

# Pro Medicus Limited

ABN 25 006 194 752

## INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2021



## 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 2021.

### 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 (appointed 1 September 2021)  
B.Com, FCPA, FAICD, CFA, AIF ASFA, (Non-Executive Director)

### REVIEW AND RESULTS OF OPERATIONS

The Company reported a first half after tax profit of \$20.68m, an increase of \$7.14m (up 52.7%) compared to the same period last year. Revenue from contracts with customers for the 6 month period of the Company increased from \$31.59m to \$44.33m, an increase of 40.3%.

Underlying profit before tax was \$28.80m compared with \$18.76m for the previous corresponding period, an increase of 53.5%. Underlying profit before tax for the half year ended 31 December 2021, comprises reported profit before tax of \$29.38m, and subtracting the pre-tax currency gain of \$0.58m. The underlying profit for the half year ended 31 December 2020, comprises reported profit before tax of \$18.20m and adding back the pre-tax currency loss of \$0.56m.

The currencies of the countries in which the Company has its activities have been volatile during the half year. On a constant currency basis<sup>1</sup>, the revenue would have been \$44.85m (up 42.0%) and the underlying profit before tax would have been \$28.99m (up 54.6%) for the half year ended 31 December 2021.

Tax expense for the first half was \$8.70m which represents an effective tax rate of 29.6%. The tax expense for the first half in 2020 was \$4.66m which represented an effective tax rate of 25.6% as the benefit received under the employee share trust during the first half 2020 was greater due to a larger than normal delta between the share price at the date of granting and the date the shares vested.

During the period the Company continued to grow the North American market (revenue up 50.0%) by winning a key contract with Novant Health (A\$40.0m – 7 year deal), a community based integrated delivery network that spans three US states. The Company also signed a renewal with Allegheny Health (A\$12.0m – 5 year deal) in Pittsburgh, Pennsylvania. The Company continued to make significant progress with all key implementations being on or ahead of schedule.

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

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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's European business continued to grow (revenue up 39.6%), with the extension of the German government hospital contract to a fourth site and additional support revenue for the Ludwig-Maximilians University in Munich.

The Company's Australian business increased revenue by 7.3% compared to the same period last year, with the rollout of the Healius (formerly Primary Health) contract and extension of the contract with I-MED being the main contributors to the increased revenue.

The Company maintained its significant investment in research and development ("R&D"), both in Australia as well as overseas.

The Company was able to continue its R&D and client support activities via a combination of "work from home" and in-office activities with all sales meetings and demonstrations to prospective clients performed remotely via video conferencing.

Exam volumes, particularly in the US, continued to recover throughout the period with the majority of customers now at or above pre-COVID levels.

The Company's cash reserves increased by \$14.91m despite an increase of \$2.1m in dividend payout and greater investment in R&D for the 6 month period. Cash reserves and other financial assets were \$76.17m at the end of December 2021, an increase of 23.2% 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. As a result, the Company has announced a fully franked interim dividend of 10.0c per share payable on 25 March 2022.

## ROUNDING

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  
16 February 2022



**Building a better  
working world**

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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 2021, 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 financial period.

Ernst & Young

Tony Morse  
Partner  
16 February 2022

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Notes	Consolidated	
		31 Dec 2021 \$'000	31 Dec 2020 \$'000
Revenue from contracts with customers	3	44,330	31,587
Interest income		326	100
<b>Revenue</b>		<b>44,656</b>	<b>31,687</b>
Cost of sales		(322)	(244)
<b>Gross profit</b>		<b>44,334</b>	<b>31,443</b>
Net foreign currency gains/(losses)	4a	576	(557)
Fair value movements on other financial assets		(136)	-
Accounting and secretarial expenses		(724)	(567)
Advertising and public relations expenses		(1,245)	(211)
Depreciation and amortisation	4b	(3,565)	(3,677)
Insurance costs		(489)	(412)
Legal costs		(406)	(526)
Other expenses		(742)	(463)
Employee benefits expenses	4c	(7,909)	(6,822)
Travel and accommodation expenses		(316)	(6)
<b>Profit before income tax</b>		<b>29,378</b>	<b>18,202</b>
Income tax expense	9	(8,702)	(4,661)
<b>Profit for the period</b>		<b>20,676</b>	<b>13,541</b>
<b>Other comprehensive Income</b>			
<b>Items that may be reclassified subsequent to profit and loss</b>			
Foreign currency translation		(476)	1,379
<b>Other comprehensive income for the period</b>		<b>(476)</b>	<b>1,379</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>20,200</b>	<b>14,920</b>
<b>Earnings per share (cents per share)</b>			
Basic		19.82¢	13.00¢
Diluted		19.71¢	12.89¢

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 2021

	Notes	Consolidated	
		31 Dec 2021 \$'000	30 Jun 2021 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		56,952	42,039
Trade and other receivables	7	23,330	22,841
Accrued revenue		2,147	1,193
Contract costs		390	375
Other financial assets	12	19,221	19,777
Inventories		78	34
Prepayments		1,127	1,307
<b>Total current assets</b>		<b>103,245</b>	<b>87,566</b>
<b>Non-current assets</b>			
Deferred tax asset	9	11,731	13,600
Plant and equipment		488	490
Contract costs		1,356	1,355
Right-of-use assets		2,281	2,524
Intangible assets	8	21,133	20,009
Prepayments		-	30
<b>Total non-current Assets</b>		<b>36,989</b>	<b>38,008</b>
<b>TOTAL ASSETS</b>		<b>140,234</b>	<b>125,574</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	4,389	3,725
Income tax payable		2,257	1,696
Deferred revenue	11	8,061	8,886
Other financial liabilities		138	70
Lease liabilities		606	574
Provisions		2,744	2,668
<b>Total current liabilities</b>		<b>18,195</b>	<b>17,619</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	9	7,611	7,162
Deferred revenue	11	17,380	17,011
Lease liabilities		1,793	2,044
Provisions		64	55
<b>Total non-current liabilities</b>		<b>26,848</b>	<b>26,272</b>
<b>TOTAL LIABILITIES</b>		<b>45,043</b>	<b>43,891</b>
<b>NET ASSETS</b>		<b>95,191</b>	<b>81,683</b>
<b>Shareholders' equity</b>			
Contributed equity		1,962	1,962
Share buyback reserve		(915)	(915)
Share based payment reserve		14,981	13,322
Foreign currency translation reserve		(84)	392
Retained earnings		79,247	66,922
<b>Total shareholders' equity</b>		<b>95,191</b>	<b>81,683</b>

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 2021**

	Issued Capital \$'000	Share Buyback Reserve \$'000	Share Based Payment Reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Balance at 1 July 2021</b>	1,962	(915)	13,322	392	66,922	81,683
Profit for the period	-	-	-	-	20,676	20,676
Other comprehensive Income	-	-	-	(476)	-	(476)
<b>Total comprehensive Income</b>	1,962	(915)	13,322	(84)	87,598	101,883
<b>Transactions with owners in their capacity as owners</b>						
Share based payment expense	-	-	440	-	-	440
Tax effect of share based payments	-	-	1,219	-	-	1,219
Dividends	-	-	-	-	(8,351)	(8,351)
<b>Balance at 31 December 2021</b>	1,962	(915)	14,981	(84)	79,247	95,191

	Issued Capital \$'000	Share Buyback Reserve \$'000	Share Based Payment Reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Balance at 1 July 2020</b>	1,962	(915)	10,175	(659)	49,620	60,183
Profit for the period	-	-	-	-	13,541	13,541
Other comprehensive Income	-	-	-	1,379	-	1,379
<b>Total comprehensive Income</b>	1,962	(915)	10,175	720	63,161	75,103
<b>Transactions with owners in their capacity as owners</b>						
Share based payment expense	-	-	338	-	-	338
Tax effect of share based payments	-	-	1,600	-	-	1,600
Dividends	-	-	-	-	(6,253)	(6,253)
<b>Balance at 31 December 2020</b>	1,962	(915)	12,113	720	56,908	70,788

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 2021

	Notes	Consolidated	
		31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		43,075	27,992
Payments made to suppliers and employees		(11,380)	(6,864)
Income tax paid		(4,604)	(4,141)
Interest paid		(58)	(53)
<b>Net cash flows from operating activities</b>		<b>27,033</b>	<b>16,934</b>
<b>Cash flows used in investing activities</b>			
Payments for capitalised development costs	8	(4,286)	(3,534)
Payments for property, plant and equipment		(133)	(836)
Investments in other financial assets		(1,210)	-
Sale of other financial assets		1,766	-
Interest received		326	100
<b>Net cash flows used in investing activities</b>		<b>(3,537)</b>	<b>(4,270)</b>
<b>Cash flows from financing activities</b>			
Payments of dividends on ordinary shares	5b	(8,351)	(6,253)
Payments for lease liabilities		(244)	(273)
<b>Net cash flows used in financing activities</b>		<b>(8,595)</b>	<b>(6,526)</b>
Net increase in cash and cash equivalents held		14,901	6,138
Net foreign exchange differences		12	1,379
Cash and cash equivalents at the beginning of the period		42,039	43,413
<b>Cash and cash equivalents at the end of the period</b>		<b>56,952</b>	<b>50,930</b>

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 2021

### 1. CORPORATE INFORMATION

The interim consolidated financial statements of the Group for the half-year ended 31 December 2021 were authorised for issue in accordance with a resolution of directors on 16 February 2022.

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 2021 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 2021, together with any public announcements made by the Company during the half-year ended 31 December 2021.

#### (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 2021.

New and/or amended standards that were effective for the Group as of 1 July 2021 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 the judgements, estimates and assumptions applied by the Company as compared to those disclosed in the 30 June 2021 financial report.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### 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

	Australia		Europe		North America		Total Operations	
	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
	2021	2020	2021	2020	2021	2020	2021	2020
Half-year ended	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue from contracts with customers</b>								
Sales to external customers - software	7,030	6,554	3,443	2,467	33,857	22,566	44,330	31,587
Inter-segment sales	24,677	22,466	9,356	6,371	-	-	34,033	28,837
<b>Total segment revenue</b>	<b>31,707</b>	<b>29,020</b>	<b>12,799</b>	<b>8,838</b>	<b>33,857</b>	<b>22,566</b>	<b>78,363</b>	<b>60,424</b>
Inter-segment elimination							(34,033)	(28,837)
<b>Total consolidated revenue</b>							<b>44,330</b>	<b>31,587</b>
<b>Results</b>								
Segment Result	26,747	15,164	1,415	2,344	890	594	29,052	18,102
Interest Revenue							326	100
<b>Non segment expenses</b>								
Income tax expense							(8,702)	(4,661)
<b>Profit for the period</b>							<b>20,676</b>	<b>13,541</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### 3. SEGMENT INFORMATION (CONTINUED)

#### Product information

	Consolidated	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Revenue from external customers</b>		
Radiology Information Systems (RIS)	6,521	6,073
Picture Archiving Communications Systems (Visage 7/PACS)	37,667	25,358
Other income	142	156
	<b>44,330</b>	<b>31,587</b>

### 4. EXPENSES

	Consolidated	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>(a) Net foreign currency gains / (losses)</b>		
Currency gains	3,514	3,175
Currency (loss)	(2,800)	(4,258)
Fair value (loss)/gain on financial instruments – forward exchange contracts	(138)	526
	<b>576</b>	<b>(557)</b>
<b>(b) Depreciation and amortisation</b>		
Property improvements	1	1
Motor vehicles	3	3
Office equipment	131	125
Furniture and fittings	1	1
Right-of-use lease assets	267	284
Amortisation on capitalised development costs	3,162	3,263
Total depreciation and amortisation expenses	<b>3,565</b>	<b>3,677</b>
<b>(c) Employee benefits expense</b>		
Gross wages and salaries	10,047	8,567
Capitalised wages and salaries (i)	(3,383)	(2,771)
Long service leave provision	37	42
Share-based payments expense (ii)	440	338
Defined contribution plan expense	768	646
Total salaries and employee benefits expenses	<b>7,909</b>	<b>6,822</b>

- i. The Group incurred total wages and salaries of \$10,047,000 (2020: \$8,567,000) of which \$3,383,000 (2020: \$2,771,000) were capitalised as development costs within intangible assets.
- ii. 50,591 performance rights were granted on 9 September 2021 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 2021. The preliminary fair value of the performance rights at grant date was \$1,915,523 (\$8.03 per TSR right, \$57.75 per EPS right). The amount of share-based payment expense for the half-year ended 31 December 2021 takes into consideration the probability of EPS performance conditions being achieved.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**5. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	31 Dec 2020
	<b>\$'000</b>	\$'000
<i>Declared and paid during the period:</i>		
Final franked dividend for 2021: 8.0 cents (2020: 6.0 cents franked)	<b>8,351</b>	6,239
 <i>Declared subsequent to the end of the year (not recognised as a liability as at 31 December):</i>		
Interim franked dividend for 2022: 10.0 cents (2021: 6.0 cents franked)	<b>10,439</b>	7,295

**6. EVENTS AFTER THE BALANCE SHEET DATE**

On 16 February 2022, the directors of Pro Medicus Limited declared a fully franked interim dividend of 10.0 cents per share amounting to \$10,439,000. These dividends have not been provided for in the 31 December 2021 interim financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**7. TRADE AND OTHER RECEIVABLES**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Trade receivables	<b>23,545</b>	22,567
Less: Allowance for expected credit losses	<b>(405)</b>	-
	<b>23,140</b>	22,567
Other receivables	<b>190</b>	274
	<b>23,330</b>	22,841

**8. INTANGIBLE ASSETS**

	<b>Development Costs \$'000</b>
<b>Half-year ended 31 December 2021</b>	
At 1 July 2021, net of accumulated amortisation and impairment	<b>20,009</b>
Additions - internal development	<b>4,286</b>
Amortisation charge for the period	<b>(3,162)</b>
At 31 December 2021, net of accumulated amortisation and impairment	<b>21,133</b>
<b>At 31 December 2021</b>	
Cost	<b>66,240</b>
Accumulated amortisation and impairment	<b>(45,107)</b>
Net carrying amount	<b>21,133</b>
<b>Year ended 30 June 2021</b>	
At 1 July 2020, net of accumulated amortisation and impairment	18,839
Additions - internal development, six months to 31 December 2020	3,534
Amortisation charge - six months to 31 December 2020	<b>(3,263)</b>
At 31 December 2020, net of accumulated amortisation and impairment	19,110
Additions - internal development, six months to 30 June 2021	4,032
Amortisation charge - six months to 30 June 2021	<b>(3,133)</b>
At 30 June 2021, net of accumulated amortisation and impairment	<b>20,009</b>
<b>At 30 June 2021</b>	
Cost	61,954
Accumulated amortisation and impairment	<b>(41,945)</b>
Net carrying amount	<b>20,009</b>

In accordance with the Group's accounting policies and process, the Group evaluated each cash generating unit ('CGU') at 31 December 2021, 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 2021.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**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:

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	31 Dec 2020
	<b>\$'000</b>	\$'000
Current income tax expense	<b>(8,800)</b>	(5,707)
Prior year adjustment	<b>(1)</b>	438
Origination and reversal of deferred taxes	<b>99</b>	608
<b>Income tax expense</b>	<b>(8,702)</b>	(4,661)
Income tax recognised in other comprehensive income	-	-
<b>Total income tax expense</b>	<b>(8,702)</b>	(4,661)

	<b>Interim Consolidated Statement of Financial Position</b>		<b>Interim Consolidated Statement of Comprehensive Income</b>		<b>Direct to Equity</b>	
	<b>31 Dec 2021</b>	30 Jun 2021	<b>31 Dec 2021</b>	31 Dec 2020	<b>31 Dec 2021</b>	31 Dec 2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Deferred tax liabilities</b>						
Foreign currency exchange gain	<b>(180)</b>	(7)	<b>(173)</b>	167	-	-
Intangible assets	<b>(6,340)</b>	(6,003)	<b>(337)</b>	(81)	-	-
Prepayments	<b>(4)</b>	-	<b>(4)</b>	(2)	-	-
Contract costs	<b>(422)</b>	(419)	<b>(3)</b>	(64)	-	-
Right-of-use lease asset	<b>(649)</b>	(717)	<b>(68)</b>	(114)	-	-
Depreciation expenses	<b>(16)</b>	(16)	-	3	-	-
	<b>(7,611)</b>	(7,162)	<b>(449)</b>	(91)	-	-
<b>Deferred tax assets</b>						
Employment entitlements	<b>790</b>	818	<b>(28)</b>	210	-	-
Intellectual property expenses	<b>224</b>	234	<b>(10)</b>	(9)	-	-
Audit fee accrual	<b>47</b>	23	<b>24</b>	17	-	-
Deferred revenue	<b>6,221</b>	6,029	<b>192</b>	279	-	-
Lease liabilities	<b>683</b>	745	<b>(62)</b>	120	-	-
Employee share trust - unvested share based payments	<b>3,661</b>	5,742	<b>138</b>	(103)	<b>(2,219)</b>	(165)
Allowance for expected credit losses	<b>98</b>	-	<b>98</b>	-	-	-
Other	<b>7</b>	9	<b>(2)</b>	3	-	-
	<b>11,731</b>	13,600	<b>350</b>	517	<b>(2,219)</b>	(165)
Deferred tax movement			<b>(99)</b>	426	<b>(2,219)</b>	(165)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**10. TRADE AND OTHER PAYABLES**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Trade payables	<b>988</b>	872
Other payables and accruals	<b>3,401</b>	2,853
	<b>4,389</b>	3,725

**11. DEFERRED REVENUE**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Deferred revenue from contracts with customers	<b>8,061</b>	8,886
	<b>8,061</b>	8,886
<b>Non-current</b>		
Deferred revenue from contracts with customers	<b>17,380</b>	17,011
	<b>17,380</b>	17,011

**12. OTHER FINANCIAL ASSETS**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Listed debt instruments	<b>5,366</b>	5,944
Unlisted debt instruments	<b>3,735</b>	3,745
Unlisted investment in managed funds	<b>10,120</b>	10,088
	<b>19,221</b>	19,777

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 market rates at the end of the period for instruments with similar terms and conditions.

## 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 2021 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  
16 February 2022





**Building a better  
working world**

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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 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half-year ended on that date; and
- b. 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 2021 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*.



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.

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive script.

Ernst & Young

A handwritten signature in black ink that reads 'Tony Morse' in a cursive script.

Tony Morse  
Partner

Melbourne  
16 February 2022