2024 PROMEDICUS ANNUAL REPORT

promedicus

ABOUT THIS REPORT

COMMITMENT TO INTEGRATED REPORTING

In this year's Annual Report, we reaffirm our commitment to integrated reporting, reflecting our dedication to transparency, accountability, and long-term value creation for all stakeholders. By adhering to the International Integrated Reporting Framework (IIRF), we strive to provide a comprehensive and cohesive account of our financial and non-financial performance, demonstrating how our strategy, governance, and prospects contribute to sustainable value creation. This approach underscores our commitment to continuous improvement and our determination to communicate our business's true impact and potential effectively

SCOPE AND CONTENT

This report covers Pro Medicus' operations with information referring to the year ended 30 June 2024 unless otherwise stated. It includes the key disclosures required under Australian legislation and provides a holistic overview of our business.

The boundary for reporting captures Pro Medicus' international operations in Berlin, San Diego and its headquarters in Melbourne.

Our Directors' Report has been prepared in accordance with the Corporations Act 2001 and is integrated throughout the annual report consisting of:

- Corporate Structure (Page 11).
- Nature of Operations and Principal Activities; Pro Medicus at a glance (Page 11).
- Our strategic goals (Page 15).
- How we create value (Page 15).
- Review and results of operations (Page 13 and 18).
- Review of financial condition (Page 19).
- Risk management (Page 16-17).
- Remuneration Report (Page 30-38).
- Corporate Governance (Page 40).
- Outlook (Page 28) and
- Other (Page 27).

Our Financial Statements from page 42 have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards (AAS). Compliance with AAS ensures compliance with the International Financial Reporting Standards (IFRS). Detailed information on the basis of preparation of our Financial Statements is available on page 46.

THE INTEGRITY OF OUR REPORTING

Pro Medicus has an Audit and Risk Management Committee in place tasked with the responsibility of managing the process of verifying the integrity of any periodic corporate report released to the market that has not been audited or reviewed by the Company's external auditor, EY.

The process involves receiving confirmation from either the respective business units or management as to the completeness and accuracy of the information contained within the report and subsequent approval by Senior Executives, the CEO and the Pro Medicus Board as deemed necessary before external release.

EY has conducted an independent audit of the Financial Statements and Remuneration Report. A copy of EY's audit report is contained in this annual report on pages 75-78.

MATERIALITY

This report provides information on matters that we believe could substantively affect value creation at Pro Medicus. The Board has collectively identified and prioritised the material issues for inclusion in this report.

In this report, we present the identified material information through a structured narrative. We review who we are and how we create value through our governance practices and business model (pages 11-38). We report those matters significantly impacting value (page 15) and outline our strategy, performance, and outlook to ensure long-term value creation (page 28).

The Board will continue to engage with key stakeholders and consult with them on matters that interest and impact them and add to our Annual Report when necessary. We will also continue to capture their views during our regular business engagements with them.

OUR REPORTING SUITE

REPORT	KEY INFORMATION
Annual Report (including Directors report)	Our Annual Report is a succinct report prepared with reference to the principles of integrated reporting, setting out how Pro Medicus creates sustainable value. It sets out our governance and business model, strategy, operating context, and operational performance and prospects. While the Report is targeted primarily at current and prospective investors, and other providers of financial capital, it will be of interest to other stakeholders. It includes a detailed analysis of our financial results and our audited financial statements, prepared in accordance with AAS and the Corporations Act 2001.
Corporate Governance Statement	Our Corporate Governance Statement provides information about Pro Medicus' governance framework and application of the 4th Edition of the ASX Corporate Governance Principles & Recommendations. https://www.promed.com.au/wp-content/uploads/2024/08/PME-Corporate-Governance-Statement-2024-Final.pdf
Investor Presentation	Our Investor Presentation summarises our operational performance and prospects, targeted primarily at institutional investors. It includes a summary of our financial results and outlook. https://www.promed.com.au/wp-content/uploads/2024/08/PME-Investor-Presentation-FY2024-Final.pdf

These are all available at **Promed.com.au**

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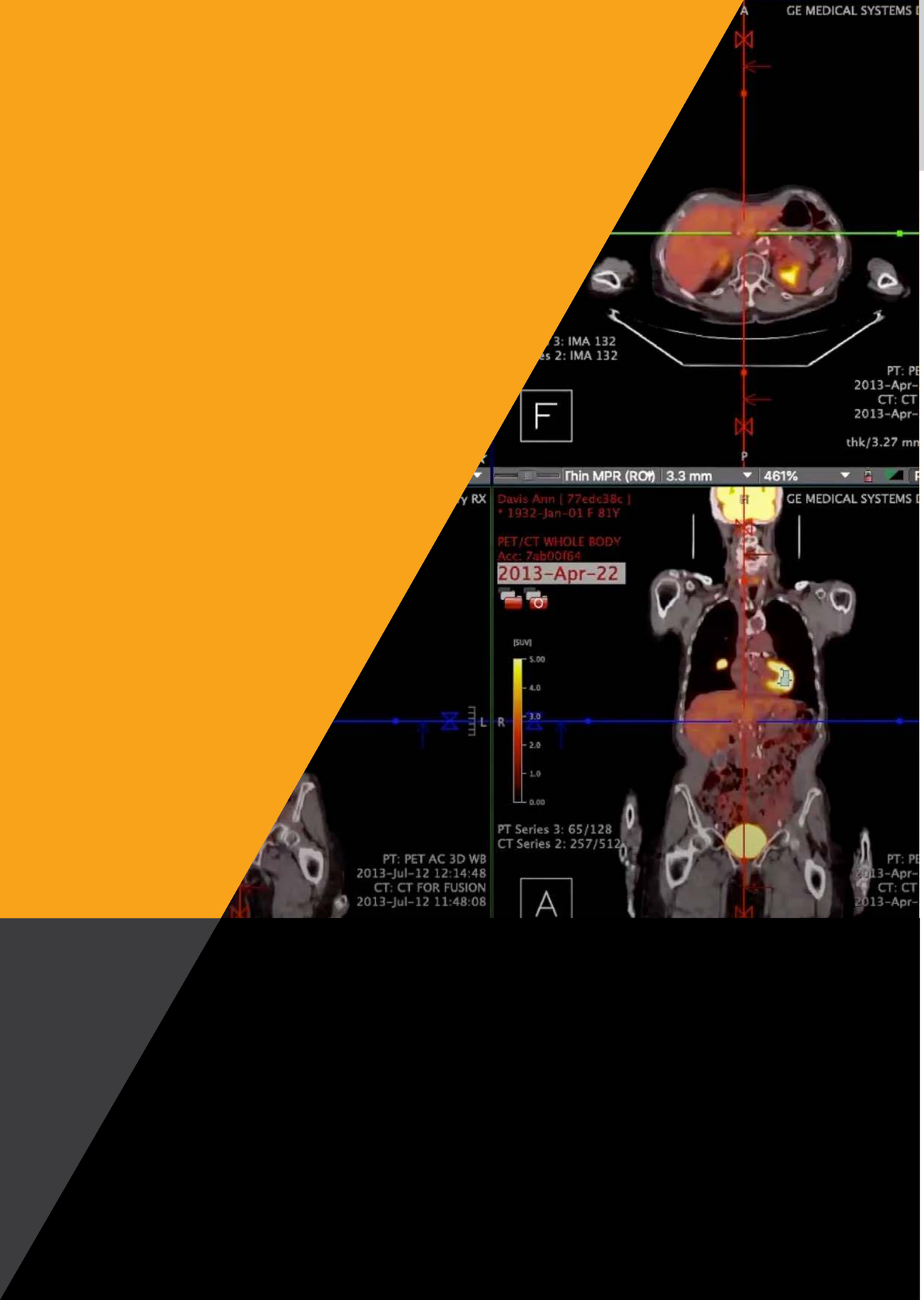


WHY WE EXIST

OUR VISION

To be the leading provider of best-in-class enterprise medical imaging software.

OUR MISSION

To provide the best value enterprise Healthcare Imaging Software solutions “moving the needle” on clinical outcomes and return on investment.

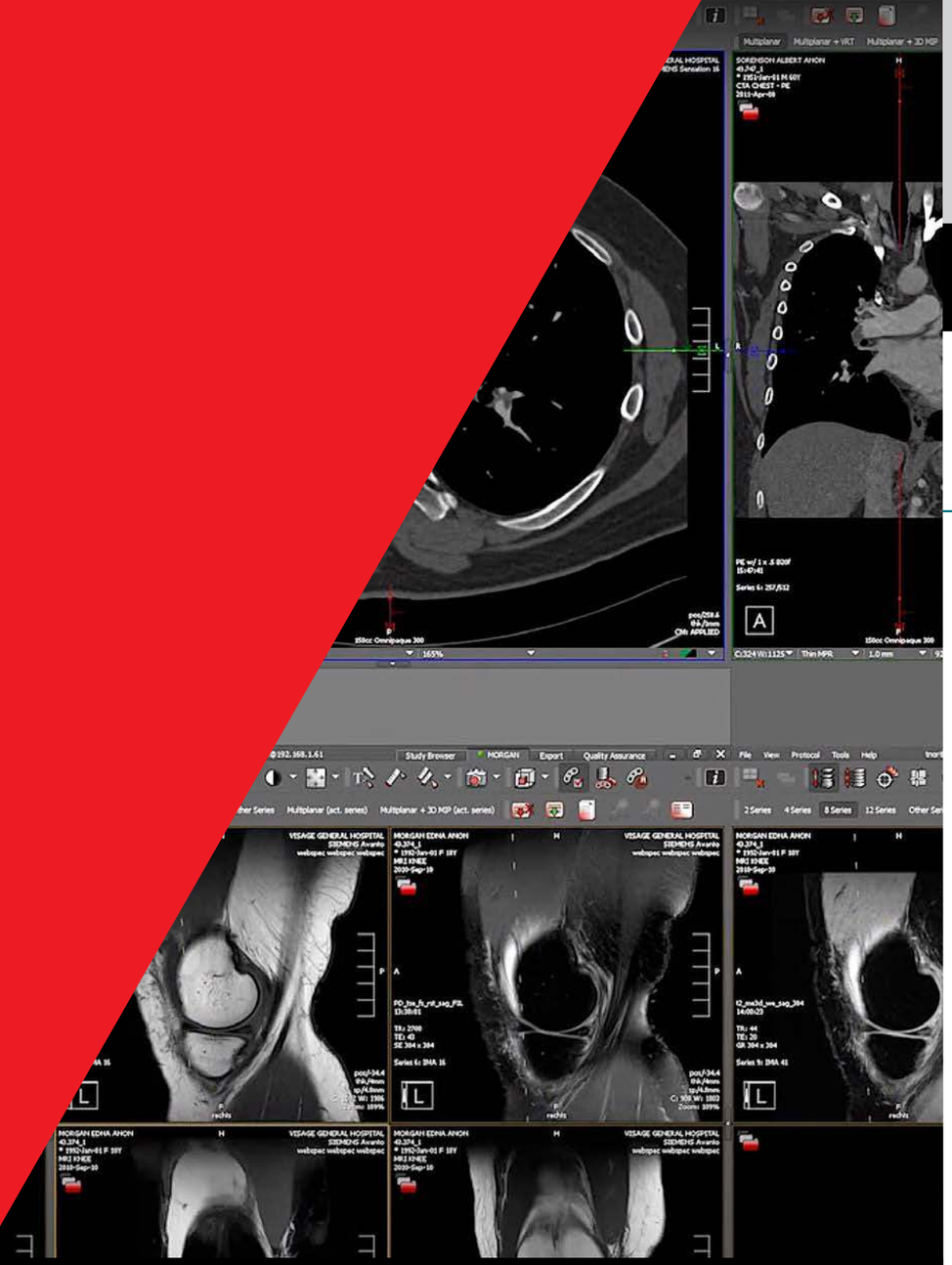
OUR VALUES

SERVICE AND PRODUCT EXCELLENCE

- We are committed to providing well-supported, stable products and services to our customers enabling them to improve workflow and diagnoses, ultimately providing more efficient patient care.
- We are committed to continuous improvement of our systems, product and services.

INTEGRITY AND TRUST

- We do the right thing for our people, customers and patients
- We do what we say we will do
- We maintain confidentiality
- We commit to a culture that is inclusive, respectful, honest and transparent in all that we do



HIGHLIGHTS FOR THE YEAR

Our Finances

- Reported profit after tax for the period was $82.8m an increase of 36.5% from the previous year.
- Underlying profit before tax (PBT) was $112.2m – up 33.8% (refer to financial outcomes Page 18 for explanation of Underlying PBT and reason for inclusion).
- Cash, bank term deposits and other current financial assets of $155.4m – up 27.9%
- Full-year revenue of the Group increased from $124.9m to $161.5m, an increase of 29.3%.
- Transaction revenue increased year on year (YoY)
- Full contracted revenue increase to $624m over the next 5 years
- Net cash inflows from operating activities for the current period were $82.0m.
- Declared dividends of 40c per share fully-franked – up 33.3%
- Company remains debt-free
- Pipeline remains strong in terms of quantity and quality of opportunities

Our Customers and key Relationships

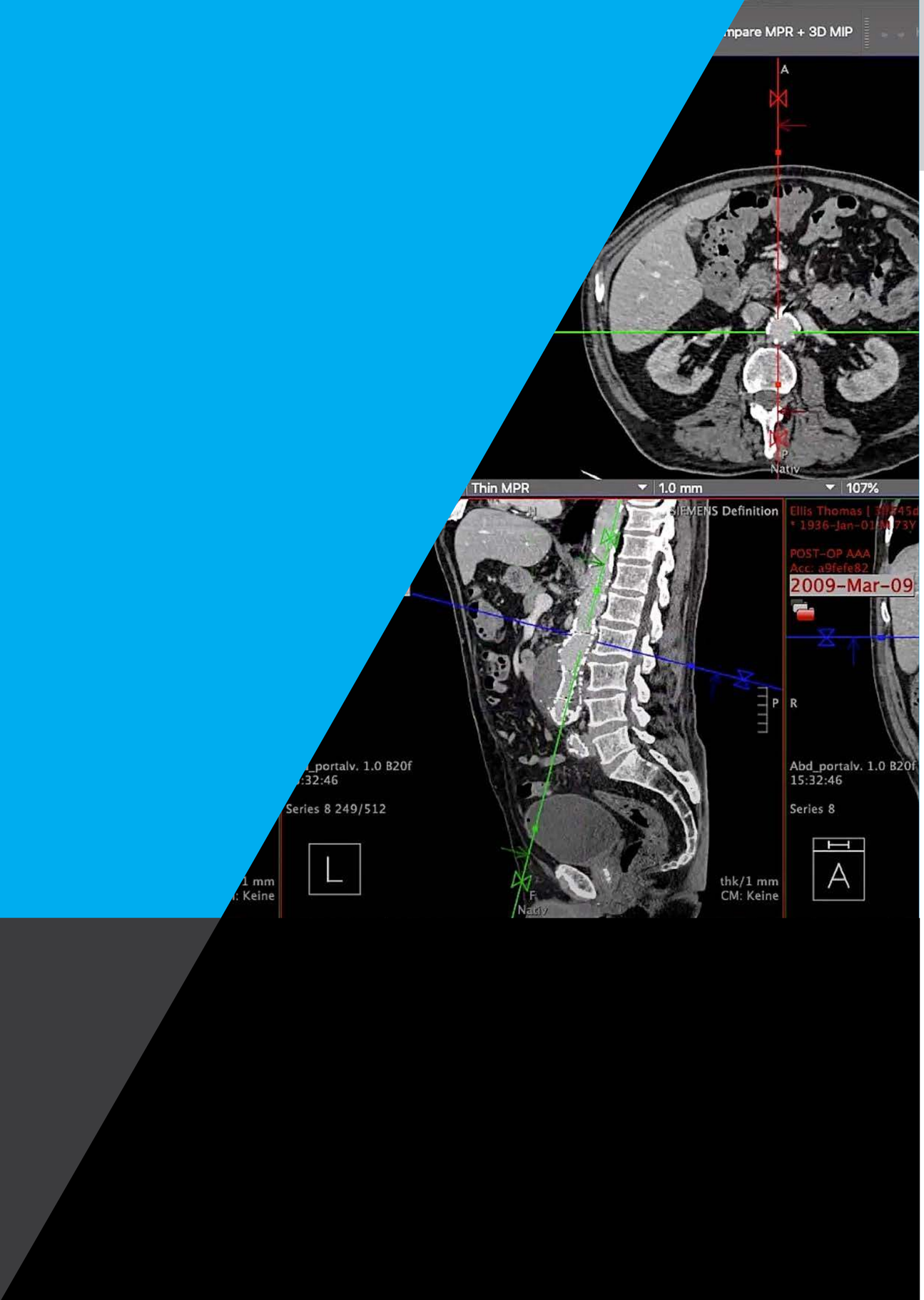
- Won nine key contracts in North America.
- Continued growth of clients opting for "full-stack" – all three Visage 7 products: Viewer, Open Archive and Workflow.
- Eleven of the best "top-20" Hospitals in the US are our customers. (http://health.usnews.com/best-hospitals) standardised on Visage-7.
- Successful Go Live at the #2 ranked hospital for cancer in the U.S, Memorial Sloan Kettering.
- Received notable recognition for excelling in helping healthcare professionals improve patient care.
- Diverse customer base across all healthcare market segments (leading Academics large Integrated Delivery Network (IDN's), regional hospitals and imaging centres.
- The ability for Visage-7 technology to work seamlessly and efficiently over the public internet enables radiologists to seamlessly read remotely.
- By implementing Visage 7 CloudPACS™, customers eliminate the complexity and cost of maintaining on-premise hardware; bolster security and deliver ultrafast performance and unlimited scale.

Our Team

- Employee turnover percentage has decreased from 2.9% to 2.7%.
- Stable management structure.
- The percentage of women across the entire organisation increased to 26.7%, while the company saw an increase in the percentage of women in managerial roles from 17.7% to 30.0%.
- Maintained a strong health and safety record and had zero workplace injuries.
- Continued to support a hybrid workplace.
- Strong sense of loyalty, engagement and ownership with many staff holding shares in the Company.

Our Software Implementation Process and R&D Capabilities

- Introduced Visage 7 Cardiology Imaging, Expanding Visage 7's ultrafast capabilities into Cardiology, including Ejection Fraction, Doppler Curve and Doppler Velocity tools. At RSNA 2023, participated in our fourth consecutive Imaging Artificial Intelligence in Practice demonstration (https://www.rsna.org/rsnai/radiology-reimagined-ai)
- Released Visage Ease VP for Apple Vision Pro, with innovative Immersive 3D for Apple's highly touted spatial computing device.
- Further enhancements to Visage 7 CloudPACS™, bolstering Visage's leadership position in cloud.
- Made USD$5M minority investment in Elucid Bioimaging Inc, a company developing in AI for cardiac CT.
- Expanded the Visage 7 ecosystem, releasing Visage 7 RadPath Hub, closing the loop for radiology/pathology results correlation.
- Released enhancements to Visage AI Accelerator, reinforcing AI-Ready for the Visage 7 platform.
- Released new capabilities in Visage RIS, the company's leading Radiology Information System software.
- Highlighted progress with customer Research Collaboration Agreements via demonstration of work-in-progress algorithms at RSNA 2023.



CEO AND CHAIRMAN'S LETTER

DR SAM HUPERT

PETER KEMPEN

Dear Shareholders,

We are delighted to report that the 2024 financial year has been our most successful year to date with the company continuing to deliver strong, profitable growth. Revenue rose by 29.3% to $161.5 million and profit after tax increased by 36.5% to $82.8 million. FY24 was also a record year for sales with the company. The winning of nine contracts in North America, with a combined minimum total contract value of $245 million, has laid the foundation for continued growth in FY25 and beyond. The company continued to extend its position as the leader in Cloud PACS and made significant inroads in the areas of "other ologies" and AI.

Our North American business experienced robust growth throughout the period with (transaction) revenue increasing by 34.4% year on year. We continued to expand our footprint in the region winning nine new contracts across a diverse mix of market segments and size of opportunities, including the AUD $140 million 10-year contract with Baylor Scott and White, the company's largest contract to date.

We now proudly service eleven of the top and best 20 US hospitals (as voted by U.S. News & World Report Best Hospitals 24/25) as well as a rapidly growing number of large and mid-sized IDNs and health systems across North America.

We pride ourselves on our reputation of successfully completing complex, large-scale implementations in less than a third of the time compared to competing solutions. Over the past year, the company completed nine implementations all of which were cloud based. At RSNA 2024, we highlighted customer go-live feedback through our inventive "In their words. Not ours" market campaign, which continues to this day.

More than ever, the ultrafast streaming capabilities of our Visage 7 Enterprise Imaging Platform are enabling our clients to respond and thrive in a rapidly changing and dynamic landscape by improving radiologists work life balance via significantly improved productivity, by seamlessly enabling remote/home reading and orchestrating complex workflows; the net result being reduced burnout, improved radiologist retention and the ability to attract radiologists in an ever-tightening market.

Our research and development efforts continued unabated throughout the year (including collaborations with several of our major clients), and we are realising the benefits from these.

The company continues to benefit from the huge momentum shift towards Cloud, with all contracts won throughout the period being for our Visage 7 | CloudPACS™ solution.

This combined with our highly modular solution, enables us to provide the most flexible and scalable options to our clients as evidenced by the continuing trend of clients who have opted for the "full stack" of all three of our core products, a trend we see continuing. Additionally, we are seeing several of our earlier PACS customers implementing additional offerings, including Visage 7 Workflow and Visage 7 Open Archive, thereby eliminating the need for third-party solutions.

Our Australian division was also a solid contributor with our RIS product continuing to be the undisputed market leader with revenue increasing due to the ongoing rollout of our key contracts as well as winning several smaller contracts from independent radiology practices.

Europe continued to fuel the company's success as the R&D centre for the Visage 7 suite of products. Market opportunities in Europe have been limited this financial year; however, we anticipate this will change over the next few years.

The company has continued its ongoing investments in our products, namely the Visage 7 Enterprise Imaging Platform (Visage 7 Viewer, Visage 7 Open Archive and Visage 7 Workflow), Visage RIS, and the Visage AI Accelerator program. During the period, we also made a USD $5M/ AUD $7.3M strategic investment in Boston-based Elucid Bioimaging Inc, a company specialising in Cardiac CT AI, with the aim of further bolstering our Visage 7 - Cardiology Imaging product offering.

The trends we have previously identified as driving the industry are continuing unabated. Exponentially larger data sets, and transition to Cloud create demands that are uniquely satisfied by Visage 7 with its fast, clinically rich, highly modular and scalable technology. We continue to see increasing interest in the emerging field of artificial intelligence (AI) for medical imaging analysis, technology that shows promise to improve clinical outcomes. We believe we are uniquely positioned to take advantage of this trend via our Visage-7 AI Accelerator which provides a unique end-to end, AI ready platform and path to market.

In October 2022 the Board met with the global management team to map out the company's strategic plan for the next three financial years. The company is on-track to achieving the agreed goals, which if ultimately successful, will see the company continue its strong, profitable growth trajectory.

We finish the year financially stronger than ever before with cash reserves, bank term deposits and other current financial assets totalling $155.4 million, up 27.9%, supporting a final dividend of 22c fully franked (year total of 40c per share). The company remains debt-free and has sufficient reserves to fund organic growth and invest strongly in its future.

Key to this successful year are the management team and our staff, who have worked tirelessly and continue to innovate and differentiate, keeping our customer needs in the forefront of their minds. We thank the global management team, the staff at all levels and our fellow directors for their efforts throughout the year and look forward to the company's continuing growth

Yours faithfully

Peter T Kempen AM
Chairman

Dr Sam Hupert
Chief Executive Officer

GLOBAL LEADERSHIP TEAM

The 2024 financial year has been the most successful in the company's history confirming the board's belief that the global management structure has served the company well and continues to position us to cater for anticipated future growth.

MALTE WESTERHOFF

General Manager – Europe and Global Chief Technology Officer

Malte Westerhoff is the General Manager for Visage Imaging GmbH, the European branch of Visage Imaging. He is also the Group's Chief Technical Officer (CTO) and is responsible for product management and R&D globally. He has more than fifteen years of experience in medical imaging and software development, holding positions in both research and industry. Malte holds a master's degree in physics from Technical University, Berlin, and a Ph.D. in computer science and mathematics from Free University, Berlin.

Malte was one of the founders of Indeed - Visual Concepts GmbH the precursor to Visage Imaging and is an author/co-author of several papers in scientific visualization and high-performance computing. In the role as CTO, he is involved in developing and overseeing the company's growing intellectual property patent portfolio. Before joining Pro Medicus, he served in senior technical leadership positions at Mercury Computer Systems and Indeed - Visual Concepts.

BRAD LEVIN

General Manager – North America and Global Head of Marketing

Brad Levin's broad experience has spanned a variety of leadership roles, including government, consulting, and marketing. While in government, Brad worked as a PACS subject matter expert for the U.S. Department of Defence's Digital Imaging Network–Picture Archiving and Communications System (DIN-PACS) initiative, as well as consulting for top healthcare institutions across the U.S.

After leaving his consulting role, Brad went on to spearhead marketing for two web based PACS start-ups, first AMICAS, and then Dynamic Imaging. Both firms experienced rapid commercial growth leading to acquisition, by Vitalworks and GE Healthcare, respectively. In his most recent role, Brad was GE Healthcare's Commercial Marketing Director, where he had radiology and cardiology marketing responsibility for their RIS, PACS and CVIT product portfolios.

SEAN LAMBRIGHT

Global Head of Sales

Sean Lambright is the Global Head of Sales for Visage Imaging as well as VP Sales, North America. He is responsible for the company's global sales strategy, including all third-party and channel relationships. Sean joined Visage in 2010 and has been instrumental in positioning Visage as a complete enterprise imaging solution capable of dealing with some of the largest and most prestigious health systems in North America. Prior to Visage, his career in imaging IT has spanned 18 years, having served in senior sales roles with AGFA Healthcare, AMICAS and Emageon.

Sean holds a Bachelor of Science degree from Arizona State University.

SHARNI REDENBACH

People and Culture Director

Sharni Redenbach joined Pro Medicus in July 2022 in the newly created role of People and Culture Director, where she has responsibility for all strategic and operational aspects of the People and Culture function. With over 20 years' experience, Sharni has led People and Culture functions and teams in global ASX and NASDAQ listed companies across financial services and technology, including the Link Group, Fiserv and, most recently, Equity Trustees.

Sharni holds a Bachelor of Applied Science, co-majoring in Psychology and Psychophysiology, from Swinburne University of Technology and postgraduate qualifications in both psychology and human resources management.

DANNY TAUBER

General Manager – Australia

Danny Tauber joined Pro Medicus in 1993 after a diverse career in accounting, property development and IT. Assuming the role of General Manager – Australia in 2011 he is recognised as an industry expert and leads our Australian operation, which includes software development, application support and professional services.

TERESA GSCHWIND

Global Head of Customer Service

Teresa Gschwind is the Global Head of Customer Service for Visage Imaging, where she is responsible for pre- and post-sales customer service activities worldwide. Prior to this role, Teresa managed the Company's U.S. Customer Service team based in Massachusetts, and then the European Customer Service team based in Berlin, Germany. Teresa has extensive experience working with Visage's global customer base, having joined the company in 2002 when Visage was part of Mercury Computer Systems. Prior to Visage, Teresa held numerous management positions at Datacube, Inc, where she specialized in image processing.

Teresa holds a Bachelor of Science degree in Electrical Engineering from the University of New Hampshire.

CLAYTON HATCH

Chief Financial Officer

Clayton Hatch is the Chief Financial Officer for Pro Medicus Limited, where he is responsible for the financial and strategic analysis of the company. Prior to this role, Clayton was Finance Manager and Company Secretary of the Company. Clayton has strong experience in financial and management accounting having worked in a Finance role for several years prior to joining Pro Medicus. Clayton joined Pro Medicus in June 2008 and has progressed through the Company to his current position of Chief Financial Officer which he assumed on 1 July 2012.

Clayton holds a Bachelor of Commerce degree from Curtin University, is a Certified Practising Accountant (CPA) and a graduate from Monash University's Global Executive Master of Business Administration (GEMBA).

ABOUT PRO MEDICUS

WHO WE ARE

Pro Medicus is a leading healthcare informatics company, providing a full range of medical imaging software and services to hospitals, imaging centres and health care groups in Australia, Europe and North America.

Corporate structure

Pro Medicus is an Australian incorporated and domiciled company, listed on the ASX with subsidiaries in Europe and North America (collectively the Group).

Nature of Operations and Principal Activities

The principal activities of Pro Medicus during the year were the development and supply of healthcare imaging software, Radiology Information System (RIS) software and services to hospitals, diagnostic imaging groups and other related health entities in Australia, North America and Europe.

Pro Medicus at a Glance

Our key business activities consist of the following:

- **Research & Development -** Software enhancements, updates, innovation, program extensions, AI, research.
- **Sales and customer engagement -** Sales/marketing/ customer relationship development and nurturing.
- **Product implementation -** System implementation and continual updates (as available).
- **Product support and training -** Customer support and ongoing training.
- **Support services –** Billing, risk management, governance, HR, management.

Our key products and services include:

- **Visage RIS Visage 7 Enterprise Imaging Platform ("Visage 7") –** Healthcare Imaging software that provides radiologists, physicians and clinicians with the modern foundation of a fast, clinically rich, and highly scalable platform, providing immediate access and advanced visualisation capability for rapidly viewing 2-D, 3-D and 4-D medical images, Picture Archive and Communication System (PACS)/Digital Imaging software that is sold directly and to original equipment manufacturers (OEM), training, installation and professional services and support products.
- **Visage RIS –** Proprietary medical software for practice management, training, installation and professional services, after-sale support and service products, Promedicus.net secure email and Integration products.

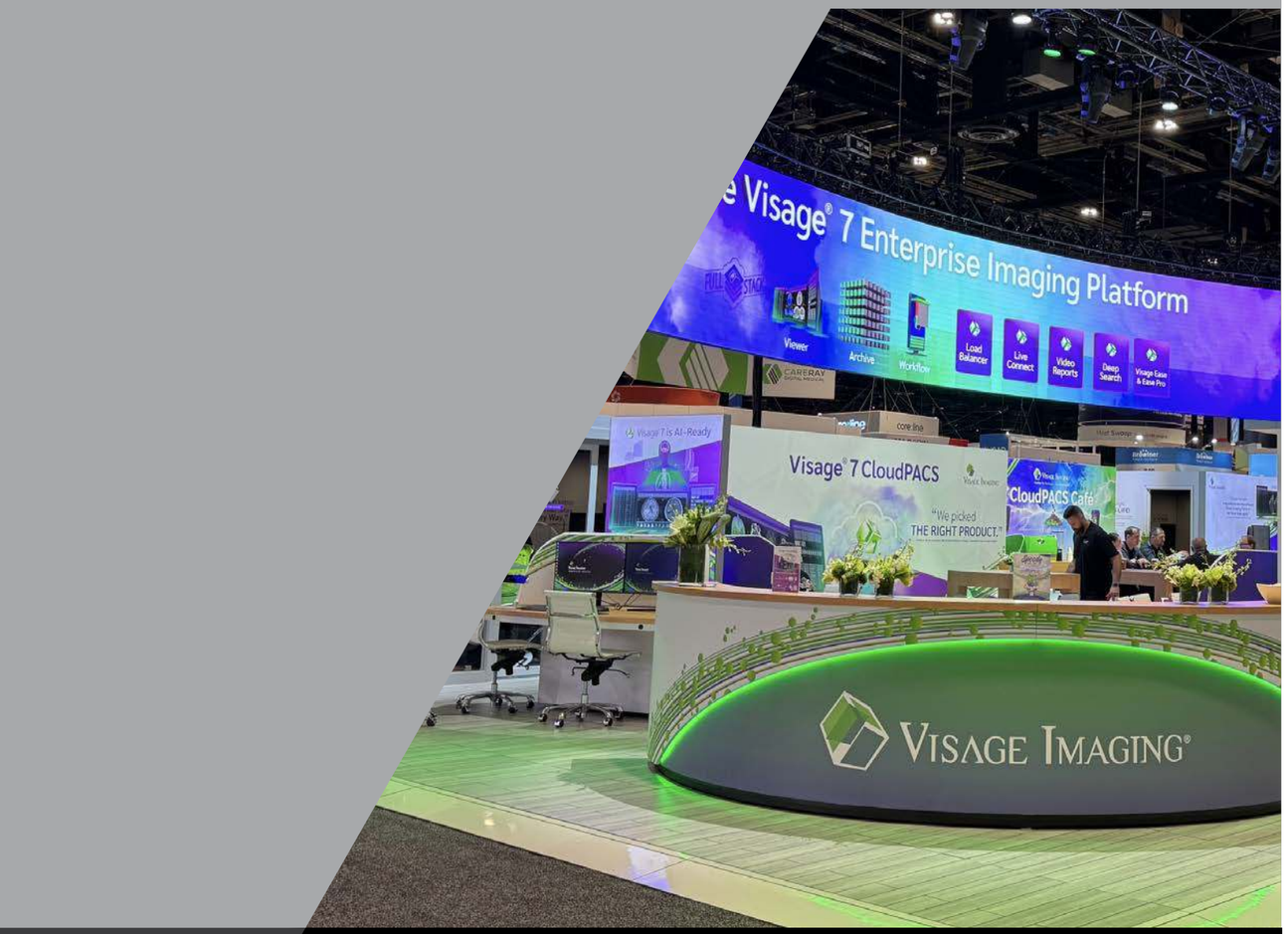
Pro Medicus has continued development of both the Visage 7 and Visage RIS product lines throughout the period. Pro Medicus undertakes research and development (R&D) in Australia for its Practice Management (RIS) and promedicus.net products including R&D for Visage RIS.

The R&D for Visage 7 is performed in Europe, with an R&D centre in New York to support and collaborate on customer research initiatives. Further information on our products can be found at **at http://www.promed.com.au/visage-ris/** and **https://visageimaging.com/platform/**

OUR COMPETITIVE ADVANTAGE

To understand how we create value for stakeholders, we have reviewed our market position and competitive advantages and listed them below.

- Our software is renowned for being the market leader when it comes to speed, functionality and scalability.
- Visage-7's ability to stream images (rather than compress and send) makes accessing images significantly faster for clinicians than competitor software.
- The company's Visage-7 viewer offers a single integrated desktop system that performs the functions previously achieved by multiple independent systems including 3D, 4D and advanced visualisation functions.
- The Visage 7 software suite offers unparalleled scalability having a much smaller hardware footprint as compared to our competitors and is therefore very energy efficient.
- The company possesses "best in breed", highly modular components that allow it to address opportunities in mixed vendor environments as well as offer a single vendor, Visage based solution.
- Visage-Ease the Visage 7 Mobile App provides clinicians with the ability to review images on demand anywhere on any device, leading to better outcomes for patients.
- Visage-7 streaming architecture is based on the same GPU processors used for running AI algorithms ensuring the Visage 7 architecture is intrinsically AI-capable.
- We have a proven rapid implementation capability that minimises the cost and disruption of changing systems delivering the benefits of the system in the shortest possible time frame.
- The Visage 7 platform and the services provided around implementation and ongoing support provide customers with the best financial and clinical Return on Investment (Roi), enabling them to do on the Visage platform what they can't easily do with others.
- The company's cloud native solution, Visage CloudPACS™ enables customers to avail themselves of the scalability and security of public cloud infrastructure – a trend that is gaining significant momentum in the healthcare industry.
- Visage RIS is a comprehensive, enterprise-class and state-of-the-art radiology information system (RIS) which leverages modern, open-source, standard-based technology.



ORGANISATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

DYNAMICS OF THE BUSINESS / GLOBAL OPERATIONS

We outline the result of our global operations below and how it impacts our finance outcomes.

Australia

Australian employees undertake the research and development of Pro Medicus products Visage RIS as well as sales and service/support function.

Our Australian revenue increased by 5.9% compared to the previous year, with the main contributors being transaction volumes from the Healius contract and additional licence revenue from private radiology groups

Promedicus.net, the Company's e-health offering, held its market position.

North America

The North American team fulfil sales, marketing and professional services roles relating to the Visage-7 series of Enterprise Imaging products.

The company has an established R&D centre in New York to support and collaborate with customer research initiatives.

Revenue from North America increased by 34.4% compared to the previous year. This was largely attributable to increases in transaction-based revenue from existing customers and sales of Visage technology as more contracts came on stream.

Europe

The Group's employees in the Berlin office undertake research and development of Visage Imaging products worldwide as well as sales, marketing and service/support functions for the Group's European operations.

Revenue for software from our European operations decreased by 6.7% compared to the previous year. The previous year had an extension of the Charite hospital contract which was not replicated in this year.

EXTERNAL ENVIRONMENT

The following external factors positively affect our ability to create value.

SIGNIFICANT INCREASE OF IMAGE DATA AND SIZE.

Image files sizes have increased from 2-3 GB to 6-10 GB per file. Visage-7 technology, which efficiently streams data to the customer, provides a significant advantage over competitors relying on traditional "compress and send" technology.

ADOPTION OF ELECTRONIC MEDICAL RECORDS (EMR)

The Electronic Medical Records (EMR) Mandate in the US requires healthcare providers to convert all medical records to a digital format. Images are a significant component of the medical record and adoption of EMR systems triggers the need to acquire technology to store and display them, creating a market demand for Visage technology.

TRANSACTION BASED LICENSING

The industry is moving to a "pay per view" model. Converting an up-front capital cost into an operational usage fee makes it less expensive for the customer to commence use and provides a stream of income for the lifetime of the relationship. Visage technology is predominantly sold on a "pay per view" operational model.

REMOTE/HOME REPORTING

The COVID 19 pandemic accelerated the need for remote/home reporting. Visage 7 with its unique streaming capability allows radiologists to seamlessly report from home without degradation of speed or functionality over a consumer grade internet connection. This provides healthcare institutions maximum flexibility in terms of managing increasing work from home requirements.

PUBLIC CLOUD

There is a growing trend for health enterprises to move away from on-premise solutions in favour of public Cloud offerings. Visage 7 with its cloud native design is ideally suited to support this transition via the company's Visage CloudPACS™ offering. This reduces not only the upfront cost and complexity of provisioning and managing server hardware, but it also provides customers with the added security and scalability offered by public Cloud providers.

ARTIFICIAL INTELLIGENCE

Machine learning in the field of medical imaging and patient diagnosis is an ongoing trend. Visage-7 AI accelerator provides an end-to-end platform for customers to support their AI research efforts and incorporate them into diagnostic imaging workflow.

HOW WE CREATE VALUE

We employ our key inputs (our capitals) to our business model and transform them by our business activities to provide a suite of products and services to our customers. We deliver outcomes creating sustainable enterprise value whilst enhancing the capitals available to the business for use in future years. As part of the integrated reporting journey the Board will determine metrics in addition to existing financial measures (such as Net Profit after Tax (NPAT) and revenue growth) to quantify our performance in delivering outcomes in the coming years.

Some of the key 'outcomes' for stakeholders on value creation are:

- **Customers** – Our products and services reduce the cost of business for our customers, which flows through to their pricing models and profitability.
- **Customers** - Our products and services are highly scalable allowing accessibility to a broad range of customers.
- **Customers** - Our products are developed to minimise the computer hardware and storage requirements of our customers by being cloud deployable.
- **Customers** - Our products support high-availability, fast access to diagnostic imaging wherever required, with no requirement for downtime.
- **Community** – Our customers and their patients - Improved accessibility and fast, high quality image interpretation creates better financial and health outcomes.
- **Employees** – Our staff are loyal and engaged, with low turnover with many senior staff invested in the company.
- **Employees** – Competitively remunerated and incentivised through fixed remuneration, short-term incentives and long-term incentives.
- **Investors** – Our products and services are in demand and attract strong margins, securing good growth in revenue, profit and shareholder returns, thus rewarding our investment in R&D and people.

OUR BUSINESS STRATEGY

We have three overarching strategic business goals which drive our business model and the way we create value.

Goal 1:	Goal 2:	Goal 3:
Best in class Healthcare Imaging & RIS software through continuous innovation	Make a meaningful impact on customer financial and clinical outcomes	Sustained revenue and NPAT margin growth

First and foremost, the Company strives to develop and market software and services for the medical imaging profession that are best in class. The fact that the company's success in many open tenders has been won on the basis of feature, function and performance rather than price supports that we are on track to achieve this goal.

Secondly, to maintain the pricing premium for our software, it is necessary to provide meaningful value to our customers. Financially, this is seen through the efficiencies gained by adopting Visage-7 technology which provides greater throughput of patient images interpreted within an organisation and significantly reduces IT costs. Clinically, the software enhances the diagnostic process acuity due to its ability to display the full spectrum of medical imaging including 2D, 3D, 4D and advanced imaging in the one desktop enabling clinicians to do in seconds what would otherwise take minutes with multiple other systems.

This value to the interpreting radiologist is further augmented through insights derived through the use of image analysis using Artificial Intelligence algorithms.

Finally, we are rewarded for our quality and service by regular and increased custom from a growing and loyal customer base.

RISK MANAGEMENT

KEY RISKS

The Company takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with identified risk and opportunities.

The Company has an Audit and Risk Committee (ARC) which has a guiding role in the development and evolution of the risk management framework. The ARC's primary risk management responsibility is to monitor and review the Company's risk management framework at least annually to assess whether it is sound and is operating in accordance with the nature and extent of the acceptable levels of risk determined by the Board and report to the Board the results of those assessment. We have appointed a specific employee of the company to take responsibility for identifying risk across the organisation in conjunction with the management team and reporting to the CFO.

During the reporting period the Company continued to identify, manage and mitigate key risks by establishing a key risk indicators dashboard to monitor and measure risks on an on-going basis and by updating several key risk policies through the period.

The material strategic, operational and financial risks being managed by the company are outlined below.

FINANCIAL RISKS

Changes in market competition

The threat of new entrants to the market and the impact on revenue base is managed and mitigated through long term contracts, continuous product development, proactive customer engagement to determine needs and requirements and offering additional products to customers to add value.

Alignment of customers, products and services to strategic objectives

The threat of losing key customers due to non-performance, non-compliance with Service Level Agreements (SLAs) or competition is managed and mitigated through regular reporting on key client satisfaction and assisted by automation of performance analysis of customer software.

Quality management

The risk of poor-quality management or lack of policies and procedures are managed and mitigated through internal control measures.

Fraud / inappropriate conduct

The risk of fraud / inappropriate conduct leading to significant loss or reputational damage is managed and mitigated through periodic financial reconciliations. Delegation of Authority policy and periodic cyber security reviews. An external audit is conducted on the Company's financials annually.

STRATEGIC AND OPERATIONAL RISKS

Cyber security

During the reporting period, Pro Medicus appointed a Chief Information and Security Officer to manage and further mitigate the risk of a direct external cyber-attack on PME IT systems or third party (client) systems using PME relationships. The Cyber Risk is managed and mitigated through thorough internal control measures. In the event of a breach to key systems, the Company can either shut down, reinstall or revert to system and source code backups. As at the date of this report, there have been no material cyber security breaches or penetration.

Security of private data

The risk of non-compliance or breach of the regulations of private data has been managed and mitigated through risk assessments and audits. As at the date of this report, there were no known non-compliance or breaches of the regulations of private data noted for the financial year ended 2024.

Succession planning

The potential risk of lack of succession planning for key executives has been identified by the People and Culture Committee as a priority, following a strategic HR review to ensure that we have the right people in the right roles in the Company to continue the growth and success of the company. Our succession planning framework helps us identify and develop talent who can transition into leadership roles when they become vacant to ensure that as leadership changes, the company maintains its productivity and continues to thrive.

Clinical risk

Clinical misdiagnosis risks are managed and mitigated through the FDA (510k) process undertaken in the United States. This process requires demonstration that the software produces clinically equivalent results to other known legally marketed devices.

Technology obsolescence

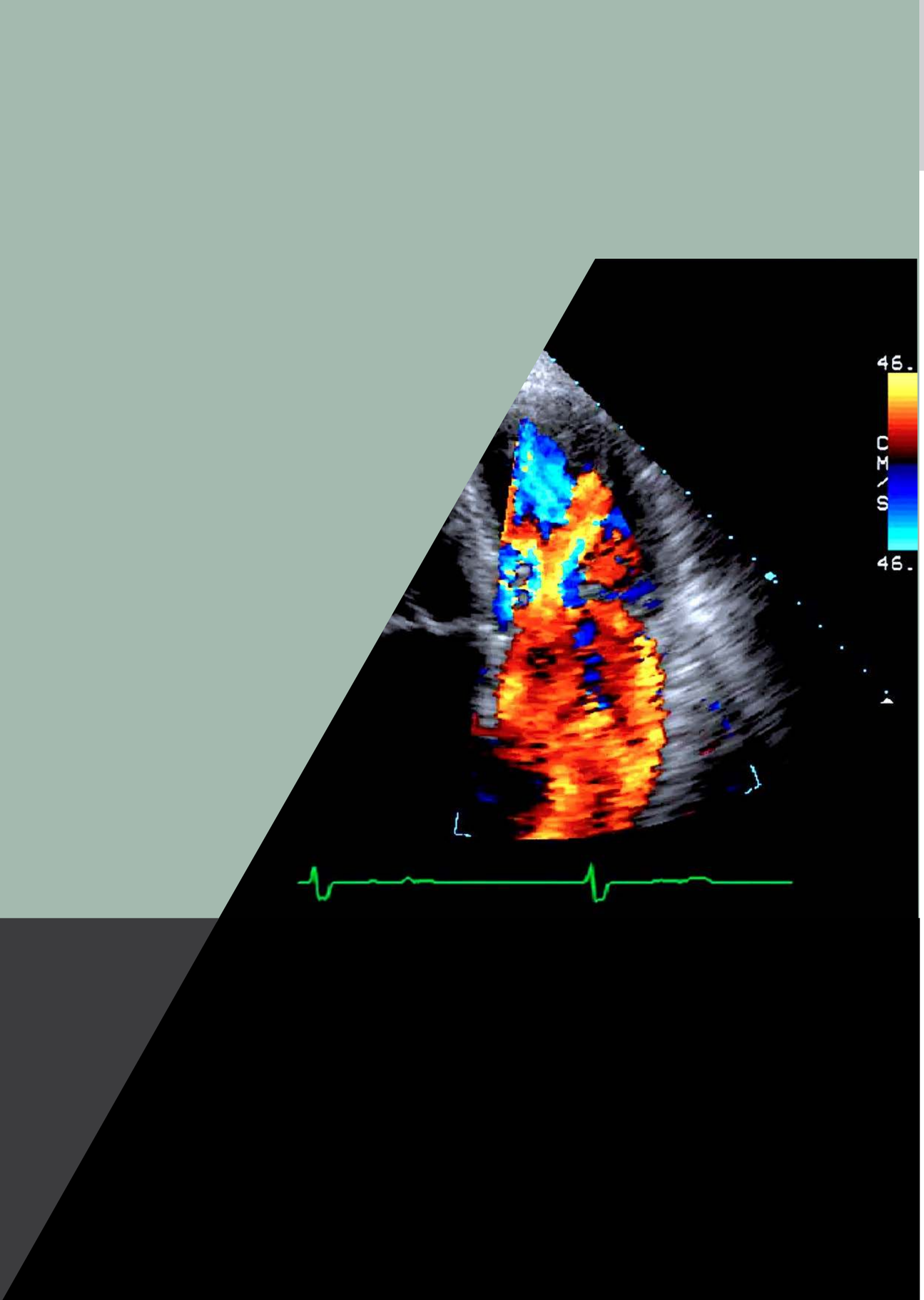
The risk of Pro Medicus technology becoming obsolete and threat of emerging technologies has been managed and mitigated through frequent interaction with customers and leaders across the industry to help identify emerging innovations and disruptions to the market and through our continuous research and development efforts.

IP issues

The risk of transgressing others' IP and the risk of IP being lost due to theft, copying by third parties or a rogue employee has been managed and mitigated through insurance, agreements, the ownership of key patents and active surveillance. Should the likelihood of an inadvertent IP transgression arise, the Company is able to change and update product software to avoid any continuing patent breaches.

Climate change

The Board and management have identified climate change as a key risk to the global community. The Board and management have considered from a governance and risk perspective however, whilst a risk, it would have a lower impact on enterprise value than the top 10 risks outlined above. The Group has no significant identified risks with regard to environmental regulations currently in force. There have been no known breaches by the Group of any regulations.



THE VALUE WE CREATED

FINANCIAL OUTCOMES

FINANCIAL PERFORMANCE

Reported profit after tax for the period was $82.8m, an increase of 36.5% from the previous year.

Full year revenue of the Group increased from $124.9m to $161.50m, an increase of 29.3%. The key drivers of the revenue increase were increases in transaction revenue in North America, as well as increased revenue from RIS sales in Australia.

The underlying pre-tax profit for the year of $112.2m compared to an underlying pre-tax profit of $83.9m from the previous corresponding period, an increase of 33.8%. The underlying profit comprises reported profit before tax of $116.5m, plus the net currency loss of $1.1m and adding back the fair value gain on the movement of other financial assets (net of interest and distributions) of $5.4m. The underlying profit from 2023, comprises reported profit before tax of $86.1m, plus the net currency loss of $0.4m and fair value loss on the movement of other financial assets of $2.64 (net of interest and distributions). Underlying profit 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 changed relative to the Australian Dollar during the year. On a constant currency basis , the revenue would have been $157.8m (up 26.4%) and the underlying profit before tax would have been $109.8m (up 31.2%) for the year ended 30 June 2024.

The Company had another successful year in terms of new sales winning nine key contracts in North America:

Memorial Sloan Kettering Cancer Centre (July 2023) - (A$24.0m – 7-year deal), a not-for-profit National Cancer Institute (NCI) in Manhattan, New York.

Baylor, Scott and White (September 2023) - (A$140.0m – 10-year deal), the largest not-for-profit health care system in Texas, and one of the largest in the United States.

South Shore Health (October 2023) - (A$16.0m – 8-year deal), a not-for-profit health system in Weymouth, Massachusetts.

Oregon Health & Science University (November 2023) - (A$20.0m – 8-year deal), an Academic and not-for-profit health system based in southwest Portland and in the South Waterfront Central District.

Consulting Radiology Limited (January 2024) - (A$9.5m – 5-year deal), a large privately owned radiology group based in Minneapolis.

Nationwide Children's Hospital (April 2024) - (A$11.5m – 7-year deal), a leading paediatric hospital in Columbus, Ohio.

Nicklaus Children's Hospital (April 2024) - (A$6.5m – 5-year deal), a leading paediatric hospital in Miami, Florida.

Moffitt Cancer Centre (May 2024) - (A$9.0m – 8-year deal), a not-for-profit cancer treatment and research centre located in Tampa, Florida.

US Radiology Specialists (May 2024) - (A$8.5m – 5-year deal), a partnership of physician owned radiology practice located in Raleigh, North Carolina.

During the reporting period the Company continued investing in the research and development hub in New York to support collaboration for the development and commercialisation of AI, leveraging the Visage AI Accelerator platform, breast density algorithm (FDA approved) and to further enhance our Visage 7 platform.

The Company also continued to make significant progress with all key implementations being on, or ahead of schedule. This was achieved by a mix of remote and onsite presence.

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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).

[2]Contract values represent the minimum total expected fees to be earned over the life of the relevant agreement.

REVIEW OF FINANCIAL CONDITION

CAPITAL STRUCTURE

The Company has a sound capital structure with a strong financial position and is debt free.

TREASURY POLICY

The treasury function, co-ordinated within Pro Medicus Limited, is limited to maximising return on surplus funds, subject to conservative investment risk exposure, and managing currency risk. The treasury function operates within policies set by the Board, which is responsible for ensuring that management's actions are in line with Board policy.

With the increase in overseas operations there is an increased currency risk as a consequence of contracts written in and cash being held in foreign currencies. Whilst this is offset to a degree by having operations in North America and Europe, this change in risk profile has been noted by the Board and steps have been taken to manage this risk, including taking out forward currency exchange contracts and currency options.

CASH FROM OPERATIONS

Net cash inflows from operating activities for the current period were $82.0m, with receipts from customers totalling $158.5m compared with payments of $37.5m to suppliers and employees. During the year the Company paid out a total of $36.6m in dividends and invested $7.5m in fixed income securities and USD $5m in Series C Preferred shares of Elucid Bioimaging, Inc., the net result being total cash assets of $60.1m and short-term deposits of $63.9m; an increase of 35.8% from last year. During the reporting period the Group continued to make investments in fixed income securities to enhance the return of its available funds.

LIQUIDITY AND FUNDING

The Group is cash flow positive, has adequate cash reserves and has no overdraft facility. Sufficient funds are held to finance operations.

ESG OUTCOMES

The Board has identified three main areas of ESG that we can focus on that will deliver our key stakeholders ESG metrics that interest and impact them.

1. People – our people are our sustainable advantage
2. Climate – goal to become carbon neutral
3. Responsible Artificial Intelligence (AI) – become a thought leader for responsible AI

HUMAN CAPITAL (OUR PEOPLE)

Our people are key to achieving our vision of being "the leading provider of best-in-class enterprise medical imaging software".

We have a highly engaged, enabled and loyal team whose specialised knowledge in healthcare imaging, software development and system implementation, and network of relationships with hospital radiology groups, helps us create value.

We continue to invest in our employees to create a positive work environment, which has numerous benefits for both our staff and the overall success of our business, including high commitment and low turnover, as well as increased productivity and customer satisfaction. Staff are crucial to building a sustainable future and benefits include:

Talent and expertise: Our employees possess unique skills, knowledge, and experience that contribute to the success of our organisation. By nurturing their talents and providing opportunities for growth, we enhance their capabilities and ensure the long-term sustainability of our business.

Innovation and creativity: Engaged and motivated employees are more likely to think creatively and come up with innovative solutions. Encouraging a culture of collaboration and open communication can stimulate fresh ideas and drive sustainable practices.

Employee loyalty and retention: When employees feel valued and supported, they are more likely to remain loyal to the Company. Reducing turnover not only saves recruitment and training costs but also fosters continuity, stability, and institutional knowledge, all of which contribute to sustainability.

Productivity and efficiency: A satisfied workforce tends to be more productive and efficient. By prioritising the well-being of our staff, providing the necessary resources, and fostering a healthy work-life balance, we enhance productivity while reducing stress and burnout, ultimately contributing to the long-term sustainability of the business.

Corporate culture and reputation: Employees are brand ambassadors, and their actions and attitudes reflect on our Company's culture and reputation. A positive work environment that emphasises sustainability and values employee well-being can attract top talent, enhance our brand image, and position our Company as an employer of choice.

To leverage the potential of our staff for sustainable development, we have implemented (or are in the process of implementing) the following strategies:

- Employment Engagement Survey: Our people are our most important asset, and the engagement survey lets us hear from them and identify areas to improve in future.
- Workforce Future Proofing: Our succession planning framework helps us identify and develop talent who can move into leadership roles when they become vacant. This will ensure that as leadership changes, the Company maintains its productivity and continues to thrive.
- Career Development Framework: Provide training opportunities and skill-building initiatives to empower our staff to grow, both personally and professionally.
- Work-life balance and well-being: Promote a healthy work-life balance by offering flexible work arrangements, wellness programs, and other initiatives that support physical and mental well-being.

During the year we also updated our Diversity, Equity and Inclusion Policy (DEI), which was approved and endorsed by our board. It forms the basis for our global DEI strategy and provides a framework to achieve the Company's diversity goals. You can find the policy on our website.

The Company is committed to creating and ensuring a work environment in which everyone is treated fairly and with respect and where everyone feels responsible for the reputation and performance of the Company. The board of directors of the Company and management believe that Pro Medicus' commitment to this policy embeds the importance and value of diversity within the culture of the Company and contributes to the achievement of corporate objectives.

Diversity can broaden the pool for recruitment of high-quality employees, enhance employee retention, improve the Company's corporate image and reputation, and foster a closer connection with, and better understanding of customers. It is important that Pro Medicus is able to attract, retain and motivate employees from the widest possible pool of talent.

We have included the following social metrics that we currently monitor.

Employee Turnover

Pro Medicus prides itself on creating a positive workplace environment that generates strong commitment and loyalty. Employee turnover has historically been low across our company due to a concerted effort to create a positive culture.

Employee Turnover %	FY24	FY23
Total Employee turnover for the period	2.7	2.9

Based on average turnover of full-time and part-time employees

Female Representation

Pro Medicus respects and recognises the importance of having a diverse workplace, particularly pertaining to gender representation. Pro Medicus' Diversity, Equity and Inclusion Policy outlines our commitment to gender diversity and recognition that gender is not a barrier to participation in our workforce.

Female Representation %	FY24	FY23
Board	28.6	28.6
Senior Executive	22.2	11.1
Management	36.4	25.0
Total % of women in management roles	30.0	17.7
Operational	26.0	24.7
Total % of women across the entire organisation	**26.7**	**23.6**

Management roles are defined as either a management or senior executive position

Safety

Pro Medicus recognises that our ability to achieve our objectives successfully depends on the wellbeing of our workers. We acknowledge that the key elements of work health, safety and wellbeing include the culture and physical environment as well as the policies, practices and procedures that guide our work. Pro Medicus maintains a strong health and safety record and had zero workplace injuries.

Safety Reporting	FY24	FY23
Safety Reporting %	0	0
Lost time injury frequency rate (per total employees)	0	0

Lost time injury frequency rate (LTIFR) measures the number of lost-time injuries per million hours worked during the accounted period.

CLIMATE

We are committed to reducing our carbon emissions. Becoming carbon neutral involves reducing our carbon footprint and offsetting the remaining emissions to achieve a net-zero carbon balance. To transition to carbon neutral, the company will undertake the following steps:

- Measure our current greenhouse gas emissions by conducting a comprehensive carbon footprint assessment, including consideration of emissions from energy consumption, transportation, waste generation, and those within the Group's supply chain.
- Establish achievable reduction targets for our company's emissions. With the aim of reducing emissions with our operations by adopting energy efficiency measures, renewable energy adoption, and process optimisation.
- Develop strategies to minimize waste generation and maximise recycling within the company.
- Foster a culture of sustainability within your company by educating and engaging employees.
- Offset the remaining emissions that we are unable to eliminate through the above measures by investing in verified carbon offset projects.
- Regularly track and report the Group's progress towards carbon neutrality.
- Engage with other organisations, industry groups, and sustainability networks to share experiences, learn from best practices, and collaborate on collective initiatives.

Being carbon neutral is an ongoing process, that we will continually evaluate and adjust our emissions choices to minimise our impact on the environment.

We have included the following environmental metrics that we currently monitor.

Greenhouse Gas Emissions

The major source of emissions from Pro Medicus' operations comes from Scope 2 greenhouse gas (GHG) emissions. Due to the nature of our business, our emissions footprint is minimal.

Tonnes CO2 equivalent	FY24	FY23
Scope 1	1.9	1.9
Scope 2	118.9	96.7
Total Emissions	**120.9**	**98.6**

Scope 1 emissions are direct emissions from owned or controlled sources and relate to refrigerants from refrigerators and air conditioning.
Scope 2 emissions are indirect emissions from the generation of purchased energy and relate to electricity consumption.The increase in Scope 2 emissions in FY24 compared to FY23 is a reflection of the company's growth.

The GHG emissions have been prepared in accordance with Pro Medicus's GHG Inventory Basis of Preparation which references the World Business Council for Sustainable Development Greenhouse Gas Protocol. The methodology for energy and emission factors related to the international offices is sourced from Australia's National Greenhouse Accounts (NGA), German Environmental Federal Office and US Environmental Protection Agency (EPA).

Water Consumption

Pro Medicus recognises the importance of promoting sustainable water management practices. Water scarcity is increasingly affecting more populations worldwide. Pro Medicus monitors and reports water consumption with the aim to reduce our environmental impact and increase efficient water management practices.

Kilolitres (KL)	FY24	FY23
Water Consumption	832.9	730.4

Water consumption from the three Pro Medicus international offices

RESPONSIBLE ARTIFICIAL INTELLIGENCE (AI)

Pro Medicus is a thought leader in the development of software for the healthcare industry. To maintain our position as a thought leader, we are advocating for responsible AI and how machine learning is being used in our industry to develop innovative solutions.

Responsible artificial intelligence (AI) in medical software refers to the ethical and responsible use of AI technology in healthcare applications. It involves ensuring that AI algorithms and systems used in medical software are developed and deployed in a manner that prioritises patient safety, data privacy, fairness, and accountability. Some of the key considerations for responsible AI that are always front of mind are as follows

- **Patient Safety:** AI algorithms should undergo rigorous testing and validation to ensure their accuracy and reliability in medical diagnosis, treatment planning, and decision-making. They should be designed to minimize the risk of errors or adverse outcomes.
- **Data Privacy and Security:** Medical software should adhere to strict data protection standards, ensuring that patient data is collected, stored, and processed securely. Compliance with privacy regulations, such as HIPAA (Health Insurance Portability and Accountability Act), and GDPR is crucial.
- **Subjectivity Mitigation:** Developers should strive to minimise biases in AI algorithms, ensuring that they do not disproportionately favour or discriminate against any specific group of patients. Regular monitoring and auditing of AI systems can help identify and address potential biases.
- **Regulatory Compliance:** Medical software incorporating AI should adhere to relevant regulatory guidelines and standards. Compliance with regulatory frameworks, such as FDA (U.S. Food and Drug Administration) regulations, is essential to ensure the safety and effectiveness of AI-powered medical software.
- **Ongoing Monitoring and Evaluation:** Continuous monitoring and evaluation of AI algorithms and their real-world performance are crucial to identify any issues, biases, or unintended consequences. Regular updates and improvements should be made based on feedback and new insights.

Promoting responsible AI in medical software requires collaboration among software developers, healthcare providers, regulatory bodies, and other stakeholders. It is essential that Pro Medicus strikes a balance between harnessing the potential of AI in improving healthcare outcomes while upholding ethical standards and patient safety.

Pro Medicus's AI policy emphasises transparency, accountability, and safety. Under the extent of the European AI Act, Pro Medicus is in the process of implementing an AI policy in conjunction with robust risk management systems, using high-quality data, and maintaining human oversight to ensure AI decisions are understandable and contestable. Compliance with existing regulations is essential to protect patient safety, ensure data privacy, and foster trust in AI technologies.

Furthermore, our company AI policy will be in line with the European AI Act, and incorporates ethical considerations such as fairness and non-discrimination, preventing AI applications from exacerbating existing biases or inequalities in our healthcare delivery.

By adopting these principles, Pro Medicus believes that we can improve healthcare outcomes while maintaining trust and safeguarding client and patient needs and rights.

DIRECTORS' REPORT

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows:

Peter Kempen joined Pro Medicus Limited as a Director on 12 March 2008. He is Chairman of Australasian Leukemia and Lymphoma Group. He is also a Trustee of the Barr Family Foundation and a member of the Board of St Hilda's College Ltd, University of Melbourne.

Peter has previously been Chairman of Patties Food Limited, Chairman of Danks Holdings Limited, Chairman of Ivanhoe Grammar School and Managing Partner of Ernst & Young Corporate Finance Australia.

Peter is a Fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Company Directors. Peter was appointed a Member in the General Division of the Order of Australia (AM) in the 2018 Queen's Birthday Honors.

Peter became Chairman in August 2010 before which he served as a Non-Executive Director of the Company.

Co-founder of Pro Medicus Limited in 1983, Sam Hupert is a Monash University Medical School graduate who commenced General Practice in 1980. Realising the significant potential for computers in medicine he left general practice in late 1984 to devote himself full time to managing the Group.

Sam served as CEO from the time he co-founded the company until October 2007 at which time he stepped down to become an executive director. Sam resumed full time CEO activities in October of 2010.

Co-founder of Pro Medicus Limited in 1983, Anthony Hall has been principal architect and developer of the core software systems. Anthony holds a Bachelor and Master's degree in Science from La Trobe University.

Anthony joined Pro Medicus Limited as a Director on 1 May 2016. He is the fund manager of Skalata Ventures, investing in early-stage companies to help them scale and grow into significant and sustainable businesses. He is a Director of Austco Healthcare Limited (ASX:AZV) since September 2018, an international provider of healthcare communication and clinical workflow management solutions.

Anthony is also a Director of Iress (ASX:IRE) since October 2022, a technology company providing software to the financial services industry.

Anthony has previously been an Investment Director at Starfish Ventures and was the founder and CEO of Tonic Systems and a founding Non-Executive Director of Cameron Systems. He has also held senior software engineering positions at Google and Sun Microsystems Inc.

Anthony holds bachelor's degree in computer science and electrical engineering from University of Melbourne and holds a Master's degree in Electrical Engineering from Stanford University California.

Anthony also serves on the People & Culture committee and Audit and Risk committee.

Leigh joined Pro Medicus Limited as a Director on 8 September 2017. He is the Managing Director of AdNED Pty Ltd, non-executive director of both Ena Respiratory Pty Ltd and Axelia Oncology Pty Ltd, a member of the Walter and Eliza Hall Institute of Medical Research Board Commercialisation Committee, a member of the Independent Advisory Council of Medicines Australia, a member of the Scientific and Industry Advisory Committee of the Australian Research Council Centre for Cryo-electron Microscopy of Membrane Proteins and, Chair of the Scientific Advisory Board of Island Pharmaceuticals Ltd.

Leigh was previously Head of Health Security Systems Australia, a Division of DMTC Ltd, Senior Vice President, Commercial of Certara USA, Inc. where he was responsible for Asia Pacific Commercial. Prior to this, he was Chairman and COO of d3 Medicine LLC, which was acquired by Certara USA, Inc. Prior to these appointments, Leigh was Vice President of Business Development at Biota Pharmaceuticals, Associate Director GBS Venture Partners, Research Manager Johnson & Johnson Research and CEO of Gene Shears Pty Ltd.

Leigh holds a PhD in Biochemistry and a Bachelor of Science (Honours) from Monash University and is a Fellow of the Australian Institute of Company Directors.

Leigh also serves on the People & Culture committee and Audit and Risk committee.

Deena joined Pro Medicus Limited as a Director on 1 August 2020. Deena was also Chair of the Supervisory Board of Marley Spoon SE (ASX:MMM) to August 2024. Deena is an Independent Member of the board of the Global Alliance for Vaccines and Immunisation, the multi-lateral global health fund based in Geneva. Deena is also on the board of Opera Australia and is the Chairman of AROSE (Australian Remote Operations in Space and Earth), and the Chairman of the International Advisory Board of the A.R.C Centre of Excellence, on Automated Decision Making and Society

Previous board roles include Chairman of the global board of BAI Communications, Non-Executive Director of Appen (ASX :APX); EOS Holdings (ASX: EOS) and Director of the Citadel Group (ASX:CGL), board member of infrastructure Australia, Chairman of the Government's Export Credit Agency EFIC, as well as board roles in a number of venture capital backed growth stage ICT companies.

Deena has served as a Group Managing Director at Telstra, where she led the Wholesale Division Group, established and led Telstra Business and founded Telstra's corporate venture capital arm, Telstra Ventures. Deena has also held various in house regulatory and legal positions and has been a Partner of the law firm Mallesons Stephen Jacques.

Deena holds a degree from the London School of Economics and a Law degree from the University of Cambridge.

Deena is Chair of the People & Culture committee and serves on the Audit and Risk committee.

Alice joined Pro Medicus Limited as a Director on 1 September 2021. Alice is also a non-executive director of Vocus Group, Djerriwarrh Investments, Australian Submarine Corporation (ASC Pty Ltd) and Mercer Investments Australia Ltd. She is chair of the Audit & Risk Committee of Djerriwarrh Investments, ASC and Vocus Group and is a member of the Audit & Risk Committee and Due Diligence Committee of Mercer Investments (Australia) Ltd. Alice holds other board positions with Tobacco Free Portfolios and is on the Advisory Council of the Florey Institute of Neuroscience Novell Project.

Previous board roles include Director and Chair of the Audit Committee of Cooper Energy, Chair of Nomination, Remuneration and Human Resources Committee and Non-Executive Director of Equity Trustees Ltd, and Non-Executive member of the Foreign Investment Review Board.

Alice holds a Commerce degree from Melbourne University, is a Fellow of the Australia Society of Certified Practicing Accountants, a Fellow of the Australian Institute of Company Directors, and graduate from the Institute of Chartered Financial Analysts.

Alice is Chair of Audit & Risk committee and also serves on the People & Culture committee.

Company Secretary

Danny is the Head of Finance for Pro Medicus and has extensive global financial management experience, with a deep understanding of financial reporting, governance and risk management. Danny has worked in both private and publicly listed companies and is well versed in the complexities of dealing with both multinational and local requirements. Having worked in senior-level Finance roles for several years across Europe and North America. Danny holds a Bachelor of Commerce degree and is a Chartered Accountant (CA & ACCA).

BOARD COMMITTEES

The Board and management team maintain high standards of corporate governance as part of our commitment to create value for our stakeholders through effective strategic planning, risk management, transparency, and corporate responsibility.

As at 30 June 2024, the company had an Audit and Risk Committee comprising the 5 Non-Executive Directors and a People and Culture Committee comprising 4 Non-Executive Directors

A description of the role of each committee and its composition is set out in the following table.

Committee	Members	Composition	Role
Audit and Risk Committee	Ms Alice Williams (Chair) Mr Anthony Glenning Dr Leigh Farrell Ms Deena Shiff Mr Peter Kempen	– At least three members, all of whom must be non-executive directors and a majority of whom are independent directors. – The chair must be an independent non-executive director, who is not the chairman of the Board. – Comprise members who are financially literate and include at least one member who has accounting and/or related financial management expertise and some members who have an understanding of the industries in which the Company operates.	Our Audit and Risk Committee assists the Board in carrying out its oversight of the quality and integrity of the accounting, auditing and financial reporting of the Company. The Committee also reviews the adequacy of Pro Medicus' internal control structure, corporate reporting processes, and risk management framework, monitors the effectiveness, objectivity and independence of the external auditor and reviews reports from the external auditor.
People and Culture Committee	Ms Deena Shiff (Chair) Mr Anthony Glenning Dr Leigh Farrell Ms Alice Williams	– At least three members, all of whom are non-executive and the majority of whom are independent directors. – The chair should be an independent director. – All members should have sufficient technical expertise to discharge its mandate effectively.	– Our People and Culture Committee assists and advises the Board on remuneration policies for directors and senior executives, induction and continuing professional development programs for directors, succession planning, composition and size of the board, process for evaluating the performance of the board, and overseeing employee engagement and talent programs.

DIRECTOR'S MEETINGS

The numbers of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	Board Meetings		Audit & Risk Committee		People & Culture Committee	
	Eligible to attend	**Attended**	**Eligible to attend**	**Attended**	**Eligible to attend**	**Attended**
Peter Kempen	12	12	3	3	5	5
Anthony Glenning	12	12	3	3	5	5
Leigh Farrell	12	11	3	3	5	5
Deena Shiff	12	12	3	3	5	5
Alice Williams	12	12	3	3	5	5
Anthony Hall	12	12	3	2	5	4
Dr Sam Hupert	12	12	3	2	5	5

OTHER

DIVIDENDS

Dividend declared subsequent to the end of the year	Cents	$'000
FY24 final dividend (declared 14 August 2024)	22.0	22,974
Dividends declared and paid during the year:		
FY24 interim dividend	18.0	18,797
FY23 final dividend	17.0	17,757

Refer to Note 9 for further details about Dividends paid during the year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Refer to the Operating and Financial Review section above for information on the significant changes in the state of affairs of the Group. Information on likely developments and future prospects of the Group is discussed below.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the Company has paid premiums in respect of a contract for Directors' & Officers'/Company Re-Imbursement Liability insurance for directors, officers and Pro Medicus Limited for costs incurred in defending proceedings against them. Disclosure of the amount of insurance and the terms of this cover is prohibited by the insurance policy.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

ROUNDING

Unless otherwise stated, the amounts contained in this report and in the financial 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 Class Order applies.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 (Ctn) is included on page 39.

The Group may decide to employ the auditor on assignments additional to statutory audit duties where the auditor's expertise and experience with the Group is essential and will not compromise auditor independence.

Details of the amounts paid or payable to Ernst & Young for audit and assurance and non-audit services provided during the year are set out in Note 21 to the financial statements. The Board has considered the non-audit services provided during the year and is satisfied these services are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 (Cth) for the following reasons;

- All non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

SHARE OPTIONS

Un-issued Shares

As at the date of this report, there were 256,012 un-issued ordinary shares in the form of performance rights. Refer to Note 18 of the financial statements for further details of the performance rights outstanding.

Rights holders do not have any right, by virtue of the right, to participate in any share issue of the Company.

Shares Issued as a Result of the Exercise of Performance Rights

During the financial year, 17,066 performance rights were exercised by current employees and zero performance rights expired. A further 5,960 performance rights were exercised by key management personnel in the current year to acquire fully paid ordinary shares in Pro Medicus Limited.

Significant events after Balance Sheet date

FY24 final divided

A Final Dividend for FY24 of 22.0 cents per share was declared on 14 August 2024.

Other than the matters described above, no matters have arisen since the Balance Sheet date which have significantly affected or may affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

The Directors express their gratitude for the efforts of the management team and all employees in achieving this year's result.

INTO THE FUTURE / OUTLOOK

The Directors anticipate that the 2025 financial year will see more opportunities crystallise for the Company due to improved prospects in North America for Visage 7 (PACS) and the continued commercialisation and roll out of Visage RIS.

Key factors that are likely to affect the performance of the company are:

- Increased revenue being generated from previously won transaction-based contracts which are scheduled to come on stream in the 2025 financial year.
- Continued strong interest in the Visage 7 expanded suite of products in the North American market has resulted in a number of sales opportunities that the Company is actively pursuing.
- The ability of the expanded Visage 7 product set to address key market segments such as large Health Systems and Hospitals in addition to the private radiology and teleradiology markets.
- Market dynamics that favour the adoption of Visage 7 technology, including the use of artificial intelligence (AI) in the industry, the ease of deployment of Visage 7 in public cloud and the rise in image data size which increases the time to display images by non-streaming technologies.
- Increased revenue from Visage RIS, the company's new technology RIS platform as the rollout of this new platform continues.
- Extension of the Visage 7 product to Enterprise Imaging and use beyond the realm of radiology

Investments for Future Performance

The Company will continue to direct resources into the development of new products and is committed to the continued development of its Visage RIS and Visage 7 product sets.

It is anticipated that this strategy of ongoing development will continue to position Pro Medicus as a market leader and enable the Group to further leverage its expanded product portfolio and geographical spread.

The Group remains committed to providing staff with access to appropriate training and development programs, together with the resources to complete their duties.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2024 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. This information has been audited as required by section 308(3C) of the Act.

2024 OUTCOMES AT A GLANCE

Pro Medicus has once again experienced significant growth in shareholder value in the past year and has generated substantial new business in particular in the United States, with agreements being put in place with leading hospitals. The table below provides a summary of the strong increase in shareholder value over the last five years:

Short-term incentive metrics			Long-term incentive metrics		Other financial metrics	
Underlying EBIT[1] ($'000)	Annual Contract Value[2] ($'000)	Underlying Revenue Growth[3] ($'000)	Underlying EPS[4] (cents per share)	Share price at 30 Jun ($)TSR[5]	Revenue ($'000)	Dividends declared (cents per share)
Short-term incentive payments are linked to underlying EBIT and underlying Revenue Growth for Key Management Personnel (KMP).			Long-term incentives are linked to underlying EPS and TSR growth.		Value has been created for shareholders through increased revenue targets and dividends.	

These financial outcomes are reflected in part in the FY24 remuneration outcomes for Executives.

Consistent with the growth trajectory of the Company to date, and its expected continuation, the Group is adopting a multi-year approach to human capital and remuneration driven by a number of factors, including:

- Our ability to attract and retain staff who are fundamental to the competitive outcomes of the Group.
- Recognition of the significant increase in the capability and capacity of Executives in line with the significant growth of the Company; and
- Taking a measured but focussed approach to developing the next generation of talent for succession planning purposes.

The main change to remuneration in FY24 related to our short-term incentive metrics, with Annual Contract Value (ACV) being replaced by Revenue Growth at a slightly higher percentage. This change will further focus Executives on top-line growth and maintain strong shareholder alignment.

[1] Underlying EBIT – Earnings before interest and tax and excluding currency gains/(losses) and capitalised development cost adjustments. Underlying EBIT is a non-IFRS measure.
[2] Annual Contract Value – represents the total minimum contractual revenues to be earned over the life of new contracts executed during the period. Annual Contract Value is a non-IFRS measure.
[3] Underlying Revenue Growth – represents the set compound rate of revenue growth expected to continue on a year-on-year basis. Annual Underlying Revenue Growth is a non-IFRS measure.
[4] Underlying EPS – Earnings Per Share adjusted for the impact of currency gains/(losses). Underlying EPS is a non-IFRS measure.
[5] TSR – Total Shareholder Returns.
[6] CAGR – Compound Annual Growth Rate.

WHO IS COVERED BY THIS REPORT?

The remuneration report details the remuneration arrangements for Key Management Personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director of the Group.

For the purposes of this report, the term 'Executive' includes the Chief Executive Officer (CEO), Executive Directors and other Senior Executives who are considered KMP of the Group. KMP were in appointment for the entire period unless otherwise stated.

(i) Non- Executive KMP	
Peter Kempen	Non-Executive Chairman
Anthony Glenning	Independent Non-Executive Director
Leigh Farrell	Independent Non-Executive Director
Deena Shiff	Independent Non-Executive Director
Alice Williams	Independent Non-Executive Director
(ii) Executive KMP	
Dr Sam Hupert	Managing Director and CEO
Anthony Hall	Technology Director
Clayton Hatch	Chief Financial Officer
Malte Westerhoff	General Manager Europe and Global Chief Technology Officer

REMUNERATION GOVERNANCE

The People and Culture Committee of the board provides advice, assistance and recommendations to the board in relation to remuneration arrangements for Directors and Executives, as well as to advise and support the board's oversight of key people practices, such as succession planning and talent management, to help achieve the Company's long-term business objectives.

The members of the People and Culture Committee during the reporting period were:

Deena Shiff - Committee Chair
Anthony Glenning
Leigh Farrell
Alice Williams

OUR PEOPLE

Our people are integral to the future success of the Company. The continuing growth in our customer base and the number of products in use per customer is a testament to our ability to innovate and develop our product range. In this respect our people are key to the defence of our market leadership and to future value creation.

The continuing scaling up of the business has prompted a multi-year review of our human capital including:

- The phased expansion of the roles and responsibilities of our next generation of leaders;
- The recruitment of new staff, especially to revenue generating functions in sales and service;
- The development of existing staff;
- Remuneration as Pro Medicus and our staff's responsibilities grow; and
- Succession planning for key personnel, including in FY24 the appointment of a Chief Information Security Officer who reports to the General Manager Europe and Global Chief Technology Officer.

In addition, we conducted our second Employee Engagement Survey to measure our workforce's connection and commitment to the Company and its goals. Engagement can impact the attraction of talent, performance, innovation and retention. Almost all of our employees participated in the anonymous survey. Once again, our results were strong and favourable compared to our peers. Importantly, we improved in the areas of focus in our Employee Engagement Action Plan.

REMUNERATION PRINCIPLES

Our objectives for the level and composition of executive remuneration are: -

- Setting rates of pay that are market competitive, having regard to the markets in which our people work;
- Paying for performance, in both fixed and variable at-risk remuneration components; and
- Achieving alignment of the interests of Executive with the interests of shareholders

In addition, the objectives seek pay structures that

- Are simple and clear: meaningful to executives and transparent to shareholders; and
- Reflect responsible business conduct, with board discretion on malus and which are subject to continuing employment conditions.

In FY24 the People and Culture Committee conducted its annual external remuneration benchmarking for the Executives through an independent provider. To date, remuneration benchmarking has been largely based on a peer group consisting of other technology/software companies, with size largely based on a blend of revenue and number of FTE, and comparators in the geography where the relevant Executive is based.

As the Company grows in market capitalisation, and as part of our multi-year-review, the peer group for remuneration benchmarking of Executives will continue to be refined.

External benchmarking will continue to be used as a guide only and not as a substitute for the People and Culture Committee's assessment of the appropriate remuneration to attract and retain top performers given the unique nature of the Company and expanding responsibilities of Executives.

In line with our pay-for-performance philosophy, and as a general guideline, Pro Medicus aims to pay at the midpoint for performance that meets expectations, between the midpoint and the 75th percentile for performance that exceeds expectations, and above the 75th percentile for performance that sets a new standard.

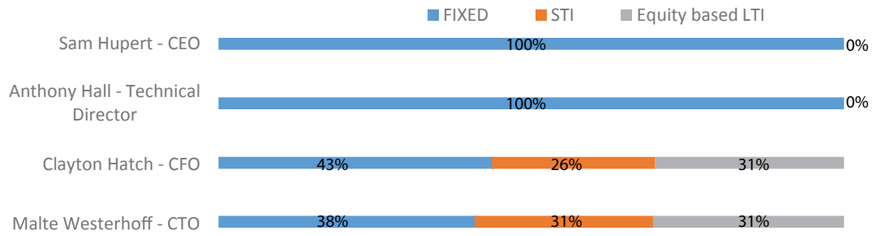
REMUNERATION FRAMEWORK

In FY24, executive remuneration comprised a mix of fixed and variable at-risk remuneration components through the STI and LTI plans. Dr Sam Hupert and Mr. Hall do not participate in the variable at-risk remuneration components, given their substantial personal shareholdings.

Component	Description	Link to strategy & performance
Total fixed remuneration	Base salary and retirement benefits (superannuation or country equivalent). May include fringe benefits or other payment methods provided that it is appropriate and not unreasonably costly for the Group.	Reviewed annually having regard to individual accountabilities, skills and performance as well as comparative remuneration in the market, including as appropriate, external benchmarking.
Short term incentive (STI)	An at-risk component set as a percentage of base salary for Senior Executives. Performance is measured over the 12-month period and awards are currently made on an annual basis in cash.	Based on specific performance related key financial and non-financial measures. In the FY24 reporting period these were 40% Underlying EBIT targets met, 35% Underlying Revenue Growth targets met, and 25% individual targets met. Further details of the STI program are discussed in the 'variable remuneration outcomes' section below.
Long term incentive (LTI)	Performance rights with a nil exercise price are issued on an annual basis based on a three-year performance period and a further 12 months vesting period, subject to continued service.	Performance hurdles relate to profitability – Earnings per Share (EPS) (60%), and Total Shareholder Returns (TSR) (40%). Both hurdles are set annually by the board. The TSR growth hurdle was measured against the ASX 200. Further details of the LTI program are discussed in the 'variable remuneration outcomes' section below.

EXECUTIVES KMP REMUNERATION MIX

The diagram below illustrates the remuneration mix at maximum potential for each executive.



TOTAL FIXED REMUNERATION

The Company has recently improved the frequency and quality of its performance and salary review process. However, 'lag' adjustments were required as part of the FY24 salary review for some Executives to ensure that their remuneration is competitively positioned.

The remuneration of Dr. Malte Westerhoff – General Manager Europe and Global Chief Technology Officer – had remained unchanged for two years. Following the external market review, and in line with our pay-for-performance philosophy, a base pay adjustment was made to the remuneration of Dr Westerhoff, from an annual base pay (inclusive of social security) of €434,700 to €600,000, effective 1 July 2023. There was also an adjustment to his Short-Term Incentive, increasing from 30% to 40% of base pay. Together, these changes ensure that Dr Westerhoff's remuneration is more competitively positioned.

The base pay of Clayton Hatch – Chief Financial Officer – was also increased effective 1 July 2023 from $305,000 (inclusive of superannuation) per annum to $325,000.

VARIABLE REMUNERATION OUTCOMES

Short Term Incentive (STI)

Short term incentives in the form of cash bonuses were paid to Executives based on a mix of Company and personal performance targets as set out in the below table.

At the start of FY24 Pro Medicus changed one of its short-term incentive metrics from Annual Contract Value (ACV) to Revenue Growth

As background, the ACV measurement criteria was introduced to drive focus and investment in the Company's strategic plan to expand into the US marketplace. This has been a successful approach that has positioned the Company for the next phase of growth and focus on accelerating the expansion plans of the business. As such, the People and Culture Committee has now aligned Executives with group revenue targets, encompassing both new contract wins, as well as organic growth from existing clients. Revenue Growth provides a more accurate measure of the Company's financial success and reflects the actual financial performance and cash flow of the Company and its operational efficiency, ensuring that incentives are tied to tangible and realised financial improvements.

Ultimately, Revenue Growth as an incentive metric fosters a more balanced and forward-looking strategy, promoting not just the acquisition of new business but also the maintenance and expansion of existing customer relationships contributing to the company's long-term stability, sustainable growth and success, over merely acquiring new contracts.

STI Metrics

Performance category and weighting	Reason chosen	FY24 Target	FY24 Performance	STI outcome
Underlying EBIT (40%)	Underlying EBIT is a key measure of performance and income returns generated for shareholders.	Underlying EBIT of $111.4m	EBIT below target due to implementation rollout later than budgeted and increase in costs during the period	Achieved Underlying EBIT of $105.01m. 5.39% below target. Payout 24.6%
Underlying Revenue Growth (35%)	Underlying Revenue growth is a key measure of an increase in existing sales and new contract wins through the period and their minimum annual revenue contribution in future reporting periods to ensure steady consistent growth.	Underlying Revenue Growth of 21.7%, - $152.0m	Revenue growth achieved due to steady growth in customer exam volumes and archive sales	Achieved Underlying Revenue Growth of 23.1% - 6.3% above target. $152.5m. Payout 106.3%
Individual targets (25%)	Individual targets chosen to measure KMP against metrics that they can control, including their leadership and an increasing focus on a "one Pro Medicus" approach as the Company grows.	At target – 100% Individually determined	Individual performance measured as a bell curve against each KMP	At target – 100%. Accrued in the financial statements at 100% based on best estimates of the board prior to finalisation

The table below outlines the FY24 STI outcomes for each participating KMP:

Executive KMP	Target STI as % of TFR	Maximum STI as % of TFR	Actual STI awarded ($)	% of target STI opportunity awarded	% of maximum STI opportunity awarded	% of maximum STI forfeited
Clayton Hatch	30%	60%	$70,244	72%	36%	64%
Malte Westerhoff	40%	80%	$285,233	72%	36%	64%

Key Performance Indicators

Underlying EBIT hurdles for FY24 STI have been set at threshold, target and outperformance with target set at 36% increase on the prior year Underlying EBIT, with payout at target of 100%. Underlying Revenue Growth targets were also set within a range of threshold, target and outperformance to encourage budget overachievement, with target limits stretched to align to shareholders interests. Outperformance achievement maximum payout is 200% of target. For individual targets, as a general guideline up to 200% of target can be awarded based on personal performance.

Long Term Incentive (LTI) Performance Rights

Under the LTI plan Senior Executives of the Group are offered performance rights over the ordinary shares of Pro Medicus Limited. The performance rights, issued for nil consideration, are offered on a year-to-year basis and vest 4 years after grant date on completion of service, with a 3-year performance period.

This long-term incentive plan includes performance hurdles related to profitability - Earnings per Share (EPS) growth (60% weighting) which is set on an annualised basis by the board and Total Shareholder Returns (TSR) growth (40% weighting). The Company's TSR growth performance hurdle is measured relative to the ASX200 Index and assessed by the board at the end of the performance period in accordance with the terms of the plan. These measures have been selected and set to align to Company performance and shareholder value.

The fair value of the equity-settled performance rights is estimated using Black Sholes and Monte Carlo Simulation Models at grant date taking into account the terms and conditions upon which the performance rights were granted.

Use Of Fair Value For Long-Term Incentives

Pro Medicus solely discloses fair value measurements for its long-term incentives (LTIs) as this aligns with our commitment to providing a transparent and accurate representation of our financial position as per the outline below:

- Regulatory Compliance: Adhering to accounting standards such as IFRS 2 and ASC 718, which require the use of fair value for share-based payments.
- Economic Accuracy: Fair value offers a realistic estimate of the LTIs' worth at the grant date, considering market conditions and volatility.
- Investor Clarity: Enhancing transparency for investors and stakeholders by providing a true reflection of the LTIs' market value through a fair value measurement approach.
- Comparability: Ensuring consistency and comparability with other companies in the industry, facilitating better benchmarking and analysis.
- Risk Management: Allowing for effective assessment of the risks and rewards associated with LTIs.
- Performance Alignment: Ensuring that the incentives provided are closely aligned with actual performance and economic benefits.
- When assessing the cost to Pro Medicus for issuing shares as part of employee compensation, the distinction between face value and fair value is less relevant due to the accounting principles and the economic realities involved.
- The market perceives the fair value as the true cost because it reflects the current value of the shares in the market, considering future potential earnings and risks.
- The fair value of the rights are determined by using pricing models (e.g., Black-Scholes model and Mote Carlo) and reflects the current market conditions and expected future performance of the rights. This is the amount that will be expensed in the financial statements over the vesting period.

By adopting fair value accounting for LTIs, Pro Medicus aims to maintain high standards of financial reporting and provide stakeholders with the most accurate and useful information possible. For further details of valuation of options, models and assumptions used please refer to Note 18 of the financial statements.

Outcomes

Performance under the FY22 grant was tested at 30 June 2024 resulting in the following vesting outcomes which remain conditional on continued employment through to 30 June 2025:

Hurdle	Target (for 50% vesting)	Outcome
EPS	30% CAGR for reporting period (FY22-FY24)	Achieved 37% CAGR and therefore outperformance – 100% retained.
TSR	60% growth over the ASX 200 Accumulation index for performance period (FY22-FY24)	Achieved 144% and therefore outperformance – 100% retained.

The FY21 grant, for which performance hurdles were tested at 30 June 2023, vested on 30 June 2024. As previously disclosed the vesting outcomes under the FY20 plan were as follows:

Hurdle	Target (for 50% vesting)	Outcome
EPS	35% CAGR for reporting period (FY21-FY23)	Achieved 36% CAGR and therefore between target and stretch – 54% retained.
TSR	60% growth over the ASX 200 Accumulation index for performance period (FY21-FY23)	Achieved 148% and therefore outperformance – 100% retained.

FY24 Grants

EPS hurdles for FY24 LTI have been set at threshold, target and outperformance with target set at 25% CAGR for three consecutive performance periods FY24-FY26, with payout at target of 50%. TSR targets were also set within a range of threshold, target and overperformance to encourage growth over and above ASX200 index returns, with target set at 40% growth over the ASX 200 index over the three-year performance period (FY24-FY26) to align to shareholders interests. TSR target performance is set at 50% payout, with outperformance (100% payout) achieved at 70% growth over the ASX 200 index.

The table below outlines the number and value of performance rights granted to each KMP during the year as part of remuneration. These rights were granted on 16 August 2023 and will vest in four years' time on 30 June 2027 subject to the achievement of the performance hurdles outlined above (tested at 30 June 2026) and the KMP remaining employed by the Company:

Name	Number of EPS performance rights (1) (at outperformance)	Number of TSR performance rights (at outperformance)	Total number of performance rights (at outperformance)	Fair value of rights on grant date (1) $
Clayton Hatch	1,948	1,299	3,247	167,303
Malte Westerhoff	6,929	4,620	11,549	595,081
Total	**8,877**	**5,919**	**14,796**	**762,384**

(1) Calculated based on a fair value per performance right of:

Grant date	EPS hurdle $	TSR hurdle $
16 August 2023	68.88	25.50

The fair value per performance right was calculated as at the grant date identified above. The valuation of the TSR performance rights incorporates the probability of achieving market conditions whereas the valuation of EPS performance rights does not. This results in a lower fair value of TSR performance rights than for EPS performance rights. Further details on assumptions used to determine fair value of the performance rights and the accounting expense in relation to the performance rights are included in Note 18. The minimum total value of the grant to Executive KMP is nil should none of the applicable performance conditions be met.

Change of Control

Under the LTI Plan Rules, on the occurrence of a Change of Control Event, all awards will be subject to accelerated vesting based on a pro-rata basis for time elapsed, unless the board in its sole and absolute discretion determines otherwise.

EMPLOYMENT CONTRACTS

Executive Directors

Executive Service Contracts, on similar terms and conditions, have been prepared for all Executive Directors of the Company.

These agreements provide the following major terms:

- Each Executive Director will receive a remuneration package per annum which is to be reviewed annually;
- The agreements protect the Company and Group's confidential information and provide that any inventions or discoveries of an Executive Director become the property of the Group;
- Non-competition during employment and for a period of 12 months thereafter; and
- Termination by the Company on six months' notice or payment of six months remuneration in lieu of notice or a combination of both (or without notice or payment in lieu, in the event of misconduct or other specified circumstances). The agreements may be terminated by the Executive Directors on the giving of six months' notice.

Executives (excluding Executive Directors)

All Executives have rolling contracts. The Group may terminate the Executive's employment agreement by providing written notice in accordance with the agreement or by providing payment in lieu of the notice period (based on the fixed component of the Executive's remuneration). In accordance with German employment law, Mr Westerhoff has a seven month notice period, Mr Hatch has a three month notice period. The Group may terminate an Executive's contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the Executive is only entitled to that portion of remuneration that is fixed, and only up to the date of termination. On termination with cause any unvested options will immediately be forfeited.

The company has maintained a stable and high-performing leadership team; however the People and Culture Committee of the board will continue to focus on 'futureproofing' the workforce to ensure we continue to thrive if changes do occur.

Table 1: Statutory remuneration for Executive KMP

		Short-Term			Post-Employment	Long Term	Share Based Payment	
Current KMP		**Salary and Wages $**	**Cash Bonus $**	**Non-Monetary benefits $**	**Super annuation $**	**Long Service Leave $**	**Performance rights[7] $**	**Total $**
Dr. Sam Hupert	2024	921,468	-	-	27,500	16,253	-	965,221
	2023	722,500[2]	-	-	27,500	339,811	-	1,089,811
Anthony Hall	2024	339,953	-	-	27,500	5,808	-	373,261
	2023	347,500	-	-	27,500	4,166	-	379,166
Clayton Hatch	2024	281,461[6]	70,244	-	27,500	8,726	112,842	500,773
	2023	277,500	110,502	-	27,500	4,625	76,747	496,874
Malte Westerhoff	2024	941,511[3]	285,233[4]	19,645[5]	2,890	-	337,283	1,586,562
	2023	640,386	576,531	18,564	2,731	-	215,403	1,453,615

[1] Salary and wages include the net change in accrued annual leave within the period.
[2] Dr Sam Hupert's pay was adjusted in the FY23 period, to reflect market conditions and was paid a fixed remuneration of $1,000,000 from 1 January 2023.
[3] Malte Westerhoff's pay was adjusted in the period, to reflect market conditions and our pay-for-performance philosophy. Dr Westerhoff was paid a fixed remuneration of €600,000 from 1 July 2023, with a conversion to AUD of 0.606 as compared to FY23 €434,700 with the conversion to AUD at 0.642 (using the average FX rates for the period).
[4] The cash bonus for Malte Westerhoff includes a STI bonus ($285,000, FY23: $254,000) and bonus for additional responsibilities in setting up the NY research hub (FY24: $nil, FY23: $322,000). The FY23 additional bonus was a one-off discretionary bonus.
[5] Non-Monetary benefits for Malte Westerhoff reflects an annual car allowance of $19,645.
[6] Clayton Hatch's pay was adjusted in the period, to reflect market conditions and our pay-for-performance philosophy. Mr. Hatch was paid a fixed remuneration of $325,000 from 1 July 2023.

Table 2: Shareholdings of Executive Key Management Personnel

Ordinary shares held in Pro Medicus Limited (Number)	Balance at 1 July 2023	On exercise of performance rights	Net change other	Balance at 30 June 2024
30 June 2024	**Ordinary**	**Ordinary**	**Ordinary**	**Ordinary**
S A Hupert	26,137,660	-	(1,000,000)[1]	25,137,660
A B Hall	26,109,000	-	(930,000)[2]	25,179,000
C Hatch	43,000	1,481	(8,954)[3]	35,527
M Westerhoff	103,322	4,479	(4,479)[4]	103,322
Total	**52,392,982**	**5,960**	**(1,943,433)**	**50,455,509**

[1] Dr Sam Hupert sold 1,000,000 shares throughout the year at the prevailing market share price.
[2] Anthony Hall sold 1,000,000 shares at the prevailing market share price and holds a relevant interest in 70,000 shares through an off market transfer (non-cash) as a Trustee for Estate of the Late Ronda Hall.
[3] Clayton Hatch sold 8,954 shares throughout the year at the prevailing market share price.
[4] Malte Westerhoff sold 4,479 shares throughout the year at the prevailing market share price.

Table 3: Performance rights of Executive Key Management Personnel

Performance rights held in Pro Medicus Limited (Number)	Balance at 1 July 2023	Granted as remuneration	Performance rights exercised[1]	Performance rights forfeited*	Balance at 30 June 2024	Not yet vested	Vested and exercisable at 30 June 2024
30 June 2024							
S A Hupert	-	-	-	-	-	-	-
A B Hall	-	-	-	-	-	-	-
C Hatch	14,346	3,247	(1,481)	(1,621)	14,491	(14,491)	-
M Westerhoff	40,716	11,549	(4,479)	(4,942)	42,844	(42,844)	-
Total	**55,062**	**14,796**	**(5,960)**	**(6,563)**	**57,335**	**(57,335)**	**-**

*Performance rights forfeited due to performance hurdles not being met in relation to the FY21 LTI grant upon testing on 30 June 2024. Refer to LTI outcomes section above for further information.
[1] FY20 performance rights exercised on 28 August 2023 at a value of $71.91 per right.

Non-Executive Director Remuneration

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Non-Executive Directors as agreed. The latest determination was at the Annual General Meeting held on 25 November 2020 when shareholders approved an aggregate remuneration pool for all non-executive directors of $1,000,000 per year.

The amount of the aggregate remuneration sought to be approved by shareholders and the way it is apportioned amongst Non-Executive Directors is reviewed bi-annually. The Board considers fees paid to Non-Executive Directors of comparable companies when undertaking the review process.

Each Non-Executive Director receives a fee for being a Director of the Company. No additional fee was paid to the Chairs of the People and Culture, and Audit and Risk Committees during the reporting period and no additional fees were paid for time spent on Committees.

Non-Executive Directors have long been encouraged by the board to hold shares in the Company (purchased by the Non-Executive Director on market). It is considered good governance for the Non-Executive Directors to have a stake in the Company on whose board they sit.

The remuneration of Non-Executive Directors for the period ended 30 June 2024 is detailed in Table 4 of this report.

Table 4: Amounts paid to Non-Executive Directors

		Fees $	Non-Monetary benefits $	Superannuation $	Total $
Peter Kempen	2024	225,225	-	24,775	250,000
	2023	174,326	-	27,500	201,826
Anthony Glenning	2024	121,903	-	3,097	125,000
	2023	89,041	-	9,589	98,630
Leigh Farrell	2024	112,613	-	12,387	125,000
	2023	91,324	-	9,589	100,913
Deena Shiff	2024	112,613	-	12,387	125,000
	2023	91,324	-	9,589	100,913
Alice Williams*	2024	112,613	-	12,387	125,000
	2023	90,909	-	9,545	100,454

*Alice Williams commenced as a Non-Executive Director on 1 September 2021.

Table 5: Shareholdings Non-Executive Directors

Ordinary shares held in Pro Medicus Limited (Number)	Balance at 1 July 2023	Purchased during the year	Sold during the year	Balance at 30 June 2024
30 June 2024	**Ordinary**	**Ordinary**	**Ordinary**	**Ordinary**
Peter Kempen	629,082	-	-	629,082
Anthony Glenning	9,525	-	-	9,525
Leigh Farrell	4,240	-	-	4,240
Deena Shiff	1,923	-	-	1,923
Alice Williams	650	1,910	-	2,560
Total	**645,420**	**1,910**	**-**	**647,330**

Loans to Key Management Personnel

No loans are made to Key Management Personnel or other staff.

Other transactions and balances with Key Management Personnel

Purchases

During the year ended 30 June 2024, lease payments of $215,120 (2023: $215,120) in respect of the Group's operating premises at 450 Swan Street Richmond were paid to Champagne Properties Pty. Ltd., an entity controlled by Dr Sam Hupert and Mr. Hall. These lease arrangements are on an 'arm's length basis' as determined by an independent assessment of the rental lease and lease terms.

END OF REMUNERATION REPORT

The Directors' Report has been prepared in accordance with the Corporations Act 2001 and is integrated throughout the annual report as identified on page 2 of the Annual Report.

Signed in accordance with a resolution of the Directors.

P T Kempen
Director

Melbourne, 14 August 2024

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Pro Medicus Limited

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

As lead auditor for the audit of the financial report of Pro Medicus Limited for the financial year ended 30 June 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 audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

Andrea Steacy
Partner
14 August 2024

A member firm of Ernst & Young Global Limited

CORPORATE GOVERNANCE

Pro Medicus' Corporate Governance Statement for 2024 **(Statement)** outlines our principal corporate governance practices in place during the financial year ended 30 June 2024. Copies of all governance documents referred to in this Statement can be found at http://www.promed.com.au/investors/corporategovernance/

Our governance policies and practices have been measured against the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations **(ASX Governance Principles)**. These policies and practices, together with reasons for any non-compliance with the ASX Governance Principles, are reflected in this Statement as well as our Appendix 4G. The Statement is current as at 14 August 2024 and has been approved by the Board on that date.

The Board and management team maintain high standards of corporate governance as part of our commitment to create value for our stakeholders through effective strategic planning, risk management, transparency, and corporate responsibility.

We regularly review our governance practices considering the growth in the Company and relevant emerging corporate governance developments.

2023-24 Areas Of Governance Focus

Key areas of governance focus and activities undertaken by the Board, its committees and management during 2023-24 included:

Our People

- Ensuring compliance with Group policies in all subsidiaries via an attestation.
- Continuing our efforts to "future-proof" the workforce, through succession planning and career development.
- Conducting our second Employee Engagement Survey to measure our workforce's ongoing connection and commitment to the Company and its goals as we grow.

Governance

- risk reporting, risk appetite statement and governance frameworks adopted under the oversight of the Audit and Risk Management Committee
- meeting with shareholders and proxy advisors as part of Pro Medicus' ongoing engagement to discuss matters relating to our business performance, governance and remuneration.
- Completing all actions in our first Modern Slavery Statement.

Board

- Undertook a review of the Risk Management Plan, a Board endorsed Risk Appetite Statement and Risk Register
- Undertook a Board performance review with assistance from an external consultant.

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CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2024	Notes	Consolidated 2024 $'000	2023 $'000
Revenue from contracts with customers	5	**161,501**	124,900
Interest and distribution income		**4,832**	2,431
Total revenue and income		**166,333**	127,331
Cost of sales		**(301)**	(544)
Gross profit		**166,032**	126,787
Net foreign currency gains/(losses)	6(a)	**(1,122)**	(386)
Fair value movements on financial instruments		**536**	207
Accounting and secretarial expenses		**(1,295)**	(1,138)
Advertising and public relations expenses		**(2,891)**	(2,521)
Depreciation and amortisation	6(b)	**(8,510)**	(7,926)
Insurance costs		**(1,166)**	(1,069)
Legal costs		**(1,468)**	(1,028)
Other expenses		**(1,743)**	(1,492)
Employee benefits expenses	6(b)	**(30,382)**	(24,065)
Travel and accommodation expenses		**(1,493)**	(1,244)
Profit before income tax		**116,498**	86,126
Income tax expense	7	**(33,704)**	(25,478)
Profit for the year	17	**82,794**	60,648
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Foreign currency translation		**(229)**	156
Other comprehensive income for the year		**(229)**	156
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**82,565**	60,804
Earnings per share (cents per share)	8		
- Basic earnings per share		**79.3¢**	58.1¢
- Diluted earnings per share		**79.1¢**	58.0¢

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

CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

AS AT 30 JUNE 2024	Notes	Consolidated 2024 $'000	2023 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	10a	**60,062**	91,248
Bank term deposits	10b	**63,857**	-
Trade and other receivables	11	**48,055**	39,882
Accrued revenue		**228**	193
Contract costs		**915**	590
Other financial assets	12	**31,506**	30,247
Inventories		**49**	55
Prepayments		**1,890**	1,575
Total Current Assets		**206,562**	163,790
Non-Current Assets			
Deferred tax assets	7	**17,182**	12,206
Plant and equipment		**512**	472
Contract costs		**3,856**	2,361
Right-of-use assets	19	**1,867**	1,715
Intangible assets	13	**20,071**	21,349
Other financial assets	12	**7,336**	-
Prepayments		**40**	242
Total Non-Current Assets		**50,864**	38,345
TOTAL ASSETS		**257,426**	202,135
LIABILITIES			
Current Liabilities			
Trade and other payables	14	**10,199**	6,801
Income tax payable		**2,403**	6,539
Deferred revenue	5,15	**17,051**	12,602
Other current financial liabilities	26(b)	**-**	504
Lease liabilities	19	**553**	654
Provisions	16	**4,351**	3,751
Total Current Liabilities		**34,557**	30,851
Non-Current Liabilities			
Deferred tax liabilities	7	**7,662**	7,813
Deferred revenue	15	**25,850**	23,421
Lease liabilities	19	**1,516**	1,197
Provisions	16	**113**	77
Total Non-Current Liabilities		**35,141**	32,508
TOTAL LIABILITIES		**69,698**	63,359
NET ASSETS		**187,728**	138,776
EQUITY			
Contributed equity	17	**23,649**	1,959
Share buyback reserve	17	**(8,543)**	(5,774)
Share reserve	17	**176**	16,156
Foreign currency translation reserve	17	**(910)**	(681)
Retained earnings	17	**173,356**	127,116
TOTAL EQUITY		**187,728**	138,776

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE YEAR ENDED 30 JUNE 2024	Consolidated						
	Contributed Equity	Treasury Shares	Share Buyback Reserve	Share Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2022	1,959	-	(5,224)	13,258	(837)	92,576	101,732
Profit for the year	-	-	-	-	-	60,648	60,648
Other comprehensive income	-	-	-	-	156	-	156
Total comprehensive income for the period	-	-	-	-	156	60,648	60,804
Transaction with owners in their capacity as owners							
Share based payment	-	-	-	1,233	-	-	1,233
Share buyback	-	-	(550)	-	-	-	(550)
Tax effect of share based payments	-	-		1,665	-	-	1,665
Dividends	-	-	-	-	-	(26,108)	(26,108)
At 30 June 2023	1,959		(5,774)	16,156	(681)	127,116	138,776
At 1 July 2023	**1,959**	**-**	**(5,774)**	**16,156**	**(681)**	**127,116**	**138,776**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**82,794**	**82,794**
Other comprehensive income	**-**	**-**	**-**	**-**	**(229)**	**-**	**(229)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(229)**	**82,794**	**82,565**
Transaction with owners in their capacity as owners							
Share based payment	**-**	**-**	**-**	**1,926**	**-**	**-**	**1,926**
Share buyback	**-**	**-**	**(2,769)**	**-**	**-**	**-**	**(2,769)**
Tax effect of share based payments	**-**	**-**	**-**	**3,784**	**-**	**-**	**3,784**
Issue of shares to Trust	**21,690**	**(21,690)**	**-**	**-**	**-**	**-**	**-**
Shares issued to satisfy employee performance rights (note 17)	**-**	**(21,690)**	**-**	**(21,690)**	**-**	**-**	**-**
Dividends	**-**	**-**	**-**	**-**	**-**	**(36,554)**	**(36,554)**
At 30 June 2024	**23,649**	**-**	**(8,543)**	**176**	**(910)**	**173,356**	**187,728**

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2024	Notes	Consolidated 2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		**158,449**	117,923
Payments to suppliers and employees		**(37,541)**	(31,854)
Interest paid		**(76)**	(76)
Income tax paid		**(38,853)**	(23,458)
Net cash flows from operating activities	10c	**81,979**	62,535
Cash flows from investing activities			
Acquisition of bank term deposits	10b	**(63,857)**	-
Payments for capitalised development costs	13	**(6,385)**	(6,147)
Interest received		**4,797**	2,238
Investments in other financial assets		**(46,069)**	(21,252)
Sale of other financial assets		**38,545**	17,903
Payments for plant and equipment		**(308)**	(299)
Net cash flows used in investing activities		**(73,277)**	(7,557)
Cash flows from financing activities			
Payments of dividends on ordinary shares	9	**(36,554)**	(26,108)
Payments for lease liabilities		**(518)**	(574)
Payments for share buyback		**(2,769)**	(845)
Net cash flows used in financing activities		**(39,841)**	(27,527)
Net increase/(decrease) in cash and cash equivalents		**(31,139)**	27,451
Net foreign exchange differences		**(47)**	141
Cash and cash equivalents at beginning of period		**91,248**	63,656
Cash and cash equivalents at end of period	10a	**60,062**	91,248

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 YEAR ENDED 30 JUNE 2024

1. CORPORATE INFORMATION

The financial report of Pro Medicus Limited (the Company) for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of Directors on 14 August 2024. The Directors have the power to amend and reissue the financial report.

Pro Medicus Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards board. The financial report has also been prepared on a historical cost basis except for certain financial instruments which have been recognised at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated in accordance with ASIC Legislative Instrument 2016/191.

(b) Statement of compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Pro Medicus Limited and its subsidiaries (the Group). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and could affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains a control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(d) New accounting standards and interpretations

New and/or amended standards that were effective for the Group as of 1 July 2023 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.

3. 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.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

(i) Significant accounting judgements, estimates and assumptions

Capitalisation of development costs:

Distinguishing between the research and development phases and determining whether the recognition requirements for the capitalisation of development costs as discussed in Note 13 are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Development costs include employee labour costs and other directly attributable costs including amounts of overhead and administrative expenditure to the extent these amounts are incurred in connection with the related employee labour.

Impairment of non-financial assets:

The Group assesses impairment of all non-financial assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. Additionally, goodwill, indefinite life intangible assets and intangible assets not yet ready for use are tested annually. Management has tested certain assets for impairment in this financial period. Refer to Note 13 of the financial statements for significant assumptions applied in assessing for impairment on non-financial assets.

Deferred tax:

The Group's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences in investments in subsidiaries, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of comprehensive income.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

Income taxes:

The group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Net investment in foreign operations:

The Group maintains inter-company loans it assesses to represent a part of its net investment in its foreign operations. The judgements made in assessing these loans to represent net investments are on the basis the loans are neither planned nor likely to be settled within the foreseeable future, the loans do not include trade receivables or trade payable and the loans represent a return of funds from their investment in the respective subsidiaries.

Share-based payments:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option/performance rights, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value of share-based payment transactions are disclosed in Note 18.

Revenue recognition:

The Group has applied judgement in determining that certain performance obligations within its contracts with customers are one single performance obligation for the purposes of measuring and recognising revenue. Further discussion on the factors the Group has considered in making this judgement are contained in Note 5.

Classification of bank term deposits

The Group assesses at period end whether its bank term deposits are held for the purpose of meeting short-term cash commitments, or for investment or other purposes. When assessing the purpose of its bank term deposits, the Group considers its available cash reserves as compared to its forecasted operating cash requirements, declared dividends and strategic investments the Group may enter into, in order to determine whether the bank term deposit will be required to meet its short-term cash commitments. If the bank term deposit is not required to meet short-term cash commitments, it is classified as an asset separate from cash and cash equivalents.

4. OPERATING SEGMENTS

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 maker) 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. Segment performance in the relevant jurisdiction is assessed based on the 'Segment result' which comprises revenue earned (including intercompany sales) less expenses. Interest and tax related amounts are excluded from the segment result.

Types of products and services

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

Accounting policies and inter-segment transactions

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services
- Type or class of customer for the products and services
- Nature of the regulatory environment

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

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.

	Australia		Europe[1]		North America[1]		Total Operations	
OPERATING SEGMENTS	**2024 $'000**	2023 $'000	**2024 $'000**	2023 $'000	**2024 $'000**	2023 $'000	**2024 $'000**	2023 $'000
Revenue								
Sales to external customers – RIS	**15,440**	14,818	**-**	-	**-**	-	**15,440**	14,818
Sales to external customers – PACS	**1,436**	1,118	**3,998**	4,287	**140,555**	104,564	**145,989**	109,969
Inter-segment sales	**114,422**	82,381	**10,242**	7,803	**-**	-	**124,664**	90,184
Total segment revenue	**131,298**	98,317	**14,240**	12,090	**140,555**	104,564	**286,093**	214,971
Inter-segment elimination							**(124,664)**	(90,184)
Other income							**72**	113
Total consolidated revenue							**161,501**	124,900
Results								
Segment result	**108,678**	80,126	**178**	2,033	**2,995**	2,177	**111,851**	84,336
Interest and distribution income							**4,832**	2,431
Other amounts unallocated to segments							**(185)**	(642)
Non-segment expenses								
Income tax expense							**(33,704)**	(25,478)
Statutory net profit after tax							**82,794**	60,647
Assets								
Non-current assets	**32,978**	27,111	**825**	79	**462**	612	**34,265**	27,802
Deferred tax asset	**8,009**	4,793	**-**	-	**9,173**	7,413	**17,182**	12,206
Current assets	**178,540**	144,295	**24,690**	23,724	**60,502**	46,930	**263,732**	214,949
Segment assets	**219,527**	176,199	**25,515**	23,803	**70,137**	54,955	**315,179**	254,957
Inter-segment elimination							**(57,753)**	(52,822)
Total assets							**257,426**	202,135
Liabilities								
Segment liabilities	**48,112**	46,224	**3,811**	3,354	**74,526**	62,188	**126,449**	111,766
Inter-segment elimination							**(56,751)**	(48,407)
Total liabilities							**69,698**	63,359
Other segment information								
Capital expenditure	**6,433**	6,258	**108**	45	**156**	131	**6,697**	6,433
Depreciation and amortisation	**7,902**	7,345	**307**	291	**301**	289	**8,510**	7,926

[1]European results relate solely to the company's operations in Germany. North American results relate solely to the operations in the United States of America.

Revenue from major customers

No customer contributed to the total consolidated Group's revenue by more than 10% (2023: no customer in the Group contributed 10%).

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group's contracts with customers for its Radiology Information System (RIS) and Picture Archiving Communications System (Visage 7/Open Archive) comprise multiple goods and services, typically with specific fixed or variable consideration receivable, including:

- Installation and professional services.
- Product licences.
- Transactional services, including image viewing and image archiving.
- Support services, including updates and upgrades to the product licence; and
- Archive data migration services

The Group's contracts with customers also comprise of multiple activities to provide customers with the specified product. The nature of the Group's products requires significant integration of various goods and services promised in contracts that represent a combined output – being the offered product. The multiple goods or services in the contract are highly interrelated and are integral in combination to the performance of the product.

The Group has determined that within its contracts with customers installation, product licence, transaction services and support services comprise one performance obligation given:

- The Group provides a significant service of integrating the goods or services with other goods or services promised in the contract. The combined output – being the offered product – represents a bundle of the Group's various goods or services.
- Goods or services are highly interrelated and integral to the performance of the product. The Group could not fulfil its performance obligation of delivering a specified product by transferring each of the goods or services independently; and
- Only the Group can provide product installation, transactional services and support (including significant updates/upgrades) services to customers of product licences, given the associated intellectual property of the product owned by the Group.

Revenue from multi-element contracts is recognised over the term of the contract, commencing when the product is ready for use following the installation and establishment of the product licence on the basis that:

- Product updates/upgrades received by the customer over the contract period are frequent and significant to the performance and compliance of the products with relevant regulatory authorities.
- Customers have no alternate use for the Group's products outside of the contract period; and
- The Group has an enforceable right to payment for performance completed to date during the period of the contract.

Revenue is recognised over time by reference to the satisfaction of the one performance obligation using the input method. The input method is applied based on the elapsed term of the contract in comparison to the length of the total contract term from when the product is ready for use by the customer until the licence and support periods end.

The Group receives consideration for certain elements of product contracts that is based on transaction volumes exceeding set minimum activity levels. Such variable consideration is recognised as revenue as the customer activity occurs over the term of the contract and the Group becomes entitled to payment.

Directly attributable commissions paid to employees of the Group for obtaining contracts are initially capitalised as a contract cost and amortised within salaries and employee benefits expense over the life of the relevant contract as revenue is recognised. The carrying value of contract costs are assessed for impairment at each reporting date.

The Group also provides archive migration services to its customers. These services are considered to be a separate performance obligation and are not highly interrelated with the other goods and services providing by the Group as they could be provided by other third parties. Accordingly, revenue from archive migration services is recognised over time based on an input method based on the percentage completion of data that is migrated.

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Consolidated			
Year ended 30 June 2024 ($'000)	**Australia**	**Europe**	**North America**	**Total**
Types of goods and services				
Radiology Information System (RIS)	15,440	-	-	15,440
Picture Archiving Communications System (Visage 7/Open Archive)	1,436	3,998	140,555	145,989
Other	-	72	-	72
Total revenue per statement of comprehensive income	**16,876**	**4,070**	**140,555**	**161,501**
Timing of revenue recognition				
Over time	16,876	4,070	140,555	161,501
Total revenue per statement of comprehensive income	**16,876**	**4,070**	**140,555**	**161,501**

	Consolidated			
Year ended 30 June 2023 ($'000)	**Australia**	**Europe**	**North America**	**Total**
Types of goods and services				
Radiology Information System (RIS)	14,818	-	-	14,818
Picture Archiving Communications System (Visage 7/Open Archive)	1,118	4,287	104,564	109,969
Other	-	113	-	113
Total revenue per statement of comprehensive income	**15,936**	**4,400**	**104,564**	**124,900**
Timing of revenue recognition				
Over time	15,936	4,400	104,564	124,900
Total revenue per statement of comprehensive income	**15,936**	**4,400**	**104,564**	**124,900**

Payments received in advance of the commencement of the term of the contract are initially deferred as contract liabilities (deferred revenue, refer to Note 15).

Set out below is the amount of revenue from contracts with customers recognised from:

	Consolidated	
	2024 $'000	2023 $'000
Amounts included in deferred revenue	**19,865**	12,647

Set out below is the amount of salaries and employee benefits expense recognised from:

	Consolidated	
	2024 $'000	2023 $'000
Amounts capitalised as contract costs	**696**	573

6. INCOME AND EXPENSES

	Notes	Consolidated 2024 $'000	2023 $'000
(a) Net foreign currency gains/(losses)			
Currency gains		**8,719**	11,233
Currency loss		**(10,376)**	(11,115)
Fair value (loss)/gain on financial instruments – forward exchange contracts		**535**	(504)
Total net foreign currency gains		**(1,122)**	(386)
(b) Expenses			
Depreciation and amortisation			
Property, plant and equipment assets		**268**	286
Right-of-use lease assets	19	**579**	549
Capitalised development costs	13	**7,663**	7,091
Total depreciation and amortisation expense		**8,510**	7,926
Salaries and employee benefits expense			
Gross wages and salaries		**31,742**	25,474
Capitalised wages and salaries*		**(5,319)**	(4,744)
Long service leave provision		**109**	482
Share-based payments expense**		**1,926**	1,233
Defined contribution plan expense		**1,924**	1,620
Total salaries and employee benefits expense		**30,382**	24,065

*The Group's total wages and salaries incurred was ($'000) $31,742 (2023: $25,474) of which $5,319 (2023: $4,744) of these costs have been capitalised as development costs within intangible assets.

**The Groups share-based payments includes a portion of expense relating to the FY21, FY22, FY23 and FY24 grant of performance rights. Please refer to Note 18 for further details into the valuation of these performance rights during this period.

7. INCOME TAX

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

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

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Unrecognised temporary differences

At 30 June 2024, the Group has not recognised deferred tax liabilities associated with the Group's investments in subsidiaries as the parent is able to control the timing of the reversal of any temporary differences and it is not probable any temporary difference will reverse in the foreseeable future (30 June 2023: nil)

Tax consolidation legislation

Pro Medicus Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2009. Members of the tax consolidated group have entered into a tax funding agreement.

The head entity, Pro Medicus Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts under the tax funding agreement. The Group applies the Group allocation approach to determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. An allocation of income tax liabilities between the entities of the tax consolidated group will be made should the head entity default on its tax payment obligations. No such amounts have been recognised in the financial statements on the basis that the possibility of default is remote.

In addition to its own current and deferred tax amounts, Pro Medicus Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

7. INCOME TAX (cont'd)

	Consolidated	
	2024 $'000	2023 $'000
The major components of income tax expense are:		
Statement of comprehensive income		
Current income tax		
Current income tax charge	**36,284**	27,668
Prior year adjustment	**(834)**	(27)
Deferred income tax		
Relating to origination and reversal of temporary differences	**(1,746)**	(2,163)
Income tax expense reported in profit or loss	**33,704**	25,478
Statement of changes in equity		
Current income tax		
Impact of the Employee Share Trust – vested share-based payments	**(403)**	(2,211)
Deferred income tax		
Relating to origination and reversal of temporary differences due to the Employee Share Trust – unvested share-based payments	**(3,381)**	546
Income tax (benefit) / expense reported directly in the statement of changes in equity	**(3,784)**	(1,665)
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit before tax	**116,498**	86,126
At the applicable statutory income tax rate in each country		
- Australia (30%)	**33,084**	24,266
- United States of America (USA) (21-25%)	**907**	646
- Germany (30.15%)	**772**	761
Prior year adjustment	**(834)**	(27)
Expenditure not allowable for income tax purposes	**333**	190
Benefit from vested share-based payments	**(63)**	(203)
Other	**(495)**	(155)
Income tax expense reported in profit or loss	**33,704**	25,478

Deferred income tax	Consolidated Statement of Financial Position		Consolidated Statement of Comprehensive Income		Recognised within Equity	
Deferred income tax at 30 June relates to the following:	**2024 $'000**	2023 $'000	**2024 $'000**	2023 $'000	**2024 $'000**	2023 $'000
Deferred tax liabilities						
Foreign currency exchange gain	**(106)**	230	**336**	114	**-**	-
Intangible assets	**6,021**	6,405	**384**	283	**-**	-
Depreciation expenses	**25**	17	**(8)**	(5)	**-**	-
Right-of-use asset	**539**	459	**(80)**	123	**-**	-
Contract costs	**1,183**	702	**(481)**	(238)	**-**	-
Deferred tax liabilities	**7,662**	7,813	**151**	277	**-**	-
Deferred tax assets						
Employee entitlements	**1,960**	1,432	**528**	450	**-**	-
Intellectual property expenses	**178**	196	**(18)**	(19)	**-**	-
Accruals	**5**	27	**(22)**	1	**-**	-
Allowance for expected credit losses	**-**	-	**-**	(158)	**-**	-
Deferred revenue	**8,568**	7,918	**650**	1,381	**-**	-
Lease liabilities	**598**	497	**101**	(123)	**-**	-
Unrealised fair value loss on other financial assets	**99**	260	**(161)**	260	**(546)**	(3,356)
Employee Share Trust – unvested share-based payments	**5,727**	1,870	**476**	94	**3,381**	(546)
Patent cost	**36**	-	**36**	-	**-**	-
Other	**11**	6	**5**	-	**-**	-
Deferred tax assets	**17,182**	12,206	**1,595**	1,886	**3,381**	(546)
Deferred tax movement (charged) or credited to profit or loss			**1,746**	2,163	**-**	-
Deferred tax movement (charged) or credited directly to equity			-	-	**3,381**	(546)

8. EARNINGS PER SHARE

Basic earnings per share is calculated as net profit after tax attributable to members of the Group, adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit after tax attributable to members of the Group adjusted for:

- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses
- Other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares
- Dilutive potential ordinary shares adjusted for any bonus element

and then divided by the weighted average number of ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Consolidated	
	2024 $	2023 $
Net profit after tax attributable to ordinary equity holders	**82,793,715**	60,647,665
	Number	Number
Weighted average number of ordinary shares for basic earnings per share	**104,440,687**	104,406,547
Effect of dilution:		
Performance rights	**211,683**	181,095
Weighted average number of ordinary shares adjusted for the effect of dilution	**104,652,370**	104,587,642

9. DIVIDENDS PAID AND PROPOSED

	Consolidated	
	2024 $'000	2023 $'000
Declared and paid during the year:		
Final franked dividend for 2023: 17.0 cents (2022: 12.0 cents franked)	**17,757**	12,532
Interim franked dividend for 2024: 18.0 cents (2023: 13.0 cents franked)	**18,797**	13,576
	36,554	26,108
Declared subsequent to the end of the year (not recognised as a liability as at 30 June):		
Dividends on ordinary shares:		
Final franked dividend for 2024: 22.0 cents (2023: 17.0 cents franked)	**22,974**	17,753
Total dividends proposed	**22,974**	17,753

	Consolidated	
Franking credit balance	**2024 $'000**	2023 $'000
– franking account balance as at the end of the financial year at 30% (2023: 30%)	**21,022**	5,835
– franking credits that will arise from the payment of income tax payable as at the end of the financial year	**2,773**	7,210
– franking debits that will arise from the payment of dividends as at the end of the financial year	**-**	-
– franking credits that the entity may be prevented from distributing in the subsequent financial year	**-**	-
	23,795	13,045
The amount of franking credits available for future reporting periods:		
– impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period	**(9,769)**	(7,608)
	14,026	5,437

The tax rate at which paid dividends have been franked is 30% (2023: 30%).
Dividends proposed will be fully franked.

10. CASH FLOW INFORMATION

	Consolidated	
(a) Cash and cash equivalents	**2024 $'000**	2023 $'000
Cash at bank and in hand*	**60,062**	30,394
Short-term deposits	**-**	60,854
	60,062	91,248

*$1,462,000 (2023: $907,000) of the cash at bank balance is held as a deposit for foreign exchange forward contracts. The deposit matures and becomes available following the settlement of the foreign exchange forward contracts within three months of the reporting date

Cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flow comprise cash at bank and in hand and short-term deposits held for the purpose of meeting short-term cash commitments.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The carrying value of cash and cash equivalents approximates their fair value.

	Consolidated	
(b) Bank term deposits	**2024 $'000**	2023 $'000
Short-term deposits	**63,857**	-
	63,857	-

Bank term deposits represent funds invested by the Group that are not required to meet short-term cash commitments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes of value.

Bank term deposits are made for varying periods, typically less than three months, and earn interest at the respective bank term deposit rates.

	Consolidated	
(c) Reconciliation of net profit after tax to net cash flows from operations	**2024 $'000**	2023 $'000
Net profit	**82,794**	60,648
Adjustments for:		
Depreciation of property, plant and equipment and right of use lease assets	**847**	834
Amortisation of intangible assets	**7,663**	7,091
Interest received classified in investing activities	**(4,832)**	(2,431)
Current income tax impact of vested share-based payments recognised directly in equity	**330**	1,732
Net unrealised foreign currency differences and other non-cash items	**1,166**	(981)
Fair value loss on other financial assets	**536**	207
Share-based payment expense	**1,926**	1,233
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	**(8,173)**	(12,442)
(Increase)/decrease in inventory	**6**	22
(Increase)/decrease in deferred tax asset	**(4,976)**	(1,340)
(Increase)/decrease in prepayments	**(113)**	(513)
(Increase)/decrease in contract costs	**(1,820)**	(1,036)
(Decrease)/increase in trade and other payables	**3,398**	1,495
(Decrease)/increase in income tax payable	**(4,136)**	240
(Decrease)/increase in deferred income	**6,878**	7,267
(Decrease)/increase in deferred tax liability	**(151)**	(277)
(Decrease)/increase in employee entitlements	**636**	786
Net cash flow from operations	**81,979**	62,535

11. TRADE AND OTHER RECEIVABLES

Trade and other receivables do not contain a significant financing component and are recognised initially at the transaction price and subsequently measured at amortised cost less an allowance for any impairment.

	Consolidated	
Current	**2024 $'000**	2023 $'000
Trade receivables	**47,907**	39,650
Less: Allowance for expected credit losses	**-**	-
	47,907	39,650
Other receivables	**148**	232
	48,055	39,882

The carrying value of trade receivables approximates their fair value due to the short-term nature of receivables.

The provision matrix for expected credit losses is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

11. TRADE AND OTHER RECEIVABLES (cont'd)

During the year ended 30 June 2024, $nil of trade and other receivables were written off as unrecoverable and allowances for expected credit losses of $nil were recognised (30 June 2023: $654,000 written off and $nil allowances recognised).

At June 30, the ageing analysis of trade receivables is as follows:

	Consolidated	
	2024 $'000	2023 $'000
0 – 30 days	**41,793**	31,867
31 – 60 days	**844**	100
61 – 90 days	**2,808**	6,476
91+ days	**2,462**	1,207
Total trade receivables	**47,907**	39,650

The majority of customers are on terms of between 30 to 60 days, however certain customers have terms of up to 90 days.

12. OTHER FINANCIAL ASSETS

	Consolidated	
Investments	**2024 $'000**	2023 $'000
Hybrid/convertible debt instruments, listed	**6,339**	3,872
Other debt instruments, listed	**1,457**	1,097
Hybrid/convertible debt instruments, unlisted	**14,944**	-
Other debt instruments, unlisted	**6,968**	15,305
Managed fund units, unlisted	**1,263**	9,973
	30,971	30,247
Foreign exchange forward contract	**535**	-
Equity instruments, unlisted	**7,336**	-
Total other financial assets	**38,842**	30,247
Total current	**31,506**	30,247
Total non-current	**7,336**	-

Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient (see Note 11), the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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 for instruments with similar terms and conditions.

Equity instruments

On 3 January 2024, the Group purchased 2,577,718 Series C Preferred shares of Elucid Bioimaging, Inc. ("Elucid") for a total consideration of USD $4,999,999.61 / AUD $7,336,034.43. The acquisition represents a circa 3.5% minority shareholding in Elucid.

Through the investment, the Group is looking to partner with Elucid to integrate its cardiac CT solutions into Visage Imaging, Inc., a subsidiary of Pro Medicus.

The investment was initially measured at fair value and is subsequently measured at fair value with any change recognised in profit or loss in the period in which it arises.

The shares in Elucid are not traded in an active market and have been categorised within Level 3 in the fair value hierarchy. Due to the proximity of time between the acquisition date and reporting date, and Elucid's continual achievement of project milestones as reported in the quarterly investor updates, the Group considers these factors to form a reliable basis for utilising the acquisition price as the fair value and have determined the fair value of the investment as at 30 June 2024 to be USD $4,999,999.61 / AUD $7,336,034.43.

13. INTANGIBLE ASSETS

Intangible assets acquired separately are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at date of acquisition. Following initial recognition, intangible assets with a finite life are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated on a straight-line basis over the estimated useful life of the asset.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists, at the cash generating unit level. In addition, intangible assets which are not yet ready for use are not amortised but are tested for impairment at least annually. The recoverable amount is estimated, and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying value.

The amortisation period and method is reviewed at each financial year end and adjustments, where applicable, are made on a prospective basis.

Research and development costs

Research costs are expensed as incurred.

An intangible asset arising from development expenditure on an internal project is recognised only when the group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for sale or use, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following initial recognition of the development expenditure, the cost model is applied requiring the asset be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised on a straight-line basis over the period of expected benefit from the related project which the Group has assessed as 5 years.

Development expenditure includes costs of materials and services and salaries and wages and other employee related costs arising from the generation of the intangible asset. Development costs are separately identified for the following products:

- Visage 7 PACS
- Visage RIS

	Development Costs - Visage RIS $'000	Development Costs - Visage PACS $'000	Total $'000
Year ended 30 June 2024			
At 1 July 2023 net of accumulated amortisation and impairment	6,396	14,953	21,349
Additions - internal development	2,048	4,337	6,385
Amortisation charge for the year	(2,601)	(5,062)	(7,663)
At 30 June 2024 net of accumulated amortisation and impairment	5,843	14,228	20,071
At 30 June 2024			
Cost	22,618	58,919	81,537
Accumulated amortisation and impairment	(16,775)	(44,691)	(61,466)
Net carrying amount	5,843	14,228	20,071

	Development Costs - Visage RIS $'000	Development Costs - Visage PACS $'000	Total $'000
Year ended 30 June 2023			
At 1 July 2022 net of accumulated amortisation and impairment	5,820	16,473	22,293
Additions - internal development	2,141	4,006	6,147
Amortisation charge for the year	(1,565)	(5,526)	(7,091)
At 30 June 2023 net of accumulated amortisation and impairment	6,396	14,953	21,349
At 30 June 2023			
Cost	20,570	56,318	76,888
Accumulated amortisation and impairment	(14,174)	(41,365)	(55,539)
Net carrying amount	6,396	14,953	21,349

Impairment

On an annual basis the Group performs an impairment assessment on intangible assets which are not yet available for use. Given these intangible assets relate to new versions of the Visage PACS and RIS software products the carrying amounts of the intangible assets not yet available for use are allocated to the Cash Generating Units (CGU) which have been identified separately for each of these software products. These CGUs are considered the smallest identifiable group of assets that generate largely independent cash inflows.

The Group estimates the recoverable amount using a value-in-use (VIU) discounted cash flow methodology. Key inputs and assumptions to the VIU calculation include the discount rate, budgeted cash flows and terminal growth rates.

No impairment loss was recognised during the year ended 30 June 2024 (2023: nil impairment loss) as the results of the impairment test indicated that the recoverable amount of each CGU exceeded the carrying amount. There were also no reasonably possible changes in assumptions identified that would result in recoverable amount being lower than carrying amount.

As part of the annual assessment the Group also performed an assessment of impairment indicators for the in-use definite life intangible assets, resulting in no indicators of impairment.

14. TRADE AND OTHER PAYABLES

Trade payables and other payables are initially recognised at fair value and subsequently carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

	Consolidated	
CURRENT	**2024 $'000**	2023 $'000
Trade payables	**1,739**	1,033
Other payables and accruals	**8,460**	5,768
	10,199	6,801

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

(ii) Other payables are non-interest bearing and have an average term of 30 days.

Fair value approximates carrying value due to the short-term nature of trade and other payables.

15. DEFERRED REVENUE

	Consolidated	
	2024 $'000	2023 $'000
Current		
Deferred revenue from contracts with customers	**17,051**	12,602
	17,051	12,602
Non-current		
Deferred revenue from contracts with customers	**25,850**	23,421
	25,850	23,421

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as at 30 June 2024 was ($'000) $42,901 (2023: $36,023) and is expected to be recognised as revenue in future reporting periods as follows:

	Consolidated	
	2024 $'000	2023 $'000
Less than one year	**16,412**	12,602
Between one year and five years	**21,407**	19,610
More than five years	**5,082**	3,811
Revenue to be recognised from unsatisfied performance obligations	**42,901**	36,023

16. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Employee leave benefits

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date.

(i) Annual leave and sick leave

The liability for annual leave is recognised and measured at the value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible the estimated future cash outflows. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the current rates paid to employees.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible the estimated future cash outflows.

	Consolidated	
	2024 $'000	2023 $'000
Current		
Long service leave	**1,590**	1,517
Annual leave	**2,761**	2,234
	4,351	3,751
Non-current		
Long service leave	**113**	77
	113	77

17. CONTRIBUTED EQUITY AND RESERVES

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

	Consolidated	
Contributed Equity	**2024 $'000**	2023 $'000
(i) Ordinary shares	**23,649**	1,959
Issued and fully paid	**23,649**	1,959

Fully paid ordinary shares carry one vote per share and carry the right to dividends

(ii) Movements in shares on issue	**Number of Shares**	2024 $'000
At 1 July 2023	104,432,253	1,959
Share buyback	(30,397)	-
Issue of shares to Trust to satisfy employee performance rights	23,026	1,656
Issue of shares to Trust	-	20,034
At 30 June 2024	104,424,882	23,649

	Number of Shares	2023 $'000
At 1 July 2022	104,281,957	1,959
Share buyback	(12,583)	-
Exercise of performance rights	162,879	-
At 30 June 2023	104,432,253	1,959

	Consolidated	
Reserves	**2024 $'000**	2023 $'000
Share reserve (i)		
Balance at 1 July	**16,156**	13,258
Share based payment expense	**1,926**	1,233
Income tax effect of the Employee Share Trust	**3,784**	1,665
Shares issued to satisfy employee performance rights	**(21,690)**	-
Balance at 30 June	**176**	16,156
Foreign currency translation reserve (ii)		
Balance at 1 July	**(681)**	(837)
Foreign currency movement	**(229)**	156
Balance at 30 June	**(910)**	(681)
Share buyback reserve (iii)		
Balance at 1 July	**(5,774)**	(5,224)
Share buyback	**(2,769)**	(550)
Balance at 30 June	**(8,543)**	(5,774)

Retained earnings	**Number of Shares**	2024 $'000
Balance at 1 July	**127,116**	92,576
Net profit for the year	**82,794**	60,648
Dividends	**(36,554)**	(26,108)
Balance at 30 June	**173,356**	127,116

(i) Share reserve

The share reserve is used to record the fair value of share-based payments provided to employees, including KMP, as part of their remuneration, and deferred tax on the share-based payments required to be recognised in equity. When shares are assigned from the Employee Share Trust via Treasury shares to employees to satisfy the equity incentive plan, the Share reserve is reduced by the market value of the shares. Refer to Note 18 for further details of these plans.

(ii) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries and for exchange differences arising from long term loan accounts resulting from net investment in subsidiaries.

(iii) Share buyback reserve

The share buyback reserve is used to record the market value of shares that have been bought back during the reporting period.

Capital Management

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

Management reviews the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, or issue new shares or buyback existing shares.

During the year, the company paid dividends of $36,553,876 (2023: $26,108,063).

18. SHARE BASED PAYMENTS

(i) Equity settled transactions:

The Group provides benefits to its employees (including KMP) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

Details of the current share-based payment plan, which provides performance rights to employees are outlined below.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using either a Black Scholes model or Monte Carlo simulation model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the profit or loss is the product of:

(i) The grant date fair value of the award.

(ii) For options with non-market vesting conditions, the current best estimate of the number of awards that will vest, considering such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and

(iii) The lapsed portion of the vesting period.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to the Share reserve in equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (see Note 8).

Performance Rights - Long Term Incentive (LTI) Scheme

Senior Executives of the Group are offered performance rights over the ordinary shares of Pro Medicus Limited. The performance rights, which are accounted for as options, are issued with nil exercise price and vest 4 years after grant date subject to an employee remaining in service and certain performance hurdles (which are tested at the end of the third year) being met. The performance rights cannot be transferred and will not be quoted on the ASX.

During the current year performance rights granted during the FY24, FY23, FY22 and FY21 years remained on issue.

The table below details movements in the number of performance rights on issue:

	30 June 2024 Number of Performance Rights	30 June 2023 Number of Performance Rights
Outstanding at the beginning of the year	**248,741**	404,611
- granted	**69,258**	71,867
- forfeited	**(38,961)**	(64,858)
- exercised[1]	**(23,026)**	(162,879)
Outstanding at the end of the year	**256,012**	248,741
Exercisable at end of year	**-**	-
Weighted average remaining contractual life	**2.5**	2.7

[1]Performance rights issued under the FY20 LTI plan were exercised on 28 August 2023 at a value of $71.91 per right (prior period: FY19 LTI plan performance rights exercised on 29 August 2022 at a value of $52.55 per right).

Performance hurdles applicable to the performance rights on issue during the year were:

- **Earnings per share (EPS) (60% of performance rights granted):** calculated as the compound annual growth rate (CAGR) of EPS for the 3-year period from the grant date.
- **Relative total shareholder return (TSR) (40% of performance rights granted):** Relative TSR combines the security price movement and distributions (which are assumed to be reinvested) to show the total return to securityholders, relative to that of other companies in the TSR comparator group. For the FY24, FY23, FY22 and FY21 plans the TSR comparator group was the ASX 200 index.

Performance rights valuation

The fair value of the equity-settled performance rights granted for the current LTI scheme is estimated as at the date of the grant using Black Sholes and Monte Carlo Simulation Models considering the terms and conditions upon which the performance rights were granted.

The following table lists the inputs to the models used:

	2024	2023	2022	2021
Dividend yield	0.43%	0.43%	0.26%	0.48%
Expected volatility	32.1%	45.8%	16.3%	19.5%
Risk-free interest rate	1.50%	1.50%	0.90%	0.90%
Expected life of performance rights	4 years	4 years	4 years	4 years
Performance rights exercise price	$0.00	$0.00	$0.00	$0.00
Fair value per right - TSR	$25.50	$24.07	$8.03	$3.28
Fair value per right – EPS	$68.88	$50.80	$57.75	$24.45

19. LEASES

The table below details movements in the Group's right-of-use assets and lease liabilities during the year ended 30 June 2024:

	Consolidated			
	Right-of-use assets		Lease liabilities	
	Property $'000	Motor vehicles $'000	Total $'000	Total $'000
As at 1 July 2023	1,670	45	1,715	(1,851)
Additions	755	46	801	(882)
Depreciation expense	(532)	(47)	(579)	-
Interest expense	-	-	-	(76)
Payments	-	-	-	668
Foreign exchange translation	(67)	(3)	(70)	72
As at 30 June 2024	**1,826**	**41**	**1,867**	**(2,069)**

	Consolidated			
	Right-of-use assets		Lease liabilities	
	Property $'000	Motor vehicles $'000	Total $'000	Total $'000
As at 1 July 2022	2,064	79	2,143	(2,279)
Additions	94	-	94	(82)
Depreciation expense	(507)	(42)	(549)	-
Interest expense	-	-	-	(76)
Payments	-	-	-	624
Foreign exchange translation	19	8	27	(38)
As at 30 June 2023	**1,670**	**45**	**1,715**	**(1,851)**

Set out below are the amounts recognised in profit and loss during the year ended 30 June 2024:

	Consolidated	
	30 Jun 2024 $'000	30 Jun 2023 $'000
Depreciation expense	**579**	549
Interest expense	**76**	76
Total amount recognised in profit and loss	**655**	625

The Group had total cash outflows for leases during the year ended 30 June 2024 of ($'000) $668 (2023: $624).

At 30 June 2024 there were no leases that were committed to but not yet commenced (30 June 2023: None).

20. EVENTS AFTER THE BALANCE SHEET DATE

On 14 August 2024, the directors of Pro Medicus Limited declared a fully franked final dividend on ordinary shares in respect of the 2024 financial year of 22.0 cents per share totalling $22,973,474. The dividend has not been provided for in the 30 June 2024 financial statements.

No other matters have arisen since the Balance Sheet date which have significantly affected or may affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

21. AUDITOR'S REMUNERATION

	Consolidated	
	2024	2023
Amounts received or due and receivable by Ernst & Young (Australia) for:		
– Statutory audit and review of the financial report of the Group	**300,906**	287,526
– Tax compliance services in relation to the Group (non-audit services)	**73,950**	68,241
	374,856	355,767
Amounts received or due and receivable by related practices of Ernst & Young (Australia):		
– Statutory audit of the financial report of Visage Imaging GmbH	**73,324**	118,437
– Tax compliance services in relation to Visage Imaging GmbH (non-audit services)	**11,090**	11,376
	459,270	485,580

22. KEY MANAGEMENT PERSONNEL

(a) Compensation for key management personnel

	Consolidated	
	2024	2023
Short-term employee benefits	**3,544,582**	3,230,409
Post-employment benefits	**150,423**	151,044
Long-term benefits	**30,787**	348,601
Share-based payments	**450,125**	292,150
Total compensation	**4,175,917**	4,022,204

Detailed remuneration disclosure are contained in the Remuneration Report section of the Director's Report.

(b) Loans to Key Management Personnel

No loans are made to Key Management Personnel or staff.

(c) Other transactions and balances with Key Management Personnel

During the year lease payments of $215,120 (2023: $215,120) in respect of the Group's operating premises at 450 Swan Street, Richmond were paid to Champagne Properties Pty. Ltd., an entity controlled by S. Hupert and A. Hall. These lease arrangements are on an 'arm's length basis' as determined by an independent assessment of rental and lease terms. The lease expires 01 April 2026, with the option for a three year renewal.

23. RELATED PARTY DISCLOSURE

(a) Subsidiaries

The consolidated financial statements include the financial statements of Pro Medicus Limited and the subsidiaries listed in the following table.

		% Equity interest
Name	**Country of incorporation**	**2024**
Promed (USA) Pty Ltd	Australia	**100**
PME IP Australia Pty Ltd	Australia	**100**
PME IP Pty Ltd	Australia	**100**
Visage Imaging (Aust) Pty Ltd	Australia	**100**
Visage Ventures Pty Ltd	Australia	**100**
PME Nominees Pty Ltd (ATF Employee Share Trust)	Australia	**100**
Pro Medicus (USA) LLC	United States	**100**
Visage Ventures Inc	United States	**100**
Visage Imaging Inc	United States	**100**
Visage Imaging GmbH	Germany	**100**

(b) Ultimate parent

Pro Medicus Limited is the ultimate Australian parent entity and the ultimate parent of the Group.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments are cash and cash equivalents, bank term deposits and other financial assets.

The main purpose of these financial instruments is to provide finance for the Group's operations. The Group also has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are foreign currency risk, interest risk and credit risk. The Board manages each of these risks as detailed below.

Foreign currency risk

(i) Functional and presentation currency

Both the functional and presentation currency of Pro Medicus Limited and its Australian subsidiaries are Australian dollars ($). The United States subsidiaries' functional currency is United States Dollars. The subsidiary in Germany has a functional currency of Euro. Foreign subsidiaries are translated to presentation currency for consolidated reporting.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(iii) Translation of Group Companies' functional currency to presentation currency

The results of the United States and German subsidiaries are translated into Australian dollars (presentation currency) using an average exchange rate for the trading period. Assets and liabilities are translated at exchange rates prevailing at reporting date. Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of the net investments in foreign subsidiaries are taken to the foreign currency translation reserve. If a foreign subsidiary were sold, the proportionate share of exchange differences would be transferred out of equity and recognised in profit or loss.

The Group has transactional currency exposure, which arise from sales made in currencies other than the Group's presentational currency.

Approximately 90% (2023: 87%) of the Group's sales are denominated in currencies other than the presentational currency. Foreign bank accounts have also been established, to create a natural hedge and reduce the need for regular transfers from the presentational currency (AUD) cash holdings.

At 30 June the Group had the following exposure to foreign currency that is not designated in cash flow hedges or recorded in the functional currency of the subsidiary

	Consolidated							
	USD$		CAD$		GBP		EUR€	
	2024 $'000	2023 $'000	**2024 $'000**	2023 $'000	**2024 $'000**	2023 $'000	**2024 $'000**	2023 $'000
Financial assets								
Cash and cash equivalents	**8,710**	11,678	**57**	963	**133**	133	**1,177**	1,199
	8,710	11,678	**57**	963	**133**	133	**1,177**	1,199
Financial liabilities								
Foreign exchange forward contracts	**(29,768)**	(17,626)	**-**	-	**-**	-	**-**	-
Net exposure	**(21,058)**	(5,948)	**57**	963	**133**	133	**1,177**	1,199

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

At 30 June, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity (excluding retained profits) would have been affected as follows:

	Post tax profit higher/(lower)		Other comprehensive income higher/(lower)	
Judgements of reasonably possible movements:	**2024 $'000**	2023 $'000	**2024 $'000**	2023 $'000
AUD/USD +10%	**2,106**	595	**(111)**	(114)
AUD/USD – 5%	**(1,053)**	(297)	**56**	57
AUD/CAD +10%	**(6)**	(96)	**-**	-
AUD/CAD – 5%	**3**	48	**-**	-
AUD/GBP +10%	**(13)**	(13)	**-**	-
AUD/GBP – 5%	**7**	7	**-**	-
AUD/EUR +10%	**(118)**	(120)	**(235)**	(263)
AUD/EUR – 5%	**59**	60	**118**	132

Management believes the reporting date risk exposures are representative of the risk exposure inherent in the financial instruments.

Credit risk

Credit risk arises from the financial instruments of the Group, which comprise cash and cash equivalents and trade and other receivables and certain of its other financial assets being debt instruments and derivatives. The Group's exposure to credit risk arises from potential defaults of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets.

(i) Trade and other receivables

The Group trades only with recognised, credit worthy third parties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit assessment.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to expected credit losses is not significant.

As the Group trades predominantly within the Diagnostic Imaging market there is a concentration of credit risk. Given the underlying Government funding support for Radiology in Hospital settings and the Imaging Centre and

Diagnostic Imaging market, and the commercial successes achieved by the Group to date, credit risk is considered to be minimal.

(ii)Cash and cash equivalents

Cash and cash equivalents and bank term deposits are held with several financial institutions, with the majority held with the Westpac Banking Corporation and Wells Fargo Bank N.A., both AA rated banks.

(iii) Other financial assets (debt instruments)

The Group's investment management have been provided with clear credit policies for investing in debt instruments, a summary is listed below:

- Investment is limited to specific asset classes, namely fixed income and private credit.
- No more than 10% of capital is initially invested in any one underlying asset or with any one issuer (held directly or indirectly) and no more than 15% before rebalancing must take place.
- Within fixed income, holding bonds dated 2 years or less.
- Within private debt, no less than 80% of capital invested with a minimum credit rating of BBB - or better ("Investment Grade")

The table below summarises the credit quality by instrument.

	AA %	AA- %	A+ %	A %	A- %	BBB+ %	BBB %	BBB- %	BB+ %	TOTAL
Year ended 30 June 2024										
Hybrid/convertible debt instruments, listed	-	-	-	-	-	-	92	8	-	100
Other debt instruments, listed	-	-	-	-	-	100	-	-	-	100
Hybrid/convertible debt instruments, unlisted	-	-	-	-	58	21	17	4	-	100
Other debt instruments, unlisted	-	-	6	-	40	27	24	3	-	100
Managed fund units, unlisted	-	1	-	-	2	-	-	-	97	100
TOTAL	**-**	**-**	**5**	**-**	**28**	**24**	**36**	**3**	**4**	**100**

	AA %	AA- %	A+ %	A %	A- %	BBB+ %	BBB %	BBB- %	BB+ %	TOTAL
Year ended 30 June 2023										
Hybrid/convertible debt instruments, listed	-	-	-	-	26	-	48	26	-	100
Other debt instruments, listed	-	-	-	-	-	100	-	-	-	100
Other debt instruments, unlisted	-	7	-	3	-	45	24	21	-	100
Managed fund units, unlisted	20	9	-	24	17	-	5	14	11	100
TOTAL	**7**	**6**	**-**	**10**	**9**	**26**	**20**	**19**	**4**	**100**

(iv) Other financial liabilities (derivatives)
Derivative other financial liabilities are held with Macquarie Bank Limited, an A-1 rated bank.

Interest rate risk (cash flow and fair value)

The Group exposure to market interest rates relates primarily to the company's cash and cash equivalents, bank term deposits and other financial assets, being debt instruments.

(i) Cash flow interest rate risk
At reporting date, the Group had the following financial assets exposed to Australian Variable interest rate risk that are not designated in cash flow hedges and are subject to cash flow interest rate risk:

Cash and Cash equivalents of $60,062 (2023: $91,248) and bank term deposits of $63,857 (2023: nil) in the Group.

At 30 June 2024, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity (excluding retained profits) would have been affected by cash flow interest rate risk as follows:

	Consolidated			
	Post tax profit higher/(lower)		Other comprehensive income higher/(lower)	
Judgements of reasonably possible movements:	**2024 $'000**	2023 $'000	**2024 $'000**	2023 $'000
+1% (100 basis points)	**1,239**	912	**-**	-
– 0.5% (50 basis points)	**(620)**	(456)	**-**	-

(ii) Fair value interest rate risk
At reporting date, the Group had the following debt instruments exposed to fair value interest rate risk:

	Consolidated	
	2024 $'000	2023 $'000
Hybrid/convertible debt instruments, listed	**6,339**	3,872
Other debt instruments, listed	**1,457**	1,097
Hybrid/convertible debt instruments, unlisted	**14,944**	-
Other debt instruments, unlisted	**6,968**	15,305

The Group considers that these exposures do not give rise to significant fair value interest rate risk given the short maturities of the debt instruments held and credit quality of the portfolio.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Liquidity risk

The Group has minimal liquidity risk as it has cash and cash equivalent and bank term deposit reserves of $123,919, with no external borrowings.

These cash reserves are deemed to be adequate, and the Board believes they will underpin the ongoing growth of the business.

The table below summarises the maturity profile of the Groups financial liabilities based on contractual undisclosed payments:

	LESS THAN 1 YEAR $'000	1 TO 5 YEARS $'000	> 5 YEARS $'000	**TOTAL $'000**
Year ended 30 June 2024				
Trade and other payables	10,199	-	-	10,199
Lease liabilities	636	1,697	-	2,333
TOTAL	**10,835**	**1,697**	**-**	**12,532**

	LESS THAN 1 YEAR $'000	1 TO 5 YEARS $'000	> 5 YEARS $'000	**TOTAL $'000**
Year ended 30 June 2023				
Trade and other payables	6,801	-	-	6,801
Lease liabilities	655	1,179	215	2,049
TOTAL	**7,456**	**1,179**	**215**	**8,850**

In addition to the amounts disclosed in the tables above, at 30 June 2024 the group held forward contracts for the purchase of Australian Dollars with US Dollars (disclosed as other financial liabilities within the financial statements). These contracts involved gross US Dollar payments of ($000) $19,500 in exchange for Australian Dollars of $29,768 (30 June 2023: gross US Dollar payments of ($000) $12,000 in exchange for Australian Dollars of $17,626). Refer to Note 26(b) for further information.

25. PARENT ENTITY INFORMATION

Information relating to Pro Medicus Limited	**2024 $'000**	2023 $'000
Current assets	**32,890**	31,898
Total assets	**47,167**	46,473
Current liabilities	**33,816**	38,329
Total liabilities	**36,507**	41,738
Issued capital	**23,649**	1,959
Retained earnings	**8,507**	2,894
Foreign currency translation reserve	**(3,344)**	(3,646)
Share reserve	**(9,609)**	9,302
Share Buyback Reserve	**(8,543)**	(5,774)
Total shareholders' equity	**10,660**	4,735
Profit/(loss) of the parent entity	**5,473**	10,131
Total comprehensive income of parent entity	**5,473**	10,131

The parent entity has not entered into any guarantees in relation to the debts of its subsidiaries. There are no contingent liabilities held against the parent entity. The parent entity does not have any contractual commitments for the acquisition of property, plant and equipment.

26. OTHER ACCOUNTING POLICIES

(a) Accounting Standards and Interpretation issued but not yet effective

In June 2024, the Australian Accounting Standards Board issued AASB 18 Presentation and Disclosure in Financial Statements [for for-profit entities] ("AASB 18"). Upon adoption, AASB 18 replaces AASB 101 Presentation of Financial Statements and is applied retrospectively to comparative periods presented.

The key presentation and disclosure requirements established by AASB 18 are:

- The presentation of newly defined subtotals in the statement of comprehensive income – Operating profit and Profit before financing and income taxes;
- The disclosure of management-defined performance measures; and
- Enhanced requirements for grouping (aggregation or disaggregation) of financial information.

The standard is effective for the Group for the full year ending 30 June 2028, with earlier adoption permitted. ASAB 18 is not expected to impact the recognition or measurement of items in the financial statements.

(b) Derivative financial instruments and hedging

The Group uses derivative financial instruments (forward currency contracts) to manage its risks associated with foreign currency. Such derivative financial instruments are initially recognised at fair value at the date on which a derivative contract is entered into and are subsequently remeasured to fair value at the reporting date. The fair value of the derivative financial instruments are level 2, being derived from directly or indirectly observable inputs.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivative are recorded directly in profit or loss for the year within net foreign currency gains/(losses). The Group does not apply hedge accounting. The foreign exchange forward contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from three to six months.

Set out below is a comparison of the carrying amounts and fair value of the Group's derivatives. These mature in July 2024, January 2025 and March 2025 (2023: August 2023).

	2024		2023	
	Carrying Amount $'000	**Fair Value $'000**	Carrying Amount $'000	Fair Value $'000
Financial assets/(liabilities)	**535**	**535**	(504)	(504)
Foreign exchange forward contracts	**535**	**535**	(504)	(504)

(c) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(d) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures. There has been no reclassification or repositioning of comparatives in the current year disclosures.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Entity name	Entity type	Body corporate country of incorporation	Body corporate % of share capital held	Country of tax residence
Promed (USA) Pty Ltd	Body corporate	Australia	100	Australia
PME IP Australia Pty Ltd	Body corporate	Australia	100	Australia
PME IP Pty Ltd	Body corporate	Australia	100	Australia
Visage Imaging (Aust) Pty Ltd	Body corporate	Australia	100	Australia
Visage Ventures Pty Ltd	Body corporate	Australia	100	Australia
PME Nominees Pty Ltd	Trustee	Australia	100	Australia
ATF Employee Share Trust	Trust	N/A	N/A	Australia
Pro Medicus (USA) LLC	Body corporate	United States	100	United States
Visage Ventures Inc	Body corporate	United States	100	United States
Visage Imaging Inc	Body corporate	United States	100	United States
Visage Imaging GmbH	Body corporate	Germany	100	Germany

DIRECTORS DECLARATION

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

(1) In the opinion of the directors:

(a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited, 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 30 June 2024 and of the performance for the year ended on that date; and

(ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the Consolidated entity disclosure statement as at 30 June 2024 set out on page 77 is true and correct.

(c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

(d) the financial statements and notes comply with International Financial Reporting Standards (IFRS) as disclosed in Note 2(b).

(2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

On behalf of the Board

P T Kempen

Chairman

Melbourne, 14 August 2024

INDEPENDENT AUDIT REPORT

FOR THE YEAR ENDED 30 JUNE 2024

Building a better working world

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

Report on the audit of the financial report

Opinion

We have audited the financial report of Pro Medicus Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Capitalisation of development costs

Why significant	How our audit addressed the key audit matter
The Group develops medical software related to radiology systems. Costs directly attributable to the development of this software (development costs) are capitalised and presented as intangible assets on the consolidated statement of financial position. The carrying value of intangible assets as at 30 June 2024 was $20.1 million.	Our audit procedures included the following: ► Assessed key cost inputs, including directly attributable labour and overhead costs, used in the Group's capitalisation model which determines the amount of capitalised development costs.

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Why significant	How our audit addressed the key audit matter
Capitalisation of development costs was considered a key audit matter given the judgement required in accounting for internal capitalised development costs, the value of capitalised development cost assets relative to total assets, and the specific Australian Accounting Standards criteria that have to be met to enable costs incurred to be capitalised. In addition, determining whether there is any indication of impairment of the carrying value of assets requires judgement in making assumptions which are affected by future market or economic developments. Note 13 of the financial report contains disclosure relating to capitalised development costs.	► Selected a sample of capitalised development costs by project and assessing whether the nature of projects and costs incurred were supported by underlying evidence such as payroll records, employment contracts, time allocations approved by the development team leads and supplier invoices. ► Interviewed a sample of employees with labour costs capitalised to understand whether these employees were directly involved in developing software and not maintenance, administration or other activities that are not eligible for capitalisation. ► Tested a sample of projects on the feasibility and benefits expected from each based on the current status, forecast performance and related assumptions. ► Assessed the useful life and amortisation rate allocated to capitalised development costs. ► Assessed the consistency of the capitalisation methodology applied by the Group in comparison to prior reporting periods. ► Assessed the adequacy of the disclosures included in Note 13.

Revenue recognition

Why significant	How our audit addressed the key audit matter
The Group generated $161.5 million in revenue from contracts with customers across its global operations for the year ended 30 June 2024. The Group exercises judgement to determine, in particular: ► Performance obligations within customer contracts; and ► Recognition of revenue associated with multi-element contracts over the term of the contracts. Accordingly, revenue recognition was considered a key audit matter. Note 5 of the financial report contains disclosure relating to revenue recognition.	Our audit procedures included the following: ► Assessed the appropriateness of the Group's revenue recognition accounting policies against the requirements of Australian Accounting Standards, as well as the judgements applied in determining the timing of revenue recognition. ► Examined a sample of customer contracts to assess whether revenue recognised was in accordance with Australian Accounting Standard and the terms and conditions in the underlying contract. ► Used data analytic tools to test the full population of revenue transactions for all significant revenue streams, including performing: ▪ Correlation analysis between revenue, receivables and cash ▪ Targeted audit procedures over material items that did not correlate as expected ▪ Testing to verify that the cash recorded represents real cash from third party customers ► Assessed the adequacy of the disclosures included in Note 5.

Information other than the financial report and auditor's report thereon

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

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001,* and;

b. The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

► Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

► Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

► Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

► Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDIT REPORT

FOR THE YEAR ENDED 30 JUNE 2024

EY
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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Pro Medicus Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Ernst & Young

Ernst & Young

Andrea Steacy
Partner
Melbourne
14 August 2024

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ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are:

	Performance rights		Ordinary shares	
	Number of holders	Number of rights	Number of holders	Number of shares
1 – 1,000	14	6,639	12,964	3,018,747
1,001 – 5,000	45	118,031	1,732	3,807,180
5,001 – 10,000	2	13,498	243	1,750,603
10,001 – 100,000	6	117,844	184	4,810,967
100,001 and Over	-	-	31	91,037,385
	67	256,012	15,154	104,424,882
The number of shareholders holding less than a marketable parcel are:			115	135

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

	Listed ordinary shares	
	Number of shares	Percentage of ordinary shares
1 Mr A Hall (multiple shareholdings)	25,179,000	24.11%
2 Dr S Hupert (multiple shareholdings)	25,137,660	24.07%
3 HSBC Custody Nominees (Australia) Limited	20,907,861	20.02%
4 Citicorp Nominees Pty Ltd	8,363,268	8.01%
5 J P Morgan Nominees Australia Limited	8,125,600	7.78%
6 BNP Paribas Noms Pty Ltd	1,335,766	1.28%
7 National Nominees Limited	816,927	0.78%
8 Mr Peter Terence Kempen & Mrs Elaine Margaret Kempen (multiple shareholdings)	629,082	0.60%
9 Grain Exporters (Australia) Pty Ltd	465,000	0.45%
10 Mr Michael Wu	425,242	0.41%
11 Netwealth Investments Limited	370,143	0.35%
12 Mr Stephen Geoffrey Wilson & Ms Denise Adele Prandi	285,037	0.27%
13 Mr Colin Gregory Organ	271,000	0.26%
14 Palm Beach Nominees Pty Ltd	259,654	0.25%
15 Mr John Charles Plummer	250,000	0.24%
16 Mr Danny Tauber	241,546	0.21%
17 Neweconomy Com Au Nominees Pty Limited	179,886	0.17%
18 Mr Sean Michael Lambright	177,981	0.17%
19 Mr Bram Vander Jagt & Mrs Maaike Vander Jagt	165,000	0.16%
20 Mr Roderick Lyle	154,000	0.15%
	93,739,653	89.74%

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Law are:

	Number of shares
S. Hupert	25,137,660
A Hall	25,179,000

(d) Voting rights

All ordinary shares carry one vote per share without restriction.

CORPORATE INFORMATION

You can do so much more online

Did you know that you can access – and even update – information about your holdings in Pro Medicus Limited via the Internet.

Visit Link Market Services' website **www.linkmarketservices.com.au** and access a wide variety of holding information, make some changes online or download forms.

You can:

- Check your current and previous holding balances
- Choose your preferred annual report delivery option
- Update your address details
- Update your bank details
- Lodge, or confirm lodgement of, your Tax File Number (TFN), Australian Business Number (ABN) or exemption
- Check transaction and dividend history
- Enter your email address
- Check the share prices and graphs
- Download a variety of instruction forms
- Subscribe to email announcements

You can access this information via a security login using your Security holder Reference Number (SRN) or Holder Identification Number (HIN) as well as your surname (or company name) and postcode (must be the postcode recorded on your holding record).

Don't miss out on your dividends

Dividend cheques that are not banked are required to be handed over to the State Trustee under the Unclaimed Monies Act. You are reminded to bank cheques immediately.

Better still, why not have us do your banking for you.

Wouldn't you prefer to have immediate access to your dividend payment? Your dividend payments can be credited directly into any nominated bank, building society or credit union account in Australia as cleared funds on dividend payment date – and we will still mail [(or email if you prefer)] you a dividend advice confirming your payment details.

Not only can we do your banking for you, but payment by direct credit eliminates the risk of cheque fraud.

Top 5 tips for Pro Medicus Limited investors visiting Link's (our registry) website

1. Bookmark www.linkmarketservices.com.au – to bookmark, click on 'Favourites' on the menu bar at the top of your browser then select 'Add to Favourites'
2. Create a portfolio for your holding or holdings and you don't have to remember your SRN or HIN every time you visit
3. Lodge your email via the 'Communications Options' and benefit from the online communications options Pro Medicus Limited offers its investors
4. Check out the 'FAQs' page (accessible via the orange menu bar) for answers to frequently asked questions
5. Use the 'Client List' page (accessible via the orange menu bar) to link to Pro Medicus Limited website and the website of the other Link clients in which you invest.

Contact Information

You can also contact the Pro Medicus Limited share registry by calling +61 2 8280 7111 or Toll Free 1300 554 474

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Global Presence

CORPORATE INFORMATION (cont'd)

ABN 25 006 194 752

Directors

The names of the Directors of the Company in office during the year and until the date of this report are:

Peter Terence Kempen
Chairman/Non-Executive Director

Dr Sam Aaron Hupert
Chief Executive Officer/Managing Director

Anthony Barry Hall
Technology Director

Anthony James Glenning
Non-Executive Director

Dr Leigh Bernard Farrell
Non-Executive Director

Deena Robyn Shiff
Non-Executive Director/
Chair - People & Culture Committee

Alice Williams
Non-Executive Director/
Chair - Audit & Risk Committee

Company Secretary

Danny English

Registered Office

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(03) 9429 8800

Internet Address

www.promedicus.com.au
www.promedicus.com
www.visageimaging.com

Solicitors

Clayton Utz
Sci-Law Strategies
Morrison Foerster

Bankers

Westpac Banking Corporation

Auditors

Ernst & Young

Share Registry

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Australia

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