting to be provided to IMEXHS shareholders.

This IER was not prepared for any other purpose or for use by any other person except as otherwise provided in this IER. PKFCF does not accept any responsibility to any person other than the directors and IMEXHS shareholders or for the use of the IER outside the stated purpose without the written consent of PKFCF. Except in accordance with the stated purpose, no extract, quote or copy of this IER, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

PKFCF has provided its consent for this IER to accompany the Notice of Meeting. Apart from the IER, PKFCF is not responsible for the contents of the Notice of Meeting, or any other document or announcement associated with the Proposed Transaction. PKFCF acknowledges that this IER may be lodged with regulatory bodies.

Acceptance or rejection of the Proposed Transaction is a matter for individual IMEXHS shareholders based on their expectations as to various factors including the value and future prospects of IMEXHS and RIMAB, the terms of the Proposed Transaction, market conditions and their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. IMEXHS shareholders should carefully consider the Notice of Meeting and this IER. IMEXHS shareholders who are in doubt as to the action they should take in relation to the Proposed Transaction should consult their professional financial adviser.

2.2. Scope

The scope of the procedures we undertook in forming our opinion was limited to those procedures we believe are required in order to form our opinion.

2.2.1. Sources of Information

The information referred to, and relied upon, by PKFCF during the course of preparing this IER and in forming our opinion is identified at **Appendix 2** to this Report.

2.2.2. Reliance on Information

The statements and opinions contained in this IER are given in good faith and are based upon PKFCF's consideration and assessment of information provided by, or on behalf of, IMEXHS and RIMAB. PKFCF considers the information provided to be reliable, complete and not misleading, and we have no reason to believe that any material facts have been withheld.

The information provided has been evaluated through analysis, enquiry and review for the purpose of forming our opinion. The procedures adopted by PKFCF in forming our opinion may have involved an analysis of financial information and accounting records. Such analysis did not include verification work nor constitute an audit or review in accordance with Australian Auditing and Assurance Standards and consequently does not enable us to become aware of all significant matters that might be identified in an audit or review. Accordingly, we do not express an audit or review opinion.

It was not PKFCF's role to undertake, and PKFCF has not undertaken, any commercial, technical, financial, legal, taxation or other due diligence or other similar investigative activities in respect of the information provided or the Proposed Transaction. PKFCF understands the directors have been advised by legal, accounting, and other appropriate advisors in relation to such matters, as necessary.

PKFCF does not provide any warranty or guarantee as to the existence, extent, adequacy, effectiveness and/or completeness of any due diligence or other similar investigative activities by the directors and/or their advisors.

An opinion as to whether a corporate transaction is "fair" and/or "reasonable" is in the nature of an overall opinion, rather than an audit or detailed investigation and it is in this context that PKFCF advises that it is not in a position, nor is it practical for PKFCF, to undertake a detailed investigation or extensive verification exercise.

It is understood that, except where noted, the accounting information provided to PKFCF was prepared in accordance with generally accepted accounting principles (including adoption of Australian Equivalents to International Financial Reporting Standards) and prepared in a manner consistent with the method of accounting used by IMEXHS and RIMAB in previous accounting periods.

In accordance with normal practice, prior to finalising the IER, we have confirmed the factual accuracy of information in our report, and upon which our opinion has been formed, with IMEXHS. This was undertaken by means of providing IMEXHS with a draft version of our IER. PKFCF has obtained a representation letter from directors of IMEXHS confirming that, to the best knowledge of IMEXHS, the information provided to, and relied upon by, PKFCF was complete and accurate, and that no significant information essential to the IER, or our opinion, was withheld.

IMEXHS has agreed to indemnify PKFCF and PKF and their partners, directors, employees, officers and agents (as applicable) against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided to PKFCF by IMEXHS, which is false and misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

2.2.3. Forward Looking Financial Information

The information provided to PKFCF included forecasts and other statements and assumptions about future matters ("**forward looking financial information**") prepared by the management of IMEXHS and RIMAB. Whilst PKFCF has relied upon this forward-looking financial information in preparing this IER, IMEXHS remains responsible for all aspects of this forward looking financial information.

The forecasts and projections as supplied to us are based upon assumptions about events and circumstances which have not yet transpired. We have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to any forward-looking financial information. However, we have made sufficient enquiries to satisfy ourselves that such information has been prepared on a reasonable basis.

Notwithstanding the above, PKFCF cannot provide any assurance that the forward-looking financial information will be representative of the results which will be achieved during the forecast period. Any variations in the forward-looking financial information may affect our valuation and opinion.

2.2.4. Valuation or Assessment Date

The opinions expressed in this Report are made as at 16 August 2021 (“**Assessment Date**”).

2.2.5. Current Market Conditions

Our opinion is based on economic, market and other conditions prevailing at the Assessment Date. Readers of this report should be aware that such conditions can change significantly over relatively short periods of time. Changes in those conditions may result in any opinion becoming quickly outdated and in need of revision. PKFCF reserves the right to revise any opinion in the light of material information existing at the Assessment Date that subsequently becomes known to PKFCF.

2.2.6. Definition of Value

Fair market value

The assessment of whether the Proposed Transaction is “fair” and “reasonable” necessarily involves an assessment of the “fair market value” of various securities, assets and interests.

For the purposes of our opinion, the term “fair market value” is defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious purchaser, and a knowledgeable, willing, but not anxious seller, acting at arm’s length.

By its very nature, the formulation of a valuation assessment necessarily contains significant uncertainties and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Accordingly, there is no indisputable value of an asset or security, and we will normally express our valuation opinion as falling within a range.

Special value

We have not considered any special value in forming our opinion. Special value may be represented by the amount that a potential acquirer may be prepared to pay for an asset in excess of the fair market value. Such a premium may represent the value of the asset to a particular acquirer of various factors such as potential economies of scale, reduction in competition or other synergies and cost savings (real or perceived) arising from the acquisition under consideration which not available to purchasers generally. Accordingly, special value is not normally considered in an assessment of fair market value as it relates to the individual circumstances of a particular purchaser.

2.2.7. Assumptions

In forming our opinion, we made certain assumptions, including the following:

- other than as publicly disclosed, all relevant parties have complied, and will continue to comply, with all applicable laws and regulations and existing contracts are in good standing, and will remain so and there is no alleged or actual material breach of the same or dispute in relation thereto (including, but not limited to, legal proceedings), and that there has been no formal or informal indication that any relevant party wishes to terminate or materially renegotiate any aspect of any existing contract, agreement or material understanding;
- that matters such as retention of key personnel and ownership of assets, are not subject to any form of sanction, dispute, or suspension of any form, and will remain so for the foreseeable future;
- any public information used in relation to IMEXHS and any other publicly available information relied on by us is accurate, not misleading and up to date;
- information in relation to the Proposed Transaction distributed to IMEXHS shareholders, or any information issued by a statutory body, is complete, accurate and fairly presented in all material respects;
- the legal mechanisms proposed to implement the Proposed Transaction are valid and effective; and
- if the Proposed Transaction is approved, it will be implemented in accordance with the Notice of Meeting.

3. Basis of Assessment

RG 111 establishes guidelines in respect of IERs prepared under the Corporations Act and differentiates the analysis required for control transactions and other transactions.

We have considered the guidance provided in RG 111 to establish:

- whether the Proposed Transaction is “fair”; and
- whether the Proposed Transaction is “reasonable”,

to the Non-Associated Shareholders.

RG111 also states the ‘fair and reasonable’ assessment should not be regarded as a composite test.

Fairness

RG 111.11 states that an offer is ‘fair’ if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer.

RG 111.58 states where a Related Party Transaction consists of an asset acquisition by an entity, it is ‘fair’ if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the asset being acquired.

This comparison should be made:

- assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length; and
- assuming 100% ownership of the ‘target’ and irrespective of whether the consideration is scrip or cash

Accordingly, the Proposed Transaction will be “fair” if the value of the Purchase Consideration is less than or equal to the value of underlying assets being acquired, being 100% of the equity of RIMAB.

Reasonable

Under RG 111.12, the Proposed Transaction must be “reasonable” if it is “fair”.

It might also be “reasonable” despite being “not fair” if the expert considers there are sufficient advantages for the Non-Associated Shareholders to approve the Proposed Transaction. RG111.13 outlines the some of the factors the expert should consider in their assessment of the reasonableness of a proposed transaction.

Based on RG111.13 and our understanding of the terms of the Proposed Transaction, we expect our analysis of reasonableness will involve an assessment of:

- opportunity costs of proceeding with the Proposed Transaction;
- the alternative options available to IMEXHS and the likelihood of those options occurring;
- whether the Proposed Transaction provides selective treatment of any security holder, particularly the related party;
- any special value of the transaction to IMEXHS; and
- any other advantages and disadvantages of the Proposed Transaction to Non-associated Shareholders as a whole.

4. Profile of IMEXHS

4.1. Business Overview

IMEXHS was founded in 2012 by two radiologists (one of whom was Dr Arango) and two software engineers and was listed on the ASX in 2018. The Company is headquartered in Sydney, NSW, Australia.

IMEXHS primarily provides services to private and public hospitals, clinics and private practices through direct sales and distributors in Latin American countries. The services provided by IMEXHS include enterprise imaging, web portal, business intelligence, advanced processing tools, artificial intelligence tools and vendor neutral archive & universal web viewer.

Key features of IMEXHS's products include teleradiology enhanced by artificial intelligence (AI) processing and interoperability through physician portals. IMEXHS has a library of over 700 million images which helps in developing AI capabilities. The data is used to provide interpretation services and to create a testing ground for the development and training of AI tools.

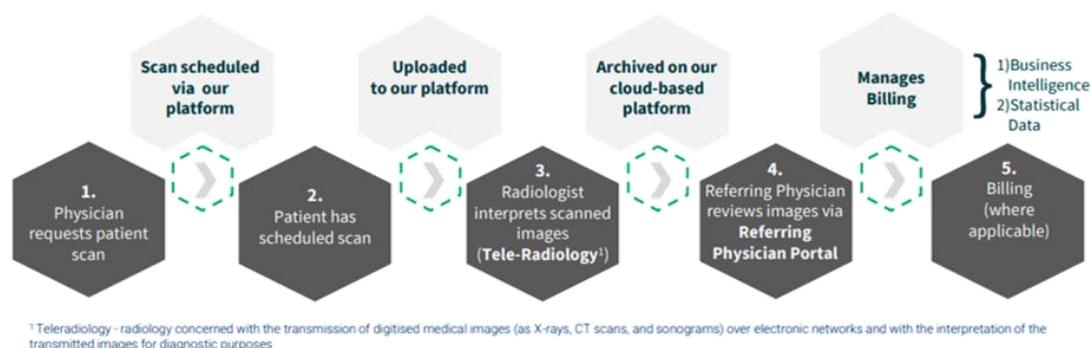
4.2. Overview of products

Aquila (radiology)

Aquila is a cloud-based, end to end solution embedded with artificial intelligence tools. It gives IMEXHS's clients access to a vendor neutral archive web platform and secure storage in the cloud, universal web viewer, radiology information system, picture archiving and communication system and business intelligence, in one solution. It enables simplification of complex imaging processes by optimising radiology workflows which help in the reduction of waiting times and multiple interactions from patients and doctors. It also allows radiologists to access the patient data for teleradiology. It also helps in logistics, scheduling and billing.

Figure 1 summarises the service cycle of a patient receiving a diagnosis with the help of IMEXHS's Aquila product. This digitised imaging approach facilitates the collection and storage of imaging data and billing which allows integration and optimisation of the patient care cycle.

Figure 1: Overview of IMEXHS's product Aquila's end to end modular imaging solution



¹Teleradiology - radiology concerned with the transmission of digitised medical images (as X-rays, CT scans, and sonograms) over electronic networks and with the interpretation of the transmitted images for diagnostic purposes

Source: IME

Alula (pathology)

Alula is a cloud-based pathology imaging solution to operate, monitor, control and automates the day-to-day pathology process. It helps in managing data and streamlines workflows. It allows centres to seamlessly transform from a conventional pathology care process to digital pathology that helps physicians make more timely and accurate diagnoses.

Anteros (Cardiology)

Like Aquila, Anteros gives IMEXHS's clients access to all the functionalities of a vendor neutral archive web platform & secure storage in the cloud, universal web viewer, cardiovascular information system, picture archiving and communication system and business intelligence, in

one solution. It enables improvement in cardiology workflow by streamlining medical imaging and diagnosis to enhance patient care.

4.3. Board of Directors

Dr German Arango (CEO & Managing Director)

Dr German Arango is the CEO and co-founder of IMEXHS and has over 12 years of experience as a practicing Radiologist in Colombia. Dr Arango is the former Ex-Chair Staff Radiologist, Neuroradiology at Mederi – Hospital Universitario Mayor, Bogotá Colombia and was Chair Radiologist and shareholder of UT Imagenes Diagnosticas La Misericordia, Barranquilla Colombia and has practiced as a Radiologist in various hospitals and clinics in Colombia.

Doug Flynn (Non-Executive Chairman)

Doug Flynn is an experienced international business leader. He has run businesses and companies in Europe, Australia. As an executive, he has broad business experience in manufacturing and mining services (ICI), business services, (Rentokil Initial), media (NewsCorp) and advertising and marketing services (Aegis Group). Similarly broad experience in non-executive roles in media (West Australian Newspapers, Seven West Media, and APN Outdoor) technology infrastructure (NextDC) and human services (Konekt Limited).

Carlos Palacio (Non-Executive Director)

Carlos Palacio is an entrepreneur with more than 27 years of experience in international IT, telecommunications and strategic management. He is currently CEO of CrossPoint Telecommunications, a provider of managed IT services (MSP) that specializes in creating and managing IT solutions for multinational organizations. Today CrossPoint provides services in 42 countries and employs 54 people in Australia, Singapore and the Philippines.

Dr Doug Lingard (Non-Executive Director)

Dr Douglas Lingard is a radiologist and nuclear medicine doctor who has worked in various leadership positions in Auckland, Washington DC and Sydney. In Australia, he co-founded Pittwater Radiology Partners, a company that after a series of mergers and acquisitions listed on the ASX in mid-2000 became Medical Imaging Australasia Ltd (MIA). In mid-2004, MIA was acquired by DCA Group Ltd for 700 million AUD to become one of the largest radiology companies in the world, and the leading practice in Australia known as I-Med.

Damian Banks (Non-Executive Director)

Damian Banks has experience in the profitable development and expansion of companies in the health, employment, banking and private equity.

4.4. Historical Income Statements

The audited financial performance of IMEXHS for the years ended 31 December 2018, 2019, and 2020 is summarised in the table below.

Table 2: IMEXHS Historical Income Statements

A\$000s, unless otherwise indicated	Note	12 months ended 31 December		
		2018	2019	2020
		Audited	Audited	Audited
Revenue		5,780	7,727	10,914
Other revenue		-	9	68
Total revenue	1	5,780	7,736	10,982
Cost of goods sold		(2,116)	(5,040)	(6,457)
Gross profit		3,664	2,697	4,525
Gross margin		63%	35%	41%
Selling general & admin expenses		(2,503)	(4,111)	(4,240)
Provision for bad debts		(75)	(670)	(54)
Stock-based compensation		(255)	(66)	(598)
R&D expenses		-	(2,121)	(647)
Other Operating expense/(income)		(83)	(291)	(273)
EBITDA (loss)		747	(4,563)	(1,288)
EBITDA margin		13%	-59%	-12%
Depreciation & amortisation		(307)	(826)	(1,024)
EBIT (loss)		441	(5,389)	(2,312)
Interest		(653)	(596)	(1,205)
Interest and investment income		307	3	20
EBT (loss)		95	(5,982)	(3,497)
Currency exchange gains (loss)		-	(61)	(31)
Other non-operating income (expenses)		(137)	-	-
Merger & related restructuring charges	2	(346)	-	-
Other unusual items	3	(3,067)	-	-
EBT including unusual items		(3,455)	(6,043)	(3,528)

Source: Company Filings, PKFCF Analysis

We note the following in relation to the above table:

Note 1: Revenue

The majority of IMEXHS's revenue is derived from the Latin America region.

Note 2: Merger costs

Cost of share-based payment expenses for the acquisition of Imaging Experts and Healthcare Services Pty Ltd.

Note 3: Other non-operating expenses

Costs of the Initial Public Offering of IMEXHS share on the ASX in 2018.

4.5. Historical Balance Sheets

The audited financial position of IMEXHS as at 31 December 2018, 2019, and 2020 is summarised in the table below.

Table 3: IMEXHS Historical Balance Sheets

A\$000s, unless otherwise indicated	Note	as at 31 December		
		2018	2019	2020
		Audited	Audited	Audited
Cash and cash equivalents		2,445	7,150	10,796
Accounts receivables		3,363	2,692	2,737
Other receivables		456	711	1,295
Inventory		811	107	390
Prepaid expenses		62	251	27
Total current assets		7,137	10,911	15,245
Property, plant and equipment		1,959	4,319	4,903
Accumulated depreciation		(368)	(902)	(1,455)
Other intangible asstes	1	527	470	1,113
Long term accounts receivables		-	-	998
Total non-current assets		2,118	3,887	5,559
Total assets		9,256	14,797	20,804
Accounts payable		1,897	870	1,458
Accrued expenses		865	1,293	1,046
Short-term borrowings		188	528	19
Current portion of long term debt		-	704	849
Current portion of leases		-	41	101
Current income taxes payable		22	41	7
Current unearned revenue		91	64	54
Other current liabilities		259	113	925
Total current liabilities		3,323	3,654	4,459
Long-term debt		-	827	728
Non-current deferred tax liability		82	-	81
Non-current liabilities		82	827	809
Total liabilities		3,405	4,481	5,268
Net assets		5,851	10,317	15,536

Source: Company Filings, PKFCF Analysis

We note the following in relation to the above table:

Note 1: Other intangible assets

Other intangible assets include internally developed software and licenses.

4.6. Public Shareholding of IMEXHS

Summarised in the table below is a breakdown of the shareholders of IMEXHS as at the Assessment Date.

Table 4: Top 10 IMEXHS Public Shareholders

Holder	Note	Ordinary Shares	%
National Nominees Limited		3,890,283	12.8%
Digital Imaging Solutions SAS	1	3,150,503	10.3%
Jaava Asesores Integrales SAS		2,048,758	6.7%
Volegna Holdings Pty Ltd		1,240,190	4.1%
Irukandji Investments Pty Ltd		1,187,836	3.9%
HSBC Custody Nominees		1,095,297	3.6%
Rio Negro Pty Ltd		888,836	2.9%
Dr & Lc Flynn Nominees Pty		576,649	1.9%
Sandhurst Trustees Ltd		572,008	1.9%
Dixon Trust Pty Limited		511,266	1.7%
Top 10		15,161,626	49.8%
Others (1209 shareholders)		15,301,744	50.2%
Total		30,463,370	100%

Source: ImExHS Management

We note the following in relation to the above table:

Note 1: Digital Imaging Solutions S. A. S.

Drs Arango and Marin are the controlling shareholders of Digital Imaging Solutions S.A.S.

4.7. Vendors' shareholding in IMEXHS prior to the Proposed Transaction

We have summarised in the table below the shareholdings of the Vendors, and the relevant proportion of total issued capital, in IMEXHS immediately prior to the Proposed Transaction.

Table 5: Vendors' shareholding in IMEXHS

Holder	Note	Ordinary Shares	%
Digital imaging solutions S.A.S	1	3,150,503	10.3%
Julio Alberto Garcia		1,600	0.0%
Nelson David Bedoya		16,000	0.1%
Jorge Carrillo		-	0.0%
Sandra Nino		-	0.0%
Fernando Becerra Arevalo		116,334	0.4%
Arnaldo Andrew Brito Araujo		-	0.0%
Marcia Cipagauta Villamil		-	0.0%
Emigdio Marriaga Pinerez		-	0.0%
David Enrique Torres Mendoza		-	0.0%
Total		3,284,437	10.8%

Source: ImExHS Management

Note 1: Digital Imaging Solutions S. A. S.

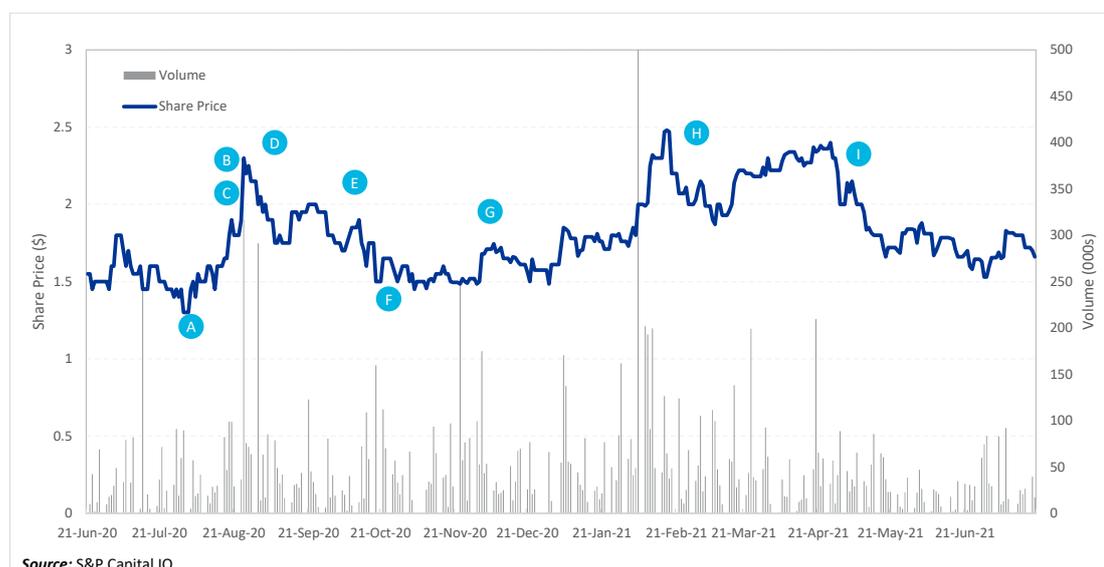
Drs Arango and Marin are both controlling shareholders of Digital Imaging Solutions S.A.S and therefore each have a relevant interest in IMEXHS.

4.8. Trading analysis of IMEXHS

4.8.1. Recent trading in IMEXHS shares

Set out below are charts setting out movements in the share price and trading volumes pertaining to the shares of IMEXHS during a 12-month period to 20 July 2021 (“**Last Trading Date**”)

Figure 2: IMEXHS Recent Daily Share Price and Volume



We have noted the timing of key announcements made to the ASX over the trading period presented on the graph above. The key to the announcements noted on the graph is below: the following:

- A. 21 July 2020 - IMEXHS announced two separate share sale facilities to allow shareholders with smaller parcel of shares to cost effectively sell down their holdings.
- B. 17 August 2020 - IMEXHS announced the repayment of \$1 million in related party borrowings to Domatorisaro Pty Ltd and proposed placement of 16,666,667 fully paid ordinary shares to Domatorisaro Pty Ltd at an issue price of \$0.03 per share (pre-consolidation) or \$1.50 (post consolidation), for a total of \$500,000 in cash.
- C. 17 August 2020 - IMEXHS announced a partnership agreement with Vital Images Inc or Canon Medical Systems Corporation to license its software for use in IMEXHS’s Aquila platform via an on-demand subscription model.
- D. 31 August 2020 - IMEXHS announced its half year results to 30 June 2020. Noted were sales of \$4.5m in the first half (of which \$4.2m is recurring), a 68% increase from the prior period. An EBITDA loss for the period of \$1.3m was reported, a 26% improvement from prior period. The Company noted significant interest in IMEXHS due to an accelerated shift to cloud-based software as a result of the COVID-19 pandemic and announced a \$10m – \$12m revenue expectation of the full year.
- E. 29 September 2020 - IMEXHS announced a 50:1 consolidation of ordinary shares outstanding.
- F. 22 October 2020 - IMEXHS announced a successful placement of \$8.3m (276m new ordinary shares) to institutional and sophisticated investors at an issue price of \$0.03 per share (pre-consolidation) or \$1.50 (post consolidation).
- G. 2 December 2020 - IMEXHS announced strong momentum for its cloud-based Aquila platform The Aquila platform was launched in May 2020 and IMEXHS has since signed 28 deals contributing \$675k in recurring revenue.

- H. 26 February 2021 - IMEXHS announced results for the 12 months ending 31 December 2020. Key metrics included sales of \$10.9m (of which \$8.5m is recurring), a 59% increase from prior period and in line with earlier guidance. An EBITDA loss for the period of \$1.3m was reported, an improvement of \$3.3m over the prior period. The Company notes ongoing demand for its cloud-based software with prioritisation to enter new markets and increase investment in sales and marketing for CY21.
- I. On 30 April 2021, IMEXHS reported its first quarter results for CY21 with revenue of \$2.5m, a 9% increase from prior period.

4.8.2. Liquidity and VWAP

A summary of IMEXHS's VWAP and liquidity from 21 July 2020 to 20 July 2021 is shown in the table below:

Table 6: IMEXHS Share VWAP and Liquidity

Period	Price Low A\$	Price High A\$	Price VWAP A\$	Cumulative Value A\$000s	Cumulative Volume 000s	% of Issued Capital
1 week	1.6600	1.8350	1.7473	226.2	129.4	0.43%
1 month	1.5300	1.8700	1.6564	1,230.8	743.0	2.44%
3 months	1.5300	2.4300	1.8509	3,870.2	2,091.0	6.87%
6 months	1.5300	2.5400	2.0082	12,984.1	6,465.5	21.49%
12 months	1.5300	2.5400	1.8656	24,201.0	12,972.2	46.43%

Source: S&P Capital IQ

In relation to the above, we note:

- IMEXHS's closing share price on 20 July 2021 was \$1.66;
- The 10-day VWAP to the Last Trading Date was \$1.75;
- The Company's share price ranged from a high of \$2.54 in February 2021 to a low of \$1.25 in July 2020 over the period;
- Over the three months to the Last Trading Date, shares traded in the range \$1.53 to \$2.40 with a VWAP of \$1.81;
- Over the one month to the Last Trading Date, shares traded in the range \$1.53 to \$1.87 with a VWAP of \$1.66 ; and
- Around 46% of the issued capital (by number of shares issued) were traded over the 12 months to 20 July 2021, indicating reasonable liquidity in IMEXHS shares.

5. Profile of RIMAB

5.1. Business Overview

RIMAB was founded in Colombia by a group of radiologists and incorporated in 2012. The company is based in Bogota, Colombia and, as at the date of this Report, had approximately 100 radiologists and 15 gynaecologists and operates in more than 25 radiology centres.

Services provided by RIMAB include medical imaging, outsourcing of radiological centres and teleradiology with sub-specialities in neuroradiology, thorax, abdomen, musculoskeletal, interventionism, cardiovascular, women's radiology, paediatric radiology and general radiology.

RIMAB has contracts with several major hospital groups in Colombia and provides tele-radiology services in Spain. Revenue is primarily derived from specialists providing diagnostic services under medium term (1 to 3 year) contract arrangements.

RIMAB exclusively uses IMEXHSXHS Aquila software provides an opportunity to test the development of AI tools for radiology.

Software license fees paid to IMEXHS and specialist compensation are main expenditure items of RIMAB.

5.2. Overview of Products

Medical imaging service

Medical imaging services include magnetic resonance, computerised tomography (TAC), interventionism, ultrasound, mammography, doppler, X-rays and nuclear medicine.

Radiology centre outsourcing

Managing the service flow under the best medical and administrative standards.

Teleradiology

Optimisation of human and technological resources, ensuring timely response in non-working hours and remote sites.

5.3. Historical Income Statements

The audited financial performance of RIMAB for the years ended 31 December 2018, 2019, 2020 and the three months ended 31 March 2021 is summarised in the table below:

Table 7: RIMAB Historical Income Statements

A\$000s, unless otherwise indicated	Note	12 months ended 31 December			3 months	Annualised
		2018	2019	2020	Mar-21	Mar-21
		Audited	Audited	Audited	Mgmt.	Mgmt.
Net revenue	1	1,044	4,944	7,888	2,433	9,733
Cost of sales		(842)	(4,231)	(5,910)	(1,799)	(7,196)
Gross profit		202	713	1,978	634	2,538
Margin	2	19%	14%	25%	26%	26%
Administration expenses		(147)	(322)	(442)	(159)	(638)
Selling expenses		-	-	(43)	(13)	(50)
Other expenses		(0)	(12)	(125)	(0)	(1)
Other income		-	75	61	48	192
Reported EBITDA	3	54	455	1,430	510	2,041
Margin		5%	9%	18%	21%	21%
Normalisations	4	-	(275)	(311)	(21)	(84)
Normalised EBITDA		54	180	1,119	489	1,957
Margin		5%	4%	14%	20%	20%
Depreciation and amortisation		-	(8)	(102)	(102)	(203)
Normalised EBIT		54	172	1,016	388	1,754

Source: RIMAB Statutory Accounts, RIMAB Management, PKFCF Analysis

Note: The financials presented above was converted from COP to AUD at an FX of 2884.9:1

We note the following in relation to the historical financial performance of RIMB presented above:

Note 1: Net revenue

Revenue consists primarily of diagnostic support medical services. Sales increased by a compounded annual growth rate (“CAGR”) of approximately 175% between CY18 and CY20. We understand the revenue growth is mainly attributable to the recently acquired Colsubsidio Contract and the National Police Contract which is serviced in partnership with IMEXHS.

Note 2: Variation in gross margin

The improved gross margin in CY20 is a due to an increase in turnover (in addition to the Colsubsidio contract where most of the profit flows to IMEXHS) while relatively fixed salary costs of radiologists are captured in cost of sales. We note gross margin decreased slightly in YTD21 due to new radiologist hires.

Note 3: Change in reported EBITDA

The increase in EBITDA margin from CY18 to CY20 is primarily driven by the increase in revenue over a largely stable fixed cost structure.

Other expenses incurred in CY20 includes a penalty of approximately \$106,000 payable to Directorate of National Taxes and Customs for overdue payment of tax. The late payment also resulted in default interest of approximately \$58,000 in addition to the penalty tax.

Other Income relates to reimbursed medical costs in relation to a contract, foreign exchange gains, income from prior years and reimbursement of sick leave from social security.

Note 4: Normalisations

Based on our discussions with RIMAB, the management team have identified the following items which require adjustment to ‘normalise’ the RIMAB financial performance over the period presented.

Table 8: RIMAB Management Normalisations

A\$000s, unless otherwise indicated	Note	12 months ended 31 December			3 months
		2018	2019	2020	Mar-21
Additional costs on a contract	4.1	-	-	21	-
Tax penalty for overdue payment	4.2	-	-	106	-
IME share in revenue from a contract	4.3	-	(275)	(438)	(21)
Total Normalisations		-	(275)	(311)	(21)

Source: RIMAB

We note the following in relation to the above table:

Note 4.1: Additional costs on a contract

Management notes that the additional shifts by medical staff incurred with the National Police contract will not occur again.

Note 4.2: Tax penalty for overdue payment

Management notes that the penalty relating to overdue taxes is considered a one-off expense.

Note 4.3: IMEXHS share in revenue from a contract

Management has advised that RIMAB is the invoicing party for a contract serviced in partnership with IMEXHS. Upon receipt of contract revenue, RIMAB withholds amounts for income tax and ICA Bogota tax and the normalisation reflects the amount of revenue RIMAB is holding over and above the amount which should be withheld.

Note 5: IFRS 16

RIMAB has not adopted IFRS 16 lease accounting before June 2021.

5.4. Historical Balance Sheets

The audited historical financial position of RIMAB as at 31 December 2018, 2019, and 2020 together with 31 March 2021 is summarised in the table below:

Table 9: RIMAB historical statement of financial position

A\$000s, unless otherwise indicated	Note	As at 31 December			31 Mar
		2018	2019	2020	2021
		Audited	Audited	Audited	Mgmt.
Cash and cash equivalents		7	128	482	181
Trade and other receivables	1	544	1,861	2,588	3,306
Other non-financial assets		-	-	5	5
Current tax assets		118	507	999	1,254
Total current assets		669	2,497	4,074	4,746
Property, plant and equipment	2	-	1	1,474	1,467
Deferred assets	3	-	11	31	20
Total non-financial assets		-	12	1,505	1,487
Total assets		669	2,509	5,580	6,234
Financial liabilities	4	90	50	253	344
Trade and other payables		362	1,522	1,813	2,124
Current tax liabilities		74	395	599	659
Employee benefits	5	23	41	112	90
Other non-financial liabilities		1	86	-	-
Total current liabilities		550	2,094	2,777	3,218
Financial liabilities	4	-	-	1,378	1,339
Trade and other payables	6	-	-	458	424
Other non-financial liabilities	7	-	20	78	69
Total non-current liabilities		-	20	1,914	1,833
Total liabilities		550	2,114	4,691	5,050
Net assets		119	395	888	1,183

Source: RIMAB Statutory Accounts, RIMAB Management, PKFCF Analysis

Note: The financials presented above was converted from COP to AUD at an FX of 2884.9:1

We note the following in relation to the above table:

Note 1: Trade and other receivables

Trade and other receivables include trade debtors, accounts receivables from partners, advances to IMEXHS, RIMAB US, income receivable, accounts receivable workers, other debtors and provisions.

Note 2: Property, plant and equipment (“PPE”)

Management have advised that most PPE was purchased in August 2020 when a significant investment in medical equipment was made to support the National Police Contract.

Note 3: Deferred assets

Deferred assets include prepaid expenses associated with insurance (compliance and civil liability requested in contracts) and deferred income tax which corresponds to the active deferred tax as of 31 December 2020.

Note 4: Financial liabilities

Management have advised that financial liabilities increased in CY2020 due to the purchase of equipment noted above. The liabilities are a combination of credit, lease and loans from banks

and other entities. These loans have terms from 6 months to 5 years and interest rates in the range 6% to 28.48% on the loan.

Note 5: Employee benefits

We are advised the employee benefits liability as of 31 December 2020 is higher than at 31 December 2019 as the payroll increased with the hiring of administrative, healthcare and specialist medical personnel for a contract. Other hires during the period included a quality and assistance services coordinator, commercial coordinator, administrative coordinator, human talent staff, administrative assistant in occupational health and safety, coordinator and analyst for the accounting department.

Note 6: Trade and other payables

Trade and other payables largely represent payment owed to Radiologists.

Note 7: Other non-financial liabilities (non-current)

Non-current financial liability obligations correspond to the amount owed for working capital.

Note 8: IFRS 16

RIMAB has not adopted IFRS 16 lease accounting before June 2021.

5.5. Shareholding structure of RIMAB

As of the date of this Report, RIMAB had 4,000 fully paid ordinary shares held by 7 shareholders as shown in the table below.

Table 10: Shareholders of RIMAB

Name of the share holder	Common Stock Equivalent	%
German Arango	2,188	55%
Jorge Marin	1,138	28%
Julio Alberto Garcia	60	2%
Nelson Bedoya	120	3%
Jorge Carrillo	80	2%
Sandra Nino	140	4%
Fernando Becerra Arevalo	40	1%
Arnaldo Andres Brito Araujo	26	1%
Marcia Cipagauta Villamil	160	4%
Emigdio Marriaga Pinerez	40	1%
David Enrique Torres Mendoza	8	0%
Total	4,000	100%

Source: RIMAB

We note Dr Arango and Dr Marin are co-founders of both RIMAB and IMEXHS and actively participate in RIMAB's business.

6. Diagnostic Imaging Services Industry Overview

The diagnostic imaging services industry companies provide diagnostic imaging services such as ultrasound, MRI and X-ray services. The industry excludes diagnostic imaging services conducted by hospitals.

Further, diagnostic imaging procedures help to diagnose, treat and monitor an extensive range of illnesses and conditions. Diagnostic imaging services include ultrasound, computed tomography, nuclear medicine, radiography (x-ray), magnetic resonance imaging (MRI) and positron emission tomography. These services are provided with specialised equipment and the professional input of a radiologist (or other medical specialist) to interpret the generated images.

6.1. Medical Imaging Software Industry

Medical imaging software automatically analyses reports and medical images for diagnosis and treatment. This has allowed development of research and software products for a number of clinical applications such as:

- early diagnosis of Alzheimer’s disease and a number of cancers
- automatic image enhancement and organ mapping technology. This helps surgeons plan radiotherapy treatment for prostate cancer patients, while saving time and imaging costs, and potentially reducing tissue damage and radiation exposure for patients
- quantitative imaging tools for extracting high-quality data from images

6.2. Performance Drivers of Diagnostic Imaging Services Industry

Table 11: Industry Growth Drivers

Performance Drivers	Description
Total visits to general practitioner	<ul style="list-style-type: none"> • Most patients visit a diagnostic imaging location on referral from their GP, as diagnostic imaging is an auxiliary function that supports a diagnosis • A rise in total visits to GPs generally increases industry demand and revenue
Median age of the population	<ul style="list-style-type: none"> • Older individuals tend to have a greater number of health issues, particularly chronic illnesses • Growth in the population’s median age indicates that an increasing share of the population will likely need diagnostic imaging services • The population’s median age is expected to rise slightly in 2020-21, providing an opportunity for the industry to grow
Population	<ul style="list-style-type: none"> • Demand for diagnostic imaging tends to increase in line with population growth, as all age demographics are markets for the industry • Population growth includes natural increases, represented by births minus deaths, in addition to net overseas migration
Real household disposable income	<ul style="list-style-type: none"> • Trends in household disposable income can influence the industry’s performance • Weak growth or declines in disposable income typically prompt households to reduce spending, and can limit their capacity to make out-of-pocket payments for diagnostic imaging services, threatening industry growth • Real household disposable income is expected to decrease in 2020-21

Source: IBISWorld, GHO

6.3. Industry Key Trends

Table 12: Key Trends of the Industry

Key Trends	Description
Elderly population	Ageing population has driven demand for industry services over the past twenty years
Digitalisation	Digitised diagnostic images have improved the quality of medical assessments
Ultrasounds & MRI	The volume of diagnostic imaging procedures, such as ultrasounds and MRI, is forecast to increase
Radiation based imaging	The shift away from radiation-based imaging will likely continue over the next five years

Source: IBISWorld, GHO

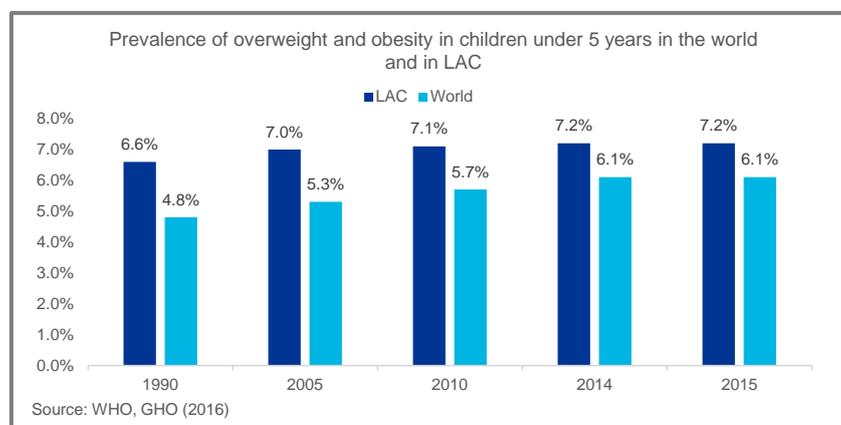
6.4. Trends in Latin America Healthcare

6.4.1. Obesity and Noncommunicable diseases

It is anticipated that rates of obesity in Latin America for women and men will reach more than 60% and 50% respectively by the year 2030 as per Obesity Society (2015). Even children are susceptible to this as the rate of obesity among adolescents ranges from 19% to 37% as per Obesity Society (2015).

Obesity has a risk of type two diabetes, heart disease, stroke, cancer, arthritis, breathing problems, high blood pressure and other conditions. According to World Hypertension League (2015), it is estimated that between 20% and 40% of all Latin American adults cope with high blood pressure. Global Health Intelligence has observed a rise in demand for medical equipment including dialysis machines, respirators, X-ray machines, MRI machines, nebulizers and blood sugar monitors.

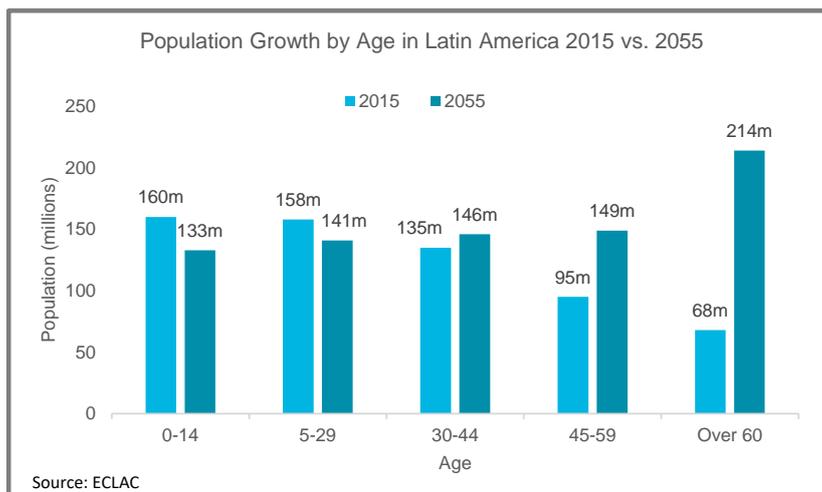
Figure 3: Comparison of prevalence of overweight and obesity in children under 5 years



6.4.2. Shifts in Latin American populations

The population aging of Latin America is rapidly aging – there are currently around 71 million people over the age of 60 in LAC which is expected to double according to a report by Global Perspective (2015). The median age across Latin America is increasing and the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) observed that no region is ahead of the Latin American population in terms of aging. By 2055, it is projected that there will be over 214 million people of age above 60 with a growth of more than 300%.

Figure 4: Population Growth by Age in Latin America 2015 vs. 2055



6.4.3. Connectivity

There has been significant improvement in the reach of technology throughout the Latin American population. Internet users have increased from 300 million in 2013 to 378 million in 2016 according to Internet World Stats. By 2019, it was expected that 61% of the Latin American population will be online.

This shift has allowed medicine to be more efficient and organised and has led to the penetration of healthcare into remote areas. According to BCC Research (2017), the smart healthcare market was USD5 billion in 2017 and is expected to increase to USD8.3 billion by 2021

6.4.4. Modernisation

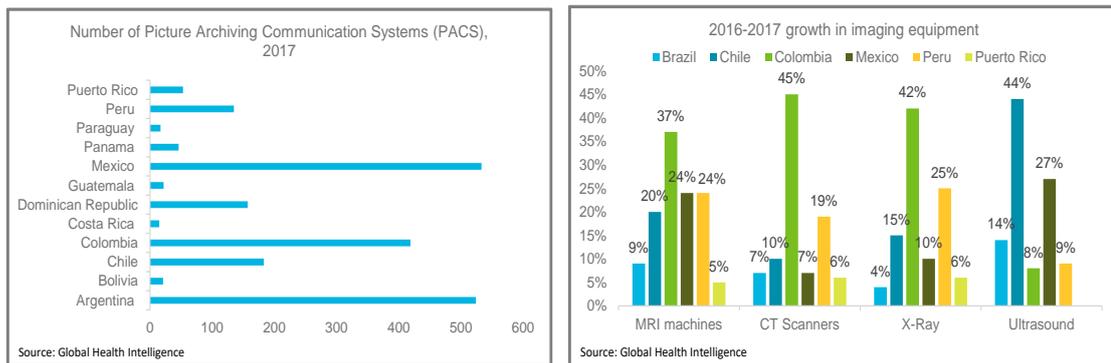
Hospitals are increasing equipment capital expenditure to meet expected increases in demand. Electronic medical records (EMR), telemedicine and other technologies have connected healthcare workers, patients and hospitals with one another. The ability to share and exchange data is making healthcare more efficient and allowing for increased the wellbeing of both the patient and the healthcare providers.

Telemedicine, which enables doctors to remotely diagnose and treat patients is also growing in Latin America. This area of medicine was expected to increase from a USD1 billion industry in 2017 to around USD2.5 billion by 2021.

Two other critical components of the health care data revolution are PACS (picture archiving and communication systems) and RIS (radiology information systems). These systems help facilities streamline their electronic imaging technologies and easily share data between healthcare teams. This is a growing market that has major scope for expansion in Latin America.

Between 2016 and 2017, imaging technology including X-ray, MRI machines, ultrasound machines and CT scanners grew in Argentina, Brazil, Colombia, Costa Rica, Guatemala, Mexico and Panama.

Figure 5 & 6: Number of Picture Archiving Communication Systems (PACS), 2017 & 2016 - 2017 growth in imaging equipment



6.4.5. Costs

Healthcare is a significant proportion of total expenditure in most countries in Latin America. In 2015, WHO estimated that healthcare as a percentage of GDP was 6% in Mexico, 9% in Brazil, 7% in Argentina, 5% in Peru, 8% in Ecuador, 8% in Chile and 6% in Colombia.

Bloomberg ranked the efficiency of healthcare providers across 55 countries in 2017. The Latin American countries were generally ranked lower than the median, including the Dominican Republic (#35), Venezuela (#43), Colombia (#52) and Brazil (#54).

7. Assessment of the Proposed Transaction

7.1. Approach

7.1.1. Fair

The Proposed Transaction will be “fair” if:

- the value of the Purchase Consideration is less than or equal to
- 100% of the equity value of RIMAB

7.1.2. Reasonable

Under RG 111, the Proposed Transaction will be “reasonable” if it is “fair”. If the Proposed Transaction is “not fair”, it may still be “reasonable”, if there are sufficient reasons for IMEXHS shareholders to approve the Proposed Transaction based on the advantages and disadvantages.

7.2. Selection of Valuation Methodology

In selecting an appropriate methodology to estimate the value of IMEXHS prior to the proposed transaction and RIMAB, we have considered the generally accepted valuation methodologies summarised in Appendix 3.

7.2.1. Value of IMEXHS prior to the Proposed Transaction

We have selected the Market approach – market-based assessment, using the traded share price to value the shares in IMEXHS prior to the Proposed Transaction. We have selected this approach after considering:

- IMEXHS has not been profitable since admission to the ASX in 2018 and is not projected to be profitable until 2022;
- IMEXHS have not provided long term forecasts for the business;
- IMEXHS has a free float of around 48% of the issued capital; and
- the trading in IMEXHS shares on the ASX is relatively active and liquid with over 45% of the shares (by number) traded over the 12 months prior to announcement of the Proposed Transaction.

7.2.2. Value of RIMAB

We have selected the Market approach - capitalisation of future maintainable earnings (“**CFME**”) as our primary approach to assess the value of the underlying equity in RIMAB. We have selected the CFME approach, using EBITDA as our measure of earnings, after considering:

- RIMAB is a private business, and its shares are not publicly traded;
- RIMAB has been consistently profitable; and
- No longer-term forecasts for are available upon which to base an Income Approach (DCF) valuation.

Valuation cross-check

As a cross-check to our primary approach, we have considered the CFME approach. We have compared the Enterprise Value (“**EV**”) / revenue multiples of comparable trading companies and the implied EV / revenue of comparable recent merger and acquisition transactions to the implied EV / revenue multiple of RIMAB.

7.3. Valuation of Purchase Consideration

7.3.1. Value of an IMEXHS share prior to the Proposed Transaction

As noted above, we have adopted the Market approach – Market based assessment to value an IMEXHS share prior to the Proposed Transaction.

Our analysis of the IMEXHS's share trading history and liquidity on the ASX up to 20 July 2021 is presented above at **Section 4.8**.

As noted in **Section 4.8**, IMEXHS's share price has traded between \$1.53 and \$1.87 with a VWAP of \$1.66. The share price of IMEXHS was \$1.66 as at the Last Trading Date.

Taking the above into consideration, and for the purposes of this report, we consider it appropriate to adopt the range of \$1.53 to \$1.87 with a midpoint of \$1.70 as the fair market value of an IMEXHS share.

Table 13: Valuation of an IMEXHS Share

Valuation of an IME Share (\$, unless otherwise stated)	Low	High
Valuation of an IME Share	1.53	1.87

Source: ASX, PKFCF Analysis

7.3.2. Other considerations

On 22 October 2020, IMEXHS announced the completion of an \$8.3 million placement of shares to new and existing institutional and sophisticated shareholders. 276 million new shares were issued as part of the placement at \$0.03 per share (pre-consolidation) or \$1.50 (post-consolidation).

The proceeds from the capital raise were utilised to accelerate expansion into new markets including Australia and to fund future product development.

While we do not consider this share issue to be a basis for valuation of IMEXHS for the current purpose due to the length of time passed since the completion of the placement, we do note the placement was at arm's length and the price of \$1.50 is proximate to lower end of our adopted valuation range.

7.3.3. Assessment of the Purchase Consideration

In light of the above, we have assessed the fair market value of the Purchase Consideration to be in the range \$7.0 million to \$8.3 million as summarised in the table below.

Table 14: Valuation of the Purchase Consideration

Valuation of Purchase Consideration (\$000s, unless otherwise stated)	Note	Low	High
Number of shares to be issued as Initial Share Consideration (000s)	1	2,451	2,451
Number of shares to be issued as Deferred Consideration (000s)	2	1,013	1,013
Total number of shares to be issued (000s)		3,464	3,464
Value of an IME share		\$1.53	\$1.87
Total value of Share Consideration		5,300	6,478
Add: Cash Consideration	3	1,387	1,387
Add: additional cash payment as part of the Initial Share Consideration	4	405	405
Fair value of Purchase Consideration		7,092	8,270

Source: Share Sale Deed, PKFCF Analysis

Note 1: Initial Share Consideration

We note the Initial Share Consideration of COP15.2 billion represents 75% of the COP20.3 billion Share Consideration, before adjusting for an estimated net debt of COP \$1.8 billion. The total number of shares of 2,684,470 is calculated by dividing the adjusted consideration amount by COP 5,009. However, we note this number is subject to a cap of 2,451,096 per the Side Letter.

Note 2: Deferred Consideration

The maximum number of shares that could be issued under the Deferred Consideration is 1,013,177. In evaluating the Purchase Consideration, we have considered the worst-case scenario for the Non-Associated Shareholders where the maximum number of shares are issued.

Note 3: Cash Consideration

The Cash Consideration amount is COP 4.0 million. We have converted this amount to Australian Dollars using an FX rate of 2884.9 COP to 1 AUD.

Note 4: Additional cash payment as part of the Initial Share Consideration

We estimate an additional cash payment of COP 1.17 billion or \$405k as the difference between the number of shares that would have been issued under the Initial Share Consideration and the cap of 2,451,096 as set out in the Side Letter.

7.4. Valuation of RIMAB

As mentioned above, we have selected the Market approach - CFME to assess the fair market value of RIMAB. Accordingly, to undertake our valuation we have:

- Assessed an appropriate level of maintainable earnings for RIMAB at the EBITYDA level;
- Selected earnings multiple based on comparable company trading and comparable transaction data; and
- Reviewed the balance sheet of RIMAB to identify and surplus assets or liabilities which should be considered in our valuation.

7.4.1. Assessment of EBITDA

In assessing our maintainable EBITDA for our valuation of RIMAB, we have considered:

- RIMAB has grown rapidly in the past three years from a net revenue of \$1.04 million in CY18 to \$7.89 million in CY20.
- Normalised EBITDA has increased from \$54k in CY18 to \$1.1 million in CY20. The growth is majorly attributed to new contracts signed during the period;
- RIMAB has a concentrated customer base with 8 customers as at the end of CY20. 44% of CY20 revenue came from the Colsubsidio Contract;
- RIMAB has not lost any contracts in the past 3 years and has increased billing volume for contracts signed since 2018; and
- EBITDA for the 3 months period to 31 March 2021 was \$489k or an annualised \$1.96 million, driven largely by an increase in revenue, partially offset by increased cost of sales and overheads

Based on the factors discussed above, we have adopted a maintainable EBITDA of \$1.1 million for our valuation.

7.4.2. Selection of earnings multiple

In selecting an EBITDA multiple to apply to our assessed maintainable EBITDA, we have considered the trading multiples of a selection of companies with activities which are broadly comparable with RIMAB. In addition, we have analysed the multiples implied from recent acquisitions in the diagnostic imaging services industry, as well as transactions in the wider professional services space in Australia and internationally (with a focus on Latin America).

Key considerations in our analysis are summarised below:

- Trading multiples for our comparable companies are summarised in **Table 15** below. We note the median EBITDA multiple for the listed companies in the diagnostic imaging services industry is 16.7x last twelve months (“**LTM**”) EBITDA and 10.9x next twelve months (“**NTM**”) EBITDA;
- Various studies regarding the premium required to be paid over the trading price of a company’s shares to successfully complete a control transaction or ‘control premium’. For the purposes of this report, we have adopted a control premium of 30%;
- Transaction multiples implied by control transactions (acquisitions) for comparable companies are summarised in **Table 17** below. We note that the median implied historical EBITDA multiple for the identified transactions was 7.6x;
- The relatively size and revenue diversification of RIMAB compared to the larger listed comparable companies and observed transaction targets. We note analysts have generally observe that smaller companies generally trade and transact at a lower multiple due to a number of factors including, inter alia, a lower ability to diversify a number of business; and
- The significantly higher historical and current earnings growth of RIMAB as compared to a number of the comparable companies in our analysis.

In light of the above, we have selected an EBITDA multiple in the range 6.5x to 8.5x to apply to the assessed earnings of RIMAB.

The following paragraphs include our analysis of the comparable company trading and transaction data which has formed the basis of our earnings multiple selection.

Comparable company trading data

Summarised in the table below are observed trading multiples of selected companies in the diagnostic imaging service industry

Table 15: Industry Trading EBITDA Multiples

Comparable Trading Companies (\$m, unless otherwise stated)	Country	Mkt. Cap Control	Net debt	EV Control	EV / LTM EBITDA	EV / NTM EBITDA
Sonic Healthcare Limited	Australia	24,604	2,976	27,580	16.6x	13.0x
Healius Limited	Australia	3,689	1,387	5,076	23.4x	10.5x
Fleury S.A.	Brazil	2,693	374	3,067	11.7x	11.6x
Integral Diagnostics Limited	Australia	1,387	175	1,562	22.2x	15.9x
Instituto Hermes Pardini S.A.	Brazil	868	83	951	13.8x	9.2x
Capitol Health Limited	Australia	495	31	526	16.4x	11.3x
Monash IVF Group Limited	Australia	428	42	470	14.7x	9.9x
Centro de Imagem Diagnósticos S.A.	Brazil	423	116	540	27.9x	7.8x
Average		4,323	648	4,971	18.3x	11.2x
Median		1,127	146	1,257	16.5x	10.9x

Source: S&P Capital IQ, PKFCF Analysis

Note: Market capitalisation assessed on a controlling basis (adopting a 30% control premium)

We note the following with regards to the observed trading multiples:

- Where companies trade in currencies other than Australian dollars we have converted to Australian dollars at the prevailing rate derived from S&P Capital IQ to aid size comparability;
- As we are required to value 100% of the target (RG111.11), we have included a premium for control of 30% in the calculation of market capitalisation for the purposes of our analysis;
- We have adjusted net debt to exclude any current and long-term liabilities from operating leases and adjusted historical EBITDA for impacts from the early adoption of the AASB 16 / IFRS 16 leasing standards or other national equivalents where possible;
- The selected comparable companies in the diagnostic imaging services industry trade in the range of 14.7x – 27.9x LTM EBITDA or 7.8x – 16.0x NTM EBITDA;
- Certain companies included in the above analysis may have relatively smaller market capitalisation, free float and relatively low liquidity which may impact the usefulness of the observed trading multiples;
- As shown in **Table 16** below, Integral Diagnostic Limited and Centro de Imagem Diagnosticos S.A. have lower free float percentage and market capitalisation as compared to the broader group of comparable companies;

Table 16: Comparable Trading Companies' Float Percentage and Market Capitalisation

Comparable Trading Companies	Float %	Market Cap. (\$m)
Sonic Healthcare Limited	94.5%	18,926
Healius Limited	97.9%	2,838
Fleury S.A.	99.7%	7,926
Integral Diagnostics Limited	76.0%	1,067
Instituto Hermes Pardini S.A.	33.1%	2,555
Capitol Health Limited	92.4%	380
Monash IVF Group Limited	92.4%	329
Centro de Imagem Diagnósticos S.A.	43.8%	1,245

Source: S&P Capital IQ, PKFCF Analysis

- Capitol Health Limited and Monash IVF Group Limited have higher free floats but relatively lower market capitalisation; and
- Instituto Hermes Pardini S.A. has a lower float percentage but has a high market capitalisation in relation to the other companies in the analysis.

- Sonic Healthcare Limited operates through laboratory, imaging, and other segments. It offers laboratory medicine / pathology and radiology / diagnostic imaging services to clinicians, hospitals, community health services, and their patients. It has the second largest market share in the Australian market. Sonic is larger than RIMAB, offers a more diverse product range and trades at 13.0x NTM EBITDA;
- Healius Limited provides facilities and support services to independent general practitioners, radiologists, and other healthcare professionals in Australia. According to IBISWorld, Healius has the third-largest market share in the Australian market and offers a more diverse product range than RIMAB. Healius trades at 10.2x NTM EBITDA;
- The lower forward multiples of Sonic and Healius compared to historical multiples are mainly due to higher forecast earnings guidance and consensus analyst estimates of near-term profitability;
- Most of the larger diagnostic imaging comparable companies are global integrated players diversified revenue streams in multiple jurisdictions. Based on their size and structure, we would expect these companies to trade at a higher multiple than a company with characteristics of RIMAB; and
- We note the companies with enterprise value below \$1 billion generally trade at a lower multiple than their larger peers. The median NTM EBITDA multiple of the companies with enterprise value below \$1 billion is 9.6x, compared with 12.3x of companies with enterprise value above \$1 billion.

Comparable company transaction data

We summarise below selected transaction multiples derived from corporate activity in the diagnostic imaging services industry, together with the wider professional services space.

Table 17: Industry Transaction EBITDA Multiples

Comparable Transactions (\$m)	Target	Country	Implied EV	Implied EV / LTM EBITDA
16-11-2020	Direct Radiology Pty Ltd	Australia	14	10.2x
04-11-2020	Global Diagnostics (Ireland) Limited	Ireland	33	18.2x
02-07-2020	X-Ray One Srl	Italy	22	7.6x
22-01-2020	Fowler Simmons Radiology Pty	Australia	20	8.1x
25-04-2019	HM Sant Jordi Hospital	Spain	29	NA
27-01-2018	I-MED Holdings Pty Limited	Australia	1250	NA
01-03-2018	Instituto de Radiologia de Natal Ltda.	Brazil	36	5.9x
18-12-2017	I-rad Pty Ltd	Australia	4	4.3x
14-09-2017	Serdil Serviço Especializado em Radiodiagnóstico Ltda.	Brazil	12	6.0x
23-03-2017	Radiologistas Associados Ltda.	Brazil	38	6.9x
12-05-2016	Western District Radiology and MRI	Australia	5	4.2x
13-01-2015	Imaging @ Olympic Park Pty Ltd	Australia	25	7.6x
10-12-2014	Fiddan Pty Ltd	Australia	65	9.0x
Average			119	8.0x
Median			25	7.6x

Source: S&P Capital IQ, PKFCF Analysis

We note the following with regards to the transaction multiples:

- Most of the transactions occurred prior to 2020 and we understand the financial data upon which the multiples are calculated is not impacted by the adoption of new leasing standards;
- By their nature, multiples implied from successful transactions include a control premium;
- The median LTM EBITDA multiple implied in the identified transactions was 7.6x;
- Targets based in Latin America (where RIMAB operates) were acquired with LTM EBITDA multiples in the range 5.9x to 6.9x, with a median of 6.0x;
- I-rad Pty Ltd, Serdil Serviço Especializado em Radiodiagnóstico Ltda. (“**Serdil**”) and Western District Radiology and MRI appear to be most comparable to RIMAB in terms of industry and size. These targets were acquired at an LTM EBITDA multiple of 4.3x, 6.0x and 4.2x respectively; and
- Serdil, which was founded in 1972 and is based in Porto Alegre, Brazil, appears to be most comparable to RIMAB in both size and geography. Serdil offers magnetic resonance, computed tomography, mammography, bone densitometry, ultrasound, and general radiology services.

7.4.3. Fair market value of RIMAB

Based on the analysis and discussion above, we have assessed the value of 100% of the equity in RIMAB to be in the range \$6.7 million to \$8.9 million with a midpoint of \$7.8 million. Our calculations supporting the valuation are summarised in **Table 18** below.

Table 18: Valuation of RIMAB

Valuation of RIMAB (\$000s, unless otherwise stated)	Note	Low	High
Adopted EBITDA	1	1,119	1,119
Adopted EBITDA multiple	2	6.5x	8.5x
Enterprise value of RIMAB		7,271	9,509
Less: Net debt	3	(616)	(616)
Less: Net working capital adjustments	4	-	-
Equity value of RIMAB		6,655	8,892

Source: PKFCF Analysis

Note 1: Adopted EBITDA

Refer to **Section 7.4.1**

Note 2: Adopted EBITDA Multiple

Refer to **Section 7.4.2**

Note 3: Net Debt

We have adopted the ‘fallback’ estimated completion net debt amount (which will be used if an estimate is not provided by the Vendors or if the estimate is subject to manifest error) of COP 1.78 billion (\$0.62 million) to be assumed / repaid by IMEXHS after the Proposed Transaction. We note that a different net debt (or net cash) amount would not impact our fairness opinion.

Note 4: Working Capital Adjustment

We have assumed net working capital on completion to be materially the same as the target working capital set out in the SSD.

7.4.4. Cross Check – Capitalisation of Revenue

We cross checked our valuation of RIMAB by comparing the implied EV / revenue multiple with those of comparable trading companies and comparable recent transactions in the diagnostic imaging services industry.

Table 19: RIMAB Implied Revenue Multiple

Valuation Crosscheck - RIMAB \$000s, unless otherwise indicated	Note	Low	High
Enterprise value of RIMAB	1	7,271	9,509
CY20 Revenue	2	7,888	7,888
Implied revenue multiple		0.9x	1.2x

Source: RIMAB Statutory Accounts, PKFCF Analysis

Note 1: Enterprise Value of RIMAB

Refer to **Section 7.4.3**

Note 2: CY20 Revenue of RIMAB

Refer to **Section 5.3**

Comparable company revenue multiples

We summarise below the observed revenue multiples (on a control basis) of selected companies in the diagnostic imaging services industry:

Table 20: Industry Trading Revenue Multiples

Comparable Trading Companies (\$m, unless otherwise stated)	Country	Mkt. Cap Control	Net debt	EV Control	LTM Revenue	EV / LTM Revenue
Sonic Healthcare Limited	Australia	24,604	2,976	27,580	7,923	3.5x
Healius Limited	Australia	3,689	1,387	5,076	1,734	2.9x
Fleury S.A.	Brazil	2,693	374	3,067	965	3.2x
Integral Diagnostics Limited	Australia	1,387	175	1,562	315	5.0x
Instituto Hermes Pardini S.A.	Brazil	868	83	951	387	2.5x
Capitol Health Limited	Australia	495	31	526	159	3.3x
Monash IVF Group Limited	Australia	428	42	470	159	3.0x
Centro de Imagem Diagnósticos S.A.	Brazil	423	116	540	227	2.4x
Average		4,323	648	4,971	1,484	3.2x
Median		1,127	146	1,257	351	3.1x

Source: S&P Capital IQ, PKFCF Analysis

Note: Market capitalisation assessed on a controlling basis (adopting a 30% control premium)

We note the following with regards to the observed revenue multiples:

- As we are required to value 100% of the target (RG111.11), we have included a premium for control of 30% in the calculation of market capitalisation for the purposes of our analysis;
- We note the observed revenue multiple of the larger comparable companies are in the range 2.4x to 5.0x LTM revenue;
- The smaller listed companies (below \$1 billion EV) have revenue multiples in the range 2.4x to 3.3x LTM revenue; and
- Implied revenue multiples for RIMAB are lower than the observed multiples of the comparable companies. We do not consider this to be unusual given the significant differences in size, geographic coverage, operational history, marketability and other factors between RIMAB and the comparable entities.

Comparable transaction revenue multiples

We have identified the revenue multiples implied in a selection completed transactions in the diagnostic imaging industry as set out in **Table 21** below.

Table 21: Industry Transaction Revenue Multiples

Comparable transactions (\$m)		Country	Implied EV	Implied EV / LTM Revenue
Announcement date	Target			
16/11/2020	Direct Radiology Pty Ltd	Australia	14	2.4x
04/11/2020	Global Diagnostics (Ireland) Limited	Ireland	33	2.7x
02/07/2020	X-Ray One Srl	Italy	22	1.8x
22/01/2020	Fowler Simmons Radiology Pty	Australia	20	3.1x
25/04/2019	HM Sant Jordi Hospital	Spain	29	1.8x
27/01/2018	I-MED Holdings Pty Limited	Australia	1250	1.8x
01/03/2018	Instituto de Radiologia de Natal Ltda.	Brazil	36	NA
18/12/2017	I-rad Pty Ltd	Australia	4	NA
14/09/2017	Serdil Serviço Especializado em Radiodiagnóstico Ltda.	Brazil	12	NA
23/03/2017	Radiologistas Associados Ltda.	Brazil	38	NA
12/05/2016	Western District Radiology and MRI	Australia	5	1.2x
13/01/2015	Imaging @ Olympic Park Pty Ltd	Australia	25	2.4x
10/12/2014	Fiddan Pty Ltd	Australia	65	1.7x
Average			119	2.1x
Median			25	1.8x

Source: S&P Capital IQ; PKFCF Analysis

We note the following with regards to the transaction revenue multiples:

- The revenue multiples implied in our valuation of RIMAB are lower than the median or at the low end of the range of multiples for recent transactions in the diagnostic imaging industry. We do not considerate this to be unreasonable given the more diversified customer base of diagnostic imaging clinics compared with the limited number of contracts held by RIMAB.

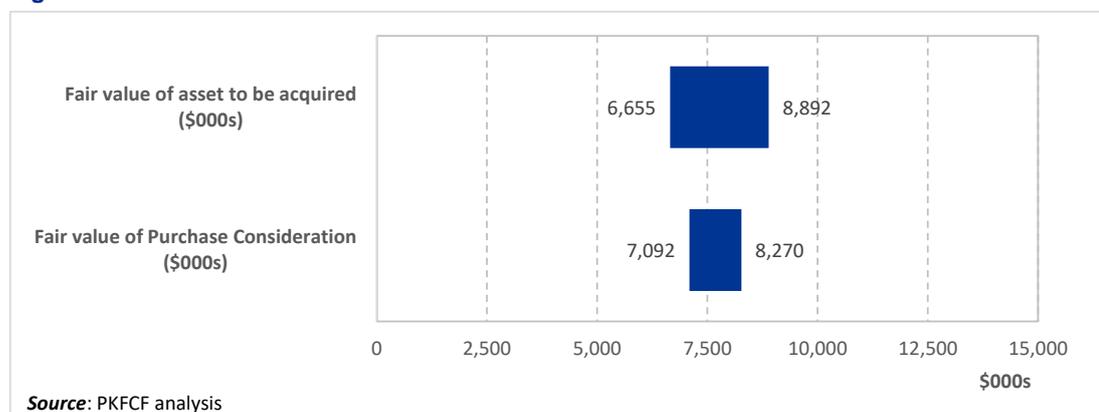
- The larger scale (higher revenue) and the relatively low fixed cost base of the service industry implies that most of the comparable target companies are likely to have higher profitability than RIMAB, which may be reflected in a higher revenue multiple.

7.5. Fairness of the Proposed Transaction

In our opinion the Proposed Transaction is **fair**. We have formed this opinion based on our assessment of:

- the value of the Purchase Consideration of \$7.1m to \$8.3m; and
- 100% of the equity value of RIMAB of \$6.7m to \$8.9m

Figure 7: Fairness Assessment



As our assessed value of the Purchase Consideration is within the range of our assessed value of the assets to be acquired by IMEXHS, we have concluded that the Proposed Transaction is **fair**.

7.6. Reasonableness of the Proposed Transaction

In our opinion the Proposed Transaction is **reasonable**. RG 111 establishes that an offer is reasonable if it is fair.

Notwithstanding the above, we have summarised below identified advantages and disadvantages of the Proposed Transaction to the Non-Associated Shareholders.

7.6.1. Advantages of the Proposed Transaction

We note the following advantages of proceeding with the Proposed Transaction:

- If the Proposed Transaction is completed, IMEXHS will acquire a diagnostic imaging service business which has consistently traded profitably. We note IMEXHS has been loss making since listing on the ASX in 2018;
- The Proposed Transaction is expected to be earnings accretive. The Merged Business is expected to achieved pro-forma loss per share of -\$0.091 to -\$0.094 compared to -\$0.119 loss per share in CY20 before the Proposed Transaction;
- The minority per share value of IMEXHS of between \$1.34 to \$1.91 after the Proposed Transaction is overlapping with the mid-point minority per share value of IMEXHS before the Proposed Transaction of \$1.70.

Figure 8: Valuation of IMEXHS before and after the Proposed Transaction (Minority)



- The integration of RIMAB into IMEXHS provides a more complete service offering and a potentially better value proposition to customers;
- IMEXHS shareholders will be exposed to the opportunities for growth across Latin America where fully outsourced radiology service is commonplace;
- Completion of the Proposed Transaction offer IMEXHS shareholders greater diversification in operating markets and geographies;
- Management advise that completion of the transaction will create opportunities for aligned research specifically concerning artificial Intelligence; and
- Dr Arango and Dr Marin currently serve as IMEXHS's Chief Executive Officer and Chief Medical Officer and are also significant shareholders of RIMAB. The Proposed Transaction will eliminate the related party transactions between IMEXHS and RIMAB and remove any potential, perceived or actual conflicts in the interests of the Company, its senior management and the shareholder base.

7.6.2. Disadvantages of the Proposed Transaction

We also note the following disadvantages of proceeding with the Proposed Transaction

- The Proposed Transaction will lead to the Vendors of RIMAB increasing their holding in Company with a shareholding of up to 19.9% on completion, thus potentially increasing their level of influence over the Company. We note, however, the key shareholder of RIMAB, Drs Arango and Marin already hold senior management positions in IMEXHS and are key decision makers in the direction of the Company;
- The Proposed Transaction will lead to a dilution of ownership of the Non-Associated Shareholders in IMEXHS from 89.2% to a minimum of 80.1% on completion, as a result of the additional shares being issued to the Vendors. We do not consider this dilution significantly reduces the potential for the Non-Associated Shareholders to receiving a control premium should a future offer be made for the Company;
- The Proposed Transaction will lead to a change to the nature of operations of IMEXHS. With the addition of RIMAB's diagnostic imaging services to clinics and hospitals, IMEXHS will change focus from being solely a medical technology and software company to a providing a broader service offering. We note the change may not be consistent with the investment strategy of the certain existing shareholders, however, note that sufficient liquidity appears to be present in IMEXHS share trading to allow disaffected shareholders to exit their investment and reinvest elsewhere should they wish; and
- As RIMAB's functional and presentation currency is the Colombian peso, IMEXHS's P&L and balance sheet may be exposed to greater forex risk.

7.6.3. Implications of IMEXHS Shareholders Rejecting the Proposed Transaction

If the Proposed Transaction is not approved, and in the absence of any other change in business, IMEXHS will likely continue to be a loss making in the short to medium term. The Company may require a new business plan and to consider other acquisitions.

Further, IMEXHS and RIMAB will continue to be exposed to any perceived, potential or actual conflicts of interest at the director / senior management level.

Based on discussions with IMEXHS, we are not aware of any alternative transactions to the Proposed Transaction being considered by the directors of IMEXHS.

7.7. Overall Conclusion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that the Proposed Transaction is **fair and reasonable** to the Non-Associated Shareholders of IMEXHS.

8. Qualifications, Independence and Disclaimer

8.1. Qualifications

PKFCF is the licensed corporate advisory arm of PKF (NS) Holding Pty Ltd (“**PKF**”). PKFCF provides advice in relation to all aspects of valuations and its personnel have extensive experience in the valuation of corporate entities.

Mr Andrew Jones B.EC, CA, is an Executive Director of PKFCF. Mr Jones has been the project manager responsible for the delivery of this Report.

Mr Jones has over 30 years’ experience in accounting, audit and corporate advisory activities including business, company and intangible asset valuations, due diligence reviews, capital raisings, preparation of Independent Expert Reports in relation to corporate transactions, and the provision of advice in relation to merger, acquisition and divestment transactions.

Based on his experience, Messr Jones is considered to have the appropriate experience and professional qualifications to provide the advice offered.

8.2. Independence

PKFCF is not aware of any matter or circumstance that would preclude it from preparing this Report on the grounds of independence, either under regulatory or professional requirements. In particular, we had regard to the provisions of applicable pronouncements and other guidance statements relating to professional independence issued by Australian professional accounting bodies and ASIC.

PKFCF does not have any shareholding in, or other relationship with IMEXHS (including any of their related parties or associates) that could be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the proposals.

PKFCF considers itself to be independent in terms of ASIC Regulatory Guide 112 *Independence of Experts* (“**RG 112**”), issued by ASIC.

PKFCF will receive a fee based on the time spent in the preparation of this Report. PKFCF will not receive any fee contingent upon the outcome of the Proposed Transaction.

Drafts of this Report were provided to the directors of IMEXHS for review of factual accuracy. Certain changes were made to the Report as a result of the circulation of the drafts of the Report. However, our approach and overall conclusions were not affected by the circulation of the draft reports to IMEXHS.

8.3. Disclaimer

It is not intended that this Report should be used or relied upon for any purpose other than as an expression of PKFCF’s opinion as to whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders. PKFCF expressly disclaims any liability to any IMEXHS shareholder who relies or purports to rely on the Report for any other purpose and to any other party who relies or purports to rely on the Report for any purpose whatsoever.

PKFCF has had no involvement in the preparation of the Notice of Meeting issued by IMEXHS and has not verified or approved any of the contents of that Notice of Meeting. PKFCF does not accept any responsibility for the contents of the Notice of Meeting (except for this Report).

Appendix 1 Glossary of terms

Set out below is a glossary of terms used in this report.

Table 22: Glossary

Term	Definition
\$	Australian Dollars
\$000s or \$k	Australian Dollars in thousands
\$m	Australian Dollars in millions
AASB	Australian Accounting Standards Board
AFSL	Australian Financial Services Licence
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
Assessment Date	16 August 2021
Board	The board of directors of IMEXHS
CAGR	Compounded annual growth rate
CEO	Chief operating officer
CFME	Capitalisation of future maintainable earnings
CT	Computed tomography
Company	ImExHS Limited
Company Filings	Filings with stock exchanges, regulatory bodies and management accounts
COP	Colombian Pesos
Corporations Act	The <i>Corporations Act 2001 (Cth)</i> .
COVID-19	Corona virus disease of 2019
CY	Calendar Year
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBT	Earnings before tax
ECLAC	Economic Commission for Latin America and the Caribbean
Existing Shareholders	Shareholders of IMEXHS that are not associated with RIMAB
EV	Enterprise Value
FY	Financial Year ending 31 December 20xx.
GDP	Gross Domestic Product
GHO	Global Health Observatory
GP	General Practitioner
IER	Independent Expert's Report
IFRS	International Financial Reporting Standards
IBISWorld	IBISWorld is an industry and market research database firm that provides information and analysis
IMEXHS or IMEXHS	ImExHS Limited
LAC	Latin America & Caribbean

Term	Definition
LTM	Last twelve months
M	Month
MRI	Magnetic resonance imaging
NA	Not available
Non-Associated Shareholders	Shareholders of IMEXHS that are not associated with RIMAB and will ultimately not participate in the Proposed Transaction
Notice of Meeting	The notice of meeting which this IER is attached to
NTM	Next twelve months
OECD	Organisation for Economic Co-operation and Development
PKFCF, us, we or our	PKF Corporate Finance (NSW) Pty Limited ACN 097 893 957 AFSL 295872
Proposed Transaction	Proposed acquisition of shares in RIMAB by IMEXHS
R&D	Research and development
Report	This report dated 1 September 2021
RG 111	ASIC Regulatory Guide 111 <i>Content of Expert Reports</i> .
RG 112	ASIC Regulatory Guide 112 <i>Independence of Experts</i> .
RIMAB	RIMAB S.A.S.
S&P Capital IQ	Capital IQ is a market intelligence platform designed by Standard & Poor's
SSD	Share Sales Deed
WHO	World Health Organisation
VWAP	Volume weighted average price
YTD	Year to date

Appendix 2 Sources of information

In preparing this Report we have had access to and relied upon the following principal sources of information:

- Management accounts of RIMAB for the period from 1 January 2021 to 31 March 2021;
- Statutory accounts of RIMAB for the period to 31 December 2018, 2019 and 2020;
- Normalisations of RIMAB for the period from 31 December 2018 to 31 December 2020;
- Statutory accounts of IMEXHS for the period to 31 December 2018, 2019 and 2020;
- IMEXHS annual reports;
- Morningstar exchange rates;
- Company filings;
- IMEXHS share registry;
- IMEXHS share trading results to 23 July 2021;
- Other information published by IMEXHS on its website;
- Discussions with the management of IMEXHS;
- S&P Capital IQ;
- Global Health Intelligence;
- IBISWorld and
- Other publicly available information.

In addition to the above, PKFCF has also had various discussions with the management of IMEXHS regarding the nature and prospects of the business and financial position.

Appendix 3 Valuation methodologies

There are a number of commonly accepted valuation methodologies which are regularly used by valuation specialists to assess the value of a business, shares or other equity instruments. Widely accepted methodologies include:

Income approach – discounted cash flow (DCF)

The DCF methodology indicates the value of business or equity based on the present value of the cash flows which the business or company can be expected to generate in the future. Such cash flows are discounted at a discount rate (the cost of capital) which reflects the time value of money and risks associated with the cash flows.

Market approach – Capitalisation of future maintainable earnings

This method involved multiplying an estimate of the sustainable earnings (or profits) of a business by a multiple which is reflective of the underlying risks and growth prospects of the business. The estimation of the future maintainable earnings is considered a surrogate for the future cash flows and the process of multiplication is known as the 'capitalisation' of earnings.

Market approach – Market based assessment

Market based assessments relate to the valuation of business, shares or other assets using observed prices at which comparable business, shares or assets have been exchanged in arm's length transactions. This is often the most reliable evidence of market value, however in the case of valuation of companies (particularly private companies), it can be difficult to find directly comparable transactions.

For companies which have publicly traded shares, the relevant share prices can be considered indicative of the market value of the shares if there is sufficient liquidity in share trading. However, such traded market prices usually reflect the price paid for small parcels of shares and do not include any premium for control (relevant when valuing controlling or 100% interests in a company).

Asset approach – net realisable value of assets

This approach indicates the value of the equity of an entity by adjusting the asset and liability balances on the subject company's balance sheet to their market value equivalents. Typically, the approach can be applied using a going concern premise which uses the concept of replacement cost as an indicator of value.

Selection of valuation approach

Each methodology is appropriate in certain circumstances and the decision as to which methodology to adopt generally depends upon the nature of the business being valued, the maturity of the business, commonly adopted approaches used to value similar businesses and the information available.

Appendix 4 Details of comparable listed companies

Table 23: Comparable listed companies business descriptions

Company	Business Descriptions
Sonic Healthcare Limited	Sonic Healthcare Limited, a healthcare company, provides medical diagnostic services, and administrative services and facilities to medical practitioners.
Healius Limited	Healius Limited provides facilities and support services to independent general practitioners, radiologists, and other healthcare professionals in Australia.
Integral Diagnostics Limited	Integral Diagnostics Limited, a healthcare services company, provides diagnostic imaging services to general practitioners, medical specialists, and allied health professionals and their patients in Australia and New Zealand.
Fleury S.A.	Fleury S.A., together with its subsidiaries, provides medical services in the diagnostic, treatment, and clinical analysis, health management, and medical care areas in Brazil.
Capitol Health Limited	Capitol Health Limited provides diagnostic imaging and related services to the healthcare market in Australia.
Instituto Hermes Pardini S.A.	Instituto Hermes Pardini S.A., together with its subsidiaries, provides medical, dental, laboratory research, clinical analysis, and supplementary diagnostic and therapeutic services in Brazil.
Monash IVF Group Limited	Monash IVF Group Limited provides assisted reproductive and specialist women imaging services in Australia and Malaysia.
Centro de Imagem Diagnósticos S.A.	Centro de Imagem Diagnósticos S.A. provides diagnostic medicine services in Brazil.

Source: S&P Capital IQ

Appendix 5 Details of targets in comparable transactions

Table 24: Target companies business descriptions

Target Company	Business Descriptions
Direct Radiology Pty Ltd	Direct Radiology Pty Ltd offers diagnostic imaging services.
Global Diagnostics (Ireland) Limited	Global Diagnostics (Ireland) Limited provides diagnostic imaging services to public and private hospitals.
X-Ray One Srl	X-Ray One Srl provides radiological diagnostic imaging services and outpatient services for general surgery, orthopedics and traumatology, neurology, dermosyphilopathy, ophthalmology, cardiology, gastroenterology, digestive surgery, and endoscopy, obstetrics and gynecology, physical medicine and rehabilitation, and urology.
Fowler Simmons Radiology Pty	Fowler Simmons Radiology Pty Ltd provides musculoskeletal imaging services, such as X-Ray, CT, MRI, and Ultrasound.
HM Sant Jordi Hospital	HM Sant Jordi Hospital offers medical, surgical, gynecological, diagnostic support services, general and special radiology, and rehabilitation services.
I-MED Holdings Pty Limited	I-MED Holdings Pty Limited, trading as I-MED Network Limited, operates a network of medical imaging clinics in Australia.
Instituto de Radiologia de Natal Ltda.	stituto de Radiologia de Natal Ltda. offers medical diagnostic and imaging services.
I-rad Pty Ltd.	I-rad Pty Ltd provides medical imaging and radiology services.
Serdil Serviço Especializado em Radiodiagnóstico Ltda.	Serdil Serviço Especializado em Radiodiagnóstico Ltda. offers magnetic resonance, computed tomography, mammography, minimally invasive mammary procedures, bone densitometry, ultrasound, and general radiology services.
Radiologistas Associados Ltda.	Radiologistas Associados Ltda. provides radiology services.
Western District Radiology and MRI	Western District Radiology provides diagnostic medical imaging services.
Imaging @ Olympic Park Pty Ltd	Imaging @ Olympic Park Pty Ltd. operates a musculoskeletal medical imaging center for athletes in Australia.
Fiddan Pty Ltd	Fiddan Pty Ltd., doing business as Southern Radiology, provides medical imaging services in the eastern, southern, and inner western suburbs of Sydney.

Source: S&P Capital IQ

PART TWO – FINANCIAL SERVICES GUIDE

1 September 2021

What is a Financial Services Guide?

This Financial Services Guide (“**FSG**”) is an important document the purpose of which is to assist you in deciding whether to use any of the general financial product advice provided in the form of an independent expert report by PKF Corporate Finance (NSW) Pty Limited (ABN 65 097 893 957) (“**PKFCF**”). The use of “we”, “us” or “our” is a reference to PKFCF as the holder of Australian Financial Services Licence (“**AFSL**”) No. 295872.

The contents of this FSG include:

- who we are and how we can be contacted;
- what services we are authorised to provide under our AFSL;
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide;
- details of any potential conflicts of interest; and
- details of our internal and external dispute resolution systems and how you can access them.

Information about us

What financial services are we licensed to provide?

The AFSL we hold authorises us to provide the following financial services to both retail and wholesale clients:

Provide financial product advice for the following classes of financial products:

- securities;
- interests in managed investment schemes excluding investor directed portfolio services; and
- deposit and payment products limited to:
 - basic deposit products;
 - deposit products other than basic deposit products; and
 - debentures, stocks or bonds issued or proposed to be issued by a government.

Our responsibility to you

We have been engaged by ImExHS Limited (“**Client**”) to prepare an Independent Expert’s Report providing our opinion as to whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders (the “**Report**”). Details of the Proposed Transaction are set out in the Notice of Meeting which this Report accompanies. You are not the party or parties who engaged us to prepare the Report. We are not acting for any person other than the party or parties who engaged us. We are required by law to give you an FSG because the Report is being provided to you.

The liability of PKFCF is limited to the contents of this FSG and the Report referred to in this FSG.

Information about the general financial product advice we provide

The financial product advice provided in the Report is known as “general advice” because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in the Report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and carefully read the relevant offer document provided by the issuer of the financial product. The purpose of the offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

Associations and relationships

PKFCF provides services primarily in the area of corporate finance and is controlled by the directors of PKF (NS) Holdings Pty Ltd ("**PKF**"). PKF and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services. Our directors may be directors of PKF. The financial product advice in the Report is provided by PKFCF and not by PKF.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and PKF (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

How are we and our employees remunerated?

We charge fees for providing Reports. Fees are agreed with the party or parties who actually engage us, and we confirm our remuneration in a written letter of engagement to the party or parties who actually engage us. Our fees are usually determined on an hourly basis. However, they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of-pocket expenses incurred in providing the services. The estimated fee for the Report is \$40,000 (exclusive of GST and out-of-pocket expenses).

Neither PKFCF, nor its directors and officers, receive any commissions or other benefits arising directly from providing Reports to you. The remuneration paid to our directors and staff reflects their individual contribution to the company and covers all aspects of performance. We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

What should you do if you have a complaint?

If you have any concerns regarding the Report, you may wish to advise us. Our internal complaint handling process is designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

AFS Compliance Manager
PKF Corporate Finance (NSW) Pty Limited
GPO Box 5446
SYDNEY NSW 2001
Telephone: +61 2 8346 6000 Fax: +61 2 8346 6099

If you are not satisfied with the steps we have taken to resolve your complaint, you may contact the Financial Ombudsman Service ("**FOS**"). FOS provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry. Complaints may be submitted to FOS at:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Telephone: (03) 9613 7366 Fax: (03) 9613 6399
Internet: <http://www.fos.org.au>

The Australian Securities and Investments Commission ("**ASIC**") regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. Their website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1 300 300 630
Email: infoline@asic.gov.au
Internet: <http://www.asic.gov.au/asic/asic.nsf>

Contact details

You may contact us using the details located below.

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Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

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 [EntityRegistrationDetailsLine2Envelope]
 [EntityRegistrationDetailsLine3Envelope]
 [EntityRegistrationDetailsLine4Envelope]
 [EntityRegistrationDetailsLine5Envelope]
 [EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
 [HolderNumber]

Your proxy voting instruction must be received by **10.00am (AEST) on Monday, 27 September 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications dispatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/logins>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
 GPO Box 5193
 Sydney NSW 2001

IN PERSON:

Automic
 Level 5, 126 Phillip Street
 Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WECHAT:

<https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)

+61 2 9698 5414 (Overseas)

ATTACHMENT 3 – SPA key terms summary

Set out below is a high level summary of key provisions of the SPA. This is not an exhaustive summary.

No.	Question	Summary
1.	What is the transaction contemplated by the SPA?	<p>IMEXHS and IMEXHS Colombia (together, the Buyers) have agreed to acquire 100% of the shares in RIMAB (RIMAB Shares) from the Vendors for the Purchase Price (defined below) Specifically:</p> <ul style="list-style-type: none"> • IMEXHS will purchase a total of 3,342 RIMAB Shares, in exchange for the issue to the Vendors of the Consideration Shares, being shares in IMEXHS (some to be issued on Completion and some on the Earn Out Date); and • IMEXHS Colombia will purchase a total of 3,342 RIMAB Shares, in exchange for cash.
2.	What is the Purchase Price?	<p>The aggregate Purchase Price for the RIMAB Shares is COP 24.3 billion (approximately AUD\$8.5 million), plus or minus customary completion net debt and working capital adjustments. That Purchase Price assumes the Earn Out Conditions are satisfied. Each Vendor is entitled to its Respective Proportion of the Purchase Price, including Consideration Shares (which reflects their proportionate shareholding in RIMAB prior to Completion).</p>
3.	How and when will the Purchase Price be paid?	<ul style="list-style-type: none"> • At Completion, IMEXHS Colombia will pay the Vendors approximately COP 2 billion or approximately AUD\$685,000 (Completion Cash Amount). The Vendors will also be issued their Respective Proportion of fully paid ordinary shares in the capital of IMEXHS (the Completion Tranche Consideration Shares). The number of Consideration Shares to be issued at Completion will be calculated after determining the estimated net working capital and net debt adjustments but is capped at 2,451,096 Consideration Shares. To the extent that the Vendors' entitlement exceeds this amount, the balance will be paid in cash. • On the Earn Out Date, subject to the Earn Out Conditions being met, the Vendors will be issued their Respective Proportion of 1,013,177 fully paid ordinary shares in the capital of IMEXHS (the Earn Out Tranche Consideration Shares). • A Retention Amount of up to COP 2 billion or approximately AUD\$685,000 (Retention Amount) is to be held by the Buyers from Completion to when the FY2022 financial results are released to the ASX by IMEXHS (Retention Period). The Retention Amount can be used by the Buyers during the Retention Period to set off against claims under the agreement or completion adjustment payments. Any balance remaining of the Retention Amount at the end of the Retention Period will be paid to the Vendors in their Respective Proportions, unless there are unresolved claims in favour of the Buyers, which can be held back until resolved.

No.	Question	Summary
4.	What are the Consideration Shares, when will they be issued and how many will be issued?	<p>The Consideration Shares are shares in the capital of IMEXHS, to be issued to the Vendors as part consideration for the sale of their Shares.</p> <p>The Completion Tranche will be issued on Completion, and are subject to a 12 month voluntary escrow period. The Earn Out Tranche Consideration Shares will be issued on the Earn Out Date, and are similarly subject to a 12 month voluntary escrow period from the Earn Out Date.</p>
5.	What are the conditions precedent to Completion?	<p>There are four conditions precedent that must be satisfied for Completion to occur:</p> <ul style="list-style-type: none"> • the Buyers each obtaining all necessary approvals to give effect to the Proposed Transaction; • certain loans advanced by shareholders to RIMAB being repaid in full; • a key employee of RIMAB entering into a new employment agreement with RIMAB; and • notification of the Proposed Transaction being submitted to the Superintendency of Industry and Commerce (being Colombia's competition regulator) (SIC) and either the SIC acknowledging receipt of the notification, or ten business days passing without the SIC having responded, in which case, the Proposed Transaction would be considered approved, <p>(together, the Conditions Precedent).</p>
6.	When will Completion occur?	<p>Completion of the Proposed Transaction will occur on the later of 1 October 2021 and 5 business days after the satisfaction of the Conditions Precedent.</p>
7.	What are the Earn Out Conditions?	<p>The SPA includes two Earn Out Conditions. The first Earn Out Condition is the Colsubsidio Contract remaining on foot on equivalent or better terms, or RIMAB entering into a qualifying new client contract, as at the Earn Out Date. The second Earn Out Condition is the revenue and gross margin of RIMAB (assessed for FY2022) on a pro forma comparison basis being not less than the level achieved in the financial year ended 31 December 2020 (the Revenue Earn Out Condition).</p>
8.	What representations and warranties are given by Vendors for the protection of the Buyers?	<p>The Vendors are providing customary representations, warranties and indemnities under the SPA in relation to the business and affairs of RIMAB, in addition to customary warranties in relation to title to their RIMAB Shares and capacity, solvency, etc.</p>
9.	What representations and warranties are given by IMEXHS for the benefit of the Vendors?	<p>IMEXHS is providing some limited warranties, largely in relation to title, capacity, solvency, corporate structure and compliance with laws.</p>

No.	Question	Summary
10.	What restrictions are placed on the Vendors under the SPA?	German Arango and Jorge Marin have agreed not engage in business that competes with RIMAB, have any financial interest in any business that competes with RIMAB, or solicit employees, contractors, customers or suppliers of RIMAB for a period of up to three years from Completion.
11.	Can the SPA be terminated prior to closing?	The SPA can be terminated in limited circumstances, including where not all Conditions Precedent described above are satisfied by 30 November 2021.