

Pro Medicus Limited

ABN 25 006 194 752

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2024



For personal use only

DIRECTORS' REPORT

Your Directors of Pro Medicus Limited (the "Company") and its subsidiaries (the "Group") submit their report for the half-year ended 31 December 2024.

DIRECTORS

The names and details of the Company's directors in office during the half-year and until the date of this report:

- Peter Terence Kempen AM
FCA, FAICD (Chairman)
- Dr Sam Aaron Hupert
M.B.B.S. (Deputy Chairman and Chief Executive Officer)
- Anthony Barry Hall
B.Sc. (Hons), M.Sc. (Executive Director and Technology Director)
- Anthony James Glenning
B.Sc., B.Eng., M.EE (Non-Executive Director)
- Dr Leigh Bernard Farrell
PhD, B.Sc. (Hons), FAICD, (Non-Executive Director)
- Deena Robyn Shiff
B.Sc. (Econ) Hons, B.A. Law (Hons), FAICD, (Non-Executive Director)
- Alice Williams
BCom, FCPA, FAICD, CFA, AIF ASFA, (Non-Executive Director)

REVIEW AND RESULTS OF OPERATIONS

The Company reported a first half after tax profit of \$51.74m, an increase of \$15.49m (up 42.7%) compared to the same period last year. Revenue from contracts with customers for the 6-month period increased from \$74.11m to \$97.20m, an increase of 31.1%.

Underlying profit before tax was \$69.92m compared with \$48.93m for the previous corresponding period, an increase of 42.9%. Underlying profit before tax comprises reported statutory profit before tax of \$73.27m, minus the fair value gain on the movement of other financial assets and interest income of \$3.76m, plus the net currency loss of \$0.41m. The underlying profit for the previous corresponding half year of \$48.93m, comprised reported profit before tax of \$50.16m, minus the fair value gain on the movement of other financial assets and interest income of \$2.67m plus the net currency loss of \$1.44m.

Underlying profit before tax is a non-IFRS measure and has been included in the analysis of financial performance as the Directors consider it provides a meaningful comparison of results from period to period.

The currencies of the countries in which the Company has its activities have fluctuated during the half year. On a constant currency basis¹, the revenue would have been \$97.84m (up 32.0%) and the underlying profit before tax would have been \$70.44m (up 44.0%) for the half year ended 31 December 2024.

During the period the Company continued to grow its North American presence (revenue up 34.6%) with three major implementations for Oregon Health & Science University, the last three phases of Baylor, Scott and White, and Moffitt Cancer Centre (Breast Imaging) being completed.

The North American business continued to expand, winning key contracts with Lurie Children's Hospital, Trinity Health, and Duly Health and Care (combined A\$365.0m – 7-to-10-year deals). The Company was also successful in extending contracts with existing customers, with the addition of Visage 7 Open Archive at NYU Langone and Duke Health (combined A\$39.0m – 5-year deals) and a renewal contract with Mercy Health (A\$98.0m – 8-year deal).

1. Constant currency removes the impact of exchange rate movements to facilitate comparability of operational performance for the Company. This is done in two parts: a) by converting the current year net profit / (loss) of entities in the group that have reporting currencies other than AU Dollars, at the rates that were applicable to the prior comparable period (Translation Currency Effect); b) by restating material transactions booked by the group that are impacted by exchange rate movements at the rate that would have applied to the transaction if it had occurred in the prior comparable period (Transaction Currency Effect).

The Company is looking to further build on its presence in North America, Germany and Australia and is actively pursuing a growing number of opportunities within the academic/teaching hospital, integrated delivery network (IDN) and corporate/private imaging centre markets.

The Company's European revenue increased 0.8% compared to the same period last year, and this is on par with the prior period.

The Company's Australian business increased revenue by 10.8% compared to the same period last year, with the renewal of a five year contract extension with a large Australian Radiology Network being the main contributors to the increased revenue.

The Company maintained its investment in research and development ("R&D"), both in Australia as well as overseas. This investment highlights the company's ongoing commitment to innovation and its focus on advancing product development. Pro Medicus aims to maintain its competitive edge and ensure long-term growth in the marketplace.

We continue to actively integrate valuable insights from customer feedback, using it to guide the evolution of our products through version upgrades and newly introduced product features. Additionally, we have continued to prioritise product demonstrations, offering customers and prospective customers a firsthand look at our latest advancements and gathering real-time input. This ongoing dialogue with our customers helps ensure that our products meet their needs and exceed expectations, fueling our commitment to excellence and positioning us for long-term success.

Exam volumes, particularly in the US, continued to grow throughout the period, both through increases from existing customers and new customers that now have been fully deployed throughout the first half of this financial year.

The Company's cash reserves increased by \$24.48m despite an increase of \$5.23m in dividend payout during the period. Cash reserves and other financial assets, excluding forward contracts were \$182.33m at the end of December 2024, an increase of 17.7% in the half. The company remains debt free.

The Board is of the view that there are sufficient cash reserves to fund the anticipated growth of the business from internal sources. Consistent with the Company's dividend policy, the Company has announced a fully franked interim dividend of 25.0c per share payable on 21 March 2025.

ROUNDING

Unless otherwise stated, the amounts contained in this report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191. The Company is an entity to which the Legislative Instrument applies.

AUDITORS' INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001, we have obtained a declaration of independence from our auditors Ernst & Young, a copy of which is attached.

Signed in accordance with a resolution of the directors.



P T Kempen AM
Chairman
Melbourne
13 February 2025

AUDITOR'S INDEPENDENCE DECLARATION



Shape the future
with confidence

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Auditor's independence declaration to the directors of Pro Medicus Limited

As lead auditor for the review of the half-year financial report of Pro Medicus Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Pro Medicus Limited and the entities it controlled during the half-year.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Andrea Steacy'.

Andrea Steacy
Partner
13 February 2025

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

		Consolidated	
	Notes	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Revenue from contracts with customers	3	97,190	74,110
Interest income		3,595	2,151
Revenue		100,785	76,261
Cost of sales		(151)	(171)
Gross profit		100,634	76,090
Net foreign currency (loss)/gains	4a	(414)	(1,440)
Fair value movements on other financial assets		166	519
Accounting and secretarial expenses		(949)	(717)
Advertising and public relations expenses		(2,608)	(2,206)
Depreciation and amortisation	4b	(3,154)	(4,406)
Insurance costs		(570)	(588)
Legal costs		(806)	(609)
Other expenses		(861)	(886)
Employee benefits expenses	4c	(17,185)	(14,913)
Travel and accommodation expenses		(981)	(682)
Profit before income tax		73,272	50,162
Income tax expense	9	(21,527)	(13,912)
Profit for the period		51,745	36,250
Other comprehensive Income			
Items that may be reclassified subsequent to profit and loss			
Foreign currency translation		60	77
Other comprehensive income for the period		60	77
Total comprehensive income for the period, net of tax		51,805	36,327
Earnings per share (cents per share)			
Basic		49.53¢	34.71¢
Diluted		49.44¢	34.61¢

This Consolidated Statement of Comprehensive Income should be read in conjunction with the notes to the financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Consolidated	
	Notes	31 Dec 2024 \$'000	30 Jun 2024 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		82,947	60,062
Bank term deposits		65,457	63,857
Trade and other receivables	7	53,061	48,055
Accrued revenue		268	228
Contract costs		974	915
Other financial assets	12	33,927	31,506
Inventories		71	49
Prepayments		2,694	1,890
Total current assets		239,399	206,562
Non-current assets			
Deferred tax asset	9	20,163	17,182
Plant and equipment		593	512
Contract costs		3,965	3,856
Right-of-use assets		1,633	1,867
Intangible assets	8	21,058	20,071
Other financial assets	12	7,336	7,336
Prepayments		31	40
Total non-current assets		54,779	50,864
TOTAL ASSETS		294,178	257,426
LIABILITIES			
Current Liabilities			
Trade and other payables	10	9,716	10,199
Income tax payable		1,204	2,403
Deferred revenue	11	16,039	17,051
Other current financial liabilities	12	901	-
Lease liabilities		619	553
Provisions		5,507	4,351
Total current liabilities		33,986	34,557
Non-current liabilities			
Deferred tax liabilities	9	7,945	7,662
Deferred revenue	11	28,674	25,850
Lease liabilities		1,212	1,516
Provisions		109	113
Total non-current liabilities		37,940	35,141
TOTAL LIABILITIES		71,926	69,698
NET ASSETS		222,252	187,728
Shareholders' equity			
Contributed equity		34,735	23,649
Share buyback reserve		(8,543)	(8,543)
Share based payment reserve		(5,201)	176
Foreign currency translation reserve		(850)	(910)
Retained earnings		202,111	173,356
Total shareholders' equity		222,252	187,728

This Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	Issued Capital	Treasury Shares	Share Buyback Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2024	23,649	-	(8,543)	176	(910)	173,356	187,728
Profit for the period	-	-	-	-	-	51,745	51,745
Other comprehensive Income	-	-	-	-	60	-	60
Total comprehensive Income	23,649	-	(8,543)	176	(850)	225,101	239,533

Transactions with owners in their capacity as owners

Share based payment expense	-	-	-	1,422	-	-	1,422
Tax effect of share-based payments	-	-	-	4,287	-	-	4,287
Issue of shares to Trust	11,086	(11,086)	-	-	-	-	-
Shares issued to satisfy employee performance rights	-	11,086	-	(11,086)	-	-	-
Dividends	-	-	-	-	-	(22,990)	(22,990)
Balance at 31 December 2024	34,735	-	(8,543)	(5,201)	(850)	202,111	222,252

	Issued Capital	Treasury Shares	Share Buyback Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	1,959	-	(5,774)	16,156	(681)	127,116	138,776
Profit for the period	-	-	-	-	-	36,250	36,250
Other comprehensive Income	-	-	-	-	77	-	77
Total comprehensive Income	1,959	-	(5,774)	16,156	(604)	163,366	175,103

Transactions with owners in their capacity as owners

Share based payment expense	-	-	-	784	-	-	784
Tax effect of share-based payments	-	-	-	1,085	-	-	1,085
Dividends	-	-	-	-	-	(17,757)	(17,757)
Balance at 31 December 2023	1,959	-	(5,774)	18,025	(604)	145,609	159,215

This Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOW FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

		Consolidated	
	Notes	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Cash flows from operating activities			
Receipts from customers		93,979	69,225
Payments made to suppliers and employees		(23,730)	(18,373)
Income tax paid		(21,493)	(21,825)
Interest paid		(46)	(39)
Net cash flows from operating activities		48,710	28,988
Cash flows used in investing activities			
Payments for capitalised development costs	8	(3,705)	(3,359)
Payments for property, plant and equipment		(229)	(140)
Investments in other financial assets		(20,612)	(16,422)
Sale of other financial assets		17,851	15,413
Interest received		3,547	2,155
Net cash flows used in investing activities		(3,148)	(2,353)
Cash flows from financing activities			
Payments of dividends on ordinary shares	5	(22,990)	(17,757)
Payments for lease liabilities		(245)	(278)
Net cash flows used in financing activities		(23,235)	(18,035)
Net increase in cash and cash equivalents held		22,327	8,600
Net foreign exchange differences		558	(89)
Cash and cash equivalents at the beginning of the period		60,062	91,248
Cash and cash equivalents at the end of the period		82,947	99,759

This Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

1. CORPORATE INFORMATION

The interim consolidated financial statements of the Group for the half-year ended 31 December 2024 were authorised for issue in accordance with a resolution of directors on 13 February 2025.

The Company is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

(a) Basis of preparation

The interim consolidated financial statements for the half-year ended 31 December 2024 have been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2024, together with any public announcements made by the Company during the half-year ended 31 December 2024.

(b) New accounting standards and interpretations

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2024.

New and/or amended standards that were effective for the Group as of 1 July 2024 did not have a material impact on the financial statements of the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

There are no accounting standards or interpretation issued but not yet effective that are expected to have a material impact on the Group.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

There were no significant changes in the judgements, estimates and assumptions applied by the Company as compared to those disclosed in the 30 June 2024 financial report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

3. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on country of origin. Discrete financial information is reported to the executive management team on at least a monthly basis.

Types of products and services

The Group produces integrated software applications for the health care industry. In addition the Group provides services in the form of installation and support.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those used in preparing the financial statements in prior periods.

Inter-entity sales

Inter-entity sales are recognised based on an internally set transfer price. The price aims to reflect what the business operation could achieve if they sold their output and services to external parties at arm's length.

Operating segments

Half-year ended	Australia		Europe		North America		Total Operations	
	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Revenue from contracts with customers

Sales to external customers - RIS	7,824	7,293	-	-	-	-	7,824	7,293
Sales to external customers - PACS	969	645	1,969	1,954	86,392	64,182	89,330	66,781
Inter-segment sales	68,357	50,175	5,764	4,889	-	-	74,121	55,064
Total segment revenue	77,150	58,113	7,733	6,843	86,392	64,182	171,275	129,138
Inter-segment elimination							(74,121)	(55,064)
Other income							36	36
Total consolidated revenue from contract with customers							97,190	74,110

Results

Segment Profit	65,960	46,998	(778)	(141)	4,717	1,349	69,899	48,206
Interest Revenue							3,595	2,151
Other amounts unallocated to segments							(222)	(195)
Non segment expenses								
Income tax expense							(21,527)	(13,912)
Profit for the period							51,745	36,250

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

3. SEGMENT INFORMATION (CONTINUED)

Product information

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Revenue from external customers		
Radiology Information Systems (RIS)	7,824	7,293
Picture Archiving Communications Systems (Visage 7/PACS)	89,330	66,781
Other income	36	36
	97,190	74,110

4. EXPENSES

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
(a) Net foreign currency gains		
Currency gains/(loss)	487	(2,430)
Fair value gain/(loss) on financial instruments – forward exchange contracts	(901)	990
	(414)	(1,440)
(b) Depreciation and amortisation		
Property, plant and equipment assets	148	150
Right-of-use assets	288	289
Capitalised development costs	2,718	3,967
Total depreciation and amortisation expenses	3,154	4,406
(c) Employee benefits expense		
Gross wages and salaries	17,826	15,966
Capitalised wages and salaries (i)	(3,183)	(2,843)
Long service leave provision	82	61
Share-based payments expense (ii)	1,422	784
Defined contribution plan expense	1,038	945
Total salaries and employee benefits expenses	17,185	14,913

- i. The Group incurred total wages and salaries of \$17,826,000 (2023: \$15,966,000) of which \$3,183,000 (2023: \$2,843,000) were capitalised as development costs within intangible assets.
- ii. The Groups share-based payments includes a portion of expense relating to the FY22, FY23, FY24 and FY25 grant of performance rights. 41,030 performance rights were granted on 28 August 2024 under the Group's long term incentive plan. The performance rights vest in accordance with performance conditions related to earnings per share ("EPS") and total shareholder returns ("TSR") which are assessed over a three year period and conditional on a four year service commencing 1 July 2024. The fair value of the performance rights at grant date was \$2,850,133 (\$64.52 per TSR right, \$145.52 per EPS right). The amount of share-based payment expense for the half-year ended 31 December 2024 takes into consideration the probability of EPS performance conditions being achieved.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

5. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
<i>Declared and paid during the period:</i>		
Final franked dividend for 2024: 22.0 cents (2023: 17.0 cents franked)	22,990	17,757
<i>Declared subsequent to the end of the year (not recognised as a liability as at 31 December):</i>		
Interim franked dividend for 2025: 25.0 cents (2024: 18.0 cents franked)	26,125	18,802

6. EVENTS AFTER THE BALANCE SHEET DATE

On 13 February 2025, the directors of Pro Medicus Limited declared a fully franked interim dividend of 25.0 cents per share amounting to \$26,125,000. These dividends have not been provided for in the 31 December 2024 interim financial statements.

7. TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Current		
Trade receivables	52,950	47,907
Other receivables	111	148
	53,061	48,055

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

8. INTANGIBLE ASSETS

	Development Costs \$'000
Half-year ended 31 December 2024	
At 1 July 2024, net of accumulated amortisation and impairment	20,071
Additions - internal development	3,705
Amortisation charge for the period	(2,718)
At 31 December 2024, net of accumulated amortisation and impairment	<u>21,058</u>
At 31 December 2024	
Cost	85,243
Accumulated amortisation and impairment	(64,185)
Net carrying amount	<u>21,058</u>
Year ended 30 June 2024	
At 1 July 2023, net of accumulated amortisation and impairment	21,349
Additions - internal development, six months to 31 December 2023	3,359
Amortisation charge - six months to 31 December 2023	(3,967)
At 31 December 2023, net of accumulated amortisation and impairment	20,741
Additions - internal development, six months to 30 June 2024	3,026
Amortisation charge - six months to 30 June 2024	(3,696)
At 30 June 2024, net of accumulated amortisation and impairment	<u>20,071</u>
At 30 June 2024	
Cost	81,537
Accumulated amortisation and impairment	(61,466)
Net carrying amount	<u>20,071</u>

In accordance with the Group's accounting policies and process, the Group evaluated each cash generating unit ('CGU') at 31 December 2024, to determine whether there were any indications of impairment. Where an indicator of impairment exists a formal estimate of the recoverable amount is performed.

The Group concluded there were no impairment indicators for the Group's CGU's as at 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

9. INCOME TAX

The Group calculates the period income tax expense using the tax rate that would be applicable to expected total annual earnings (i.e. the estimated average annual effective income tax rate applied to the pre-tax income of the interim period).

The major components of income tax expense in the interim consolidated income statements are:

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Current income tax expense	(22,792)	(15,175)
Prior year adjustment	(32)	868
Origination and reversal of deferred taxes	1,297	395
Income tax expense	(21,527)	(13,912)
Income tax recognised in other comprehensive income	-	-
Total income tax expense	(21,527)	(13,912)

	Interim Consolidated Statement of Financial Position		Interim Consolidated Statement of Comprehensive Income		Recognised within Equity	
	31 Dec 2024 \$'000	30 Jun 2024 \$'000	31 Dec 2024 \$'000	31 Dec 2023 \$'000	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Deferred tax liabilities						
Foreign currency exchange gain	229	106	123	249	-	-
Intangible assets	(6,317)	(6,021)	(296)	183	-	-
Prepayments	(5)	-	(5)	(4)	-	-
Contract costs	(1,284)	(1,183)	(101)	(54)	-	-
Right-of-use asset	(525)	(539)	14	67	-	-
Depreciation expenses	(43)	(25)	(18)	(16)	-	-
	(7,945)	(7,662)	(283)	425	-	-
Deferred tax assets						
Employment entitlements	1,907	1,960	(53)	(47)	-	-
Intellectual property expenses	169	178	(9)	(9)	-	-
Audit fee accrual	33	5	28	34	-	-
Patent cost	81	36	45	35	-	-
Deferred revenue	9,970	8,568	1,402	(32)	-	-
Lease liabilities	584	598	(14)	(68)	-	-
Unrealised fair value loss on other financial assets	49	99	(50)	(156)	-	-
Employee share trust - unvested share based payments	7,357	5,727	228	1 55	1,402	681
Allowance for expected credit losses	-	-	-	54	-	-
Other	13	11	3	4	-	-
	20,163	17,182	1,580	(30)	1,402	681
Deferred tax movement			1,297	395	1,402	681

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

10. TRADE AND OTHER PAYABLES

	Consolidated	
	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Current		
Trade payables	575	1,739
Other payables and accruals	9,141	8,460
	9,716	10,199

11. DEFERRED REVENUE

	Consolidated	
	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Current		
Deferred revenue from contracts with customers	16,039	17,051
	16,039	17,051
Non-current		
Deferred revenue from contracts with customers	28,674	25,850
	28,674	25,850

12. OTHER FINANCIAL ASSETS AND LIABILITIES

	Consolidated	
	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Investments in debt instruments and managed fund		
Hybrid/convertible debt instruments, listed	6,785	6,339
Other debt instruments, listed	463	1,457
Hybrid/convertible debt instruments, unlisted	16,378	14,944
Other debt instruments, unlisted	10,287	6,968
Managed fund units, unlisted	14	1,263
Total investments in debt instruments and managed fund	33,927	30,971
Foreign exchange forward contract	-	535
Equity instruments, unlisted	7,336	7,336
Total other financial assets	41,263	38,842
Other financial liabilities		
Forward exchange foreign contract	901	-
Total current other financial liabilities	901	-
Total other financial liabilities	901	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

12. OTHER FINANCIAL ASSETS (CONTINUED)

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value.

The subsequent measurement of the Groups financial assets depends on the financial asset's contractual cash flow characteristics (whether the cash flows represent solely payments of principal and interest "SPPI") and the Group's business model for managing them (the "Business Model" test). The subsequent measurement of the Group's investments and derivatives is discussed below.

Investments in debt instruments and managed fund

The portfolio of investments is managed and performance is evaluated on a fair value basis. The Group is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Consequently, all investments are measured at fair value through profit or loss.

Derivatives

Derivatives are mandatorily measured at fair value through profit and loss.

Fair value measurement

Listed debt instruments are classified as Level 1 in the fair value hierarchy as their prices are quoted in an active market. Unlisted debt instruments and managed fund investments are classified as Level 2. Investments in unlisted managed funds are recorded at the redemption value per unit as reported by the investment managers of the fund. Unlisted debt instruments fair values are determined with reference to recent market transactions and discounted cash flow techniques based on interest rate yield curves at the end of the period for instruments with similar terms and conditions.

Unlisted equity instruments

The Group has an investment in Elucid Bioimaging, Inc. (Elucid) of USD \$4,999,999.61 / AUD \$7,336,034.43.

The Elucid investment Pro Medicus holds is in an early-stage company. Pro Medicus Limited is applying the relevant principles and requirements referencing both the AASB / IFRS (AASB 9 and AASB 13) framework.

The Elucid investment inputs are based on a best estimate as the investment is in an early-stage and is classified as Level 3, with no quoted price nor directly observable inputs. As such, the investment is subject to a high degree of judgement and uncertainty in determining fair value at this stage.

Based on the Group's assessment, there has been no change in the fair value of the investment during the period given the current stage of Elucid's operations.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Pro Medicus Limited, I state that:
In the opinion of the Directors:

- (a) The Financial Statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf board



P T Kempen AM
Chairman
Melbourne
13 February 2025

AUDITOR'S REPORT



Shape the future
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Independent auditor's review report to the members of Pro Medicus Limited

Conclusion

We have reviewed the accompanying half-year financial report of Pro Medicus Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

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

- d. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- e. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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

Ernst & Young
ERNST & YOUNG

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

Andrea Steacy
Partner
Melbourne
13 February 2025