Healius Limited

Appendix 4D – Half-Year Report

Results for announcement to the market

For the Half-Year ended 31 December 2024

This half-year report should be read in conjunction with the 30 June 2024 annual financial report of Healius Limited.

Attachment A - Interim Financial Report
For the Half-Year ended 31 December 2024

$m	% Increase/ (decrease)	31 December 2024 Total	31 December 2023 Total
Revenue from continuing operations	6.68%	**662.3**	620.8
Loss for the period after tax from continuing operations	(93.77%)	**(40.1)**	(644.1)
Loss for the period	(97.99%)	**(12.8)**	(635.8)
Underlying loss for the period after tax [1]	10.99%	**(20.2)**	(18.2)

Loss per share	2024 ¢ per share	2023 ¢ per share
Basic loss per share	**(1.8)**	(107.0)
Diluted loss per share	**(1.8)**	(107.0)
Underlying basic loss per share	**(2.8)**	(3.1)
Underlying diluted loss per share	**(2.8)**	(3.1)
Interim dividend [2]	**-**	-

[1] Underlying results exclude the impact of non-recurring items. A reconciliation between reported and underlying results is contained in the review of operations on page 3 of this Healius Limited interim financial report for the period ended 31 December 2024.
[2] No dividends are expected to be paid for the period ended 31 December 2024.

Attachment A - Interim Financial Report
For the Half-Year ended 31 December 2024

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Your Directors present their report on the consolidated entity consisting of Healius Limited and the entities it controlled (referred to as "Healius", "the Company", or "the Group") at the end of, or during, the half-year ended 31 December 2024.

Directors

The Directors of Healius during the half-year ended 31 December 2024 and up to the date of this report were:

- Ms Kate McKenzie
- Ms Sally Evans
- Mr John Mattick
- Mr Charlie Taylor
- Dr Michael Stanford
- Mr Paul Anderson
- Ms Kathy Ostin (appointed on 1 December 2024)
- Mr Ravi Jeyaraj (resigned on 2 August 2024)
- Mr Gordon Davis (resigned on 1 December 2024)

Review of Operations

A Review of Operations of the Group during the half-year ended 31 December 2024, and the results of those operations, can be found on pages 3 to 6 of this Report.

Subsequent events

There has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Dividend

In respect of the half-year ended 31 December 2024, no dividends are expected to be paid.

Non-IFRS financial information

The Review of Operations attached to and forming part of this Directors' Report includes a number of non-IFRS financial measures. These non-IFRS financial measures are used internally by management to assess the performance of Healius' business and make decisions on the allocation of resources.

The Directors have included the additional line items EBITDA (earnings before interest, tax, depreciation and amortisation) and EBIT (earnings before interest and tax) within the Financial Report as such presentation is, in the Directors' view, necessary for and relevant to a full understanding of the Group's financial performance.

Rounding off of amounts

Healius is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016. In accordance with that Corporations Instrument, amounts in the Directors' Report and the half-year financial report are rounded off to the nearest hundred thousand dollars, unless otherwise indicated.

Auditor's independence declaration

The Auditor's Independence Declaration is set out on page 7 and forms part of this report.

Signed in accordance with a resolution of the Directors made pursuant to s.306(3) of the *Corporations Act 2001.*

On behalf of the Directors

Paul Anderson
Managing Director & Chief Executive Officer

Sydney, 20 February 2025

GROUP PERFORMANCE

The Review of Operations includes an analysis and description of Underlying results which are defined as Reported results, adjusted for non-underlying items and Lumus Imaging which is classified within discontinued operations. The Directors believe that presentation of Underlying results (non-IFRS (International Financial Reporting Standards) financial information) is useful for investors to understand the Group's core results from operations. A reconciliation of Underlying to Reported results is set out below and also in Note 2 of this report for the half-year ended 31 December 2024.

	1H 2025 $M	1H 2024 $M	BETTER/(WORSE) %
Total revenue	**933.9**	849.0	10.0%
EBITDA (Underlying)	**164.4**	159.1	3.3%
Depreciation and amortisation	**(140.7)**	(143.4)	1.8%
EBIT (Underlying)	**23.7**	15.7	50.0%
Digital transformation costs	**(9.2)**	(12.5)	26.4%
Transaction and takeover bid costs	**(1.4)**	(2.4)	41.7%
Restructuring and other costs	**(2.5)**	(1.7)	(47.1%)
Impairment charges	**-**	(603.2)	100.0%
Less: EBIT from discontinued operations	**(26.4)**	(17.6)	(50.0%)
Transactions with discontinued operations	**(6.8)**	(7.2)	5.6%
EBIT (Reported)	**(22.6)**	(628.9)	96.4%
Interest	**(33.6)**	(31.0)	(8.4%)
Tax	**16.1**	15.8	1.9%
Profit from discontinued operations	**27.3**	8.3	228.9%
NPAT (Reported)	**(12.8)**	(635.8)	98.0%

The adjustments between Underlying and Reported EBIT are as follows:

- Digital transformation costs of $9.2 million are part of the digital transformation program.
- Transaction and takeover costs of $1.4 million relate to deferred payments for earlier acquisitions.
- Restructuring and other costs of $2.5 million primarily relate to the consolidation of group support functions.
- Lumus Imaging EBIT of $26.4 million is reported within Underlying results but for external reporting purposes, is classified as Discontinued Operations

MARKET CONDITIONS

Healius operates within the Australian diagnostics healthcare market, which has taken a prolonged period of time to recover following the COVID-19 pandemic. Whilst Pathology volume growth has returned to historic levels, the high inflationary environment and a lack of indexation for 25 years, make the operating environment difficult. GP and Specialist attendances continue to grow and are leading to more referrals. Overall market growth has been driven by more consistent demand for routine diagnostic testing and the continued adoption of new respiratory and genetic testing.

Future growth will be underpinned by strong underlying demand drivers for diagnostics including a growing and ageing population with more complex and chronic health issues.

HEALIUS RESULTS

Group underlying revenue improved 10.0% between 1H 2025 and 1H 2024, with growth in volumes across both Pathology and Imaging divisions.

Healius recorded underlying EBIT of $23.7 million up from $15.7 million in 1H 2024. Earnings and margins for the half-year were impacted by deliberate strategic investment decisions as part of the strategy reset, and continuing inflationary pressures.

DIVISIONAL RESULTS

PATHOLOGY (UNDERLYING)

	1H 2025 $M	1H 2024 $M	BETTER/(WORSE) %
Revenue	**641.7**	600.0	7.0%
EBITDA	**111.2**	115.3	(3.6%)
Depreciation and amortisation	**(107.1)**	(111.3)	3.8%
EBIT	**4.1**	4.0	2.3%

Pathology's revenue was up $41.7 million or 7.0% on pcp reflecting more consistent volume growth noted in the Pathology market. Pathology's volumes grew at 5.0%, supported by improved GP attendances (up 3.6% on pcp) leading to more pathology referrals.

As part of the new Pathology Strategy to provide better services to patients and referrers, significant investment has been made in people through an increase in collectors and the team operating the call centres. Additional staff in these areas plus the impact of EBAs and improvements to pathologist remuneration has had a material impact on labour costs and EBIT, which was flat on 1H 2024. The benefits of these investments are expected to be realised going forward.

Healius' Pathology strategy continues to focus on a broad ranging program to increase revenues, improve efficiencies in collection centres and laboratory operations, and use technology to facilitate more effective and efficient ways of working.

AGILEX BIOLABS (UNDERLYING)

	1H 2025 $M	1H 2024 $M	BETTER/(WORSE) %
Revenue	**18.8**	19.0	(1.1%)
EBITDA	**2.9**	4.1	(29.3%)
Depreciation and amortisation	**(1.8)**	(2.0)	10.0%
EBIT	**1.1**	2.1	(47.6%)

Agilex Biolabs' results were impacted by a depressed United States market for clinical trials in the lead up to the United States elections in Q2 FY25. While the industry outlook is flat in the short term, Agilex Biolabs' order book has already returned to budgeted levels, and management are confident of a strong second half performance.

With emerging opportunities and market uncertainty clearing, work that had been cancelled or delayed is expected to return, such that earnings for the full financial year are expected to be at least equal to FY 2024.

LUMUS IMAGING (UNDERLYING)

	1H 2025 $M	1H 2024 $M	BETTER/(WORSE) %
Gross revenue [1]	**286.5**	252.8	13.3%
Statutory revenue	**271.6**	228.3	19.0%
EBITDA	**56.4**	45.6	23.7%
Depreciation and amortisation	**(30.0)**	(28.0)	(7.1%)
EBIT	**26.4**	17.6	50.0%

Lumus Imaging's gross revenue[1] grew 13.3% to $286.5 million with strong growth in volumes from existing and new community centres opened during the period, increasing volumes from the business' BUPA contract following the change in the government's immigration policy, and the support of indexation. Lumus Imaging's statutory revenue grew 19.0% compared with pcp aided by the move of more radiologists onto employment contracts.

EBIT grew 50.0% to $26.4 million. The strategy of improving revenue per community site, enhancing the hospital portfolio, and the productivity benefits and efficiency gains from digital initiatives have underpinned the performance of Lumus Imaging to date.

On 23 September 2024, it was announced that Lumus Imaging will be sold to Affinity Equity Partners with completion expected in early 2025, subject to a number of conditions, including Foreign Investment Review Board approval. Lumus Imaging's assets and liabilities are therefore accounted for as held for sale and reported as Discontinued Operations in the financial statements.

CORPORATE (UNDERLYING)

	1H 2025 $M	1H 2024 $M	BETTER/(WORSE) %
Revenue	**2.1**	1.9	10.5%
EBITDA	**(6.1)**	(5.9)	(3.4%)
Depreciation and amortisation	**(1.8)**	(2.1)	14.3%
EBIT	**(7.9)**	(8.0)	1.3%

In 1H 2025, corporate overheads remained steady despite inflationary pressures, reflecting disciplined cost control, and the benefits from restructuring and rationalisation of corporate roles. Corporate functions include the management of centralised support services where those functions benefit from scale.

[1] Gross revenue is before and Statutory revenue is after deduction for radiologists' share of revenue under AASB15.

CASH FLOW AND GEARING

Group net debt and key ratios on 31 December 2024 were as follows:

REPORTED	31 DECEMBER 2024 $M	30 JUNE 2024 $M
Bank loans and financing arrangements [2]	**461.6**	420.8
Cash	**(116.3)**	(60.1)
Net debt	**345.3**	360.7
Bank gearing ratio [3]	**3.8x**	4.1x
Bank interest cover ratio (covenant >3.0x) [4]	**3.3x**	3.1x

The Group's gearing was within its debt covenant of 4.5x.

Group cash flows (including continuing and discontinued operations) for 1H 2025 were as follows:

	1H 2025 $M	1H 2024 $M
Gross cash flows from operating activities	**192.6**	114.4
Net income tax refund	**-**	6.5
Net cash flows from operating activities	**192.6**	120.9
Lease payments	**(136.1)**	(132.7)
Maintenance capex	**(11.1)**	(18.2)
Free cash flow	**45.4**	(30.0)
Growth capex	**(14.3)**	(16.1)
Payments relating to acquisitions	**-**	(2.1)
Proceeds from sale of business	**0.1**	1.0
Capital recycling, deferred consideration & settlement	**(0.7)**	2.9
Net interest paid and finance costs	**(14.3)**	(14.6)
Proceeds from issuing shares, net of transaction costs	**-**	179.3
Net debt funding/(repayment)	**40.0**	(150.0)
Net increase/(decrease) in cash held	**56.2**	(29.6)

[2] Bank loans of $465.0 million (FY 2024: $425.0 million) are shown net of unamortised borrowing costs.
[3] Bank gearing ratio is calculated on bank underlying EBITDA of $91.3 million (underlying rolling 12-month EBITDA of $352.1 million before $261.0 million for AASB 16, $0.7 million for AASB 15, $0.4 million loss on sale of assets and $0.8 million for share-based payments expense), and banking net debt of $348.6 million (net debt of $345.3 million plus unamortised borrowing costs of $3.3 million).
[4] Bank interest cover ratio is calculated based on bank underlying EBITDA divided by finance costs (excluding AASB 16 interest).

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Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's independence declaration to the directors of Healius Limited

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

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

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

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

This declaration is in respect of Healius Limited and the entities it controlled during the financial period.

Ernst & Young

Katrina Zdrilic
Partner
20 February 2025

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's review report to the members of Healius Limited

Conclusion

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

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

Directors' responsibilities for the half-year financial report

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

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

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

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

Ernst & Young

Katrina Zdrilic
Partner
Sydney
20 February 2025

The Directors declare that:

(a) in the Directors' opinion, the attached financial statements and notes are in accordance with the *Corporations Act 2001*, including section 304 (compliance with Accounting Standards) and section 305 (true and fair view); and

(b) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001.*

On behalf of the Directors

Paul Anderson
Managing Director & Chief Executive Officer

Sydney, 20 February 2025

Condensed consolidated statement of profit or loss
For the half-year ended 31 December 2024

	Note	CONSOLIDATED 31 December 2024 $M	31 December 2023[1] $M
Revenue		**662.3**	620.8
Employee benefits expense		**(339.9)**	(314.7)
Property expenses		**(22.9)**	(22.4)
Consumables		**(107.9)**	(98.8)
Repairs and maintenance		**(7.4)**	(6.7)
IT expenses		**(19.1)**	(18.2)
Insurance		**(4.1)**	(3.7)
Other expenses		**(58.8)**	(48.9)
Depreciation - fixed assets	6	**(13.8)**	(13.9)
Depreciation - right of use assets	8	**(93.3)**	(96.2)
Amortisation - intangibles	7	**(4.6)**	(6.4)
Digital transformation costs	2	**(9.2)**	(12.5)
Transaction and takeover bid costs	2	**(1.4)**	(2.4)
Impairment of goodwill	2	**-**	(603.2)
Restructuring and other costs	2	**(2.5)**	(1.7)
Loss before interest and tax		**(22.6)**	(628.9)
Net finance costs	3	**(33.6)**	(31.0)
Loss before tax		**(56.2)**	(659.9)
Income tax benefit	4	**16.1**	15.8
Loss for the period from continuing operations		**(40.1)**	(644.1)
Profit for the period from discontinued operations		**27.3**	8.3
Loss for the period attributable to the shareholders of Healius Limited		**(12.8)**	(635.8)

Loss per share	2024 ¢ per share	2023 ¢ per share
Basic loss per share from continuing and discontinued operations	**(1.8)**	(107.0)
Diluted loss per share from continuing and discontinued operations	**(1.8)**	(107.0)
Basic loss per share from continuing operations	**(5.5)**	(108.4)
Diluted loss per share from continuing operations	**(5.5)**	(108.4)

[1] The Imaging business has been presented as a discontinued operation for the period to 31 December 2024, with comparatives restated accordingly. Refer to note 15 for further details.

Notes to the financial statements are included on pages 17 to 27

Condensed consolidated statement of comprehensive income
For the half-year ended 31 December 2024

	CONSOLIDATED	
	31 December 2024 $M	31 December 2023 $M
Loss for the period	**(12.8)**	(635.8)
Other comprehensive loss		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	**0.3**	(0.1)
Fair value loss on cash flow hedges	**(1.1)**	(3.0)
Reclassification adjustments relating to cash flow hedges for amounts recognised in profit or loss	**(0.9)**	(0.9)
Income tax relating to items that may be reclassified subsequently to profit and loss	**0.6**	1.2
Other comprehensive loss for the period, net of income tax	**(1.1)**	(2.8)
Total comprehensive loss for the period	**(13.9)**	(638.6)

Notes to the financial statements are included on pages 17 to 27

Condensed consolidated statement of financial position

As at 31 December 2024

		CONSOLIDATED	
As at	Note	31 December 2024 $M	30 June 2024 $M
Current assets			
Cash	14(a)	115.4	60.1
Receivables		144.2	207.9
Consumables		32.7	31.9
Tax assets		0.4	0.2
Assets held for sale		745.3	-
Total current assets		1,038.0	300.1
Non-current assets			
Goodwill	5	925.2	1,296.7
Property, plant and equipment	6	114.3	183.4
Other intangible assets	7	55.1	71.8
Right of use assets	8	854.5	1,038.5
Other financial assets		1.8	3.2
Deferred tax asset		78.1	89.1
Total non-current assets		2,029.0	2,682.7
Total assets		3,067.0	2,982.8
Current liabilities			
Payables		179.8	200.9
Deferred consideration		–	0.5
Provisions		92.4	127.6
Lease liabilities	9	175.2	271.3
Liabilities held for sale		356.8	-
Total current liabilities		804.2	600.3
Non-current liabilities			
Provisions		12.4	15.2
Interest bearing liabilities	10	461.6	420.8
Lease liabilities	9	762.0	905.8
Total non-current liabilities		1,236.0	1,341.8
Total liabilities		2,040.2	1,942.1
Net assets		1,026.8	1,040.7
Equity			
Issued capital	12	2,604.0	2,603.9
Reserves		0.9	4.1
Accumulated losses		(1,578.1)	(1,567.3)
Total equity		1,026.8	1,040.7

Notes to the financial statements are included on pages 17 to 27

Condensed consolidated statement of changes in equity

For the half-year ended 31 December 2024

CONSOLIDATED $M	NOTE	Issued capital	Share-based payments reserve	Other reserves	Accumulated losses	Total
Balance at 1 July 2024		**2,603.9**	**3.2**	**0.9**	**(1,567.3)**	**1,040.7**
Loss for the period		**-**	**-**	**-**	**(12.8)**	**(12.8)**
Fair value loss on cash flow hedges		**-**	**-**	**(1.1)**	**-**	**(1.1)**
Reclassification adjustments relating to cash flow hedges recognised in profit or loss		**-**	**-**	**(0.9)**	**-**	**(0.9)**
Exchange differences arising on translation of foreign operations		**-**	**-**	**0.3**	**-**	**0.3**
Income tax relating to components of other comprehensive income		**-**	**-**	**0.6**	**-**	**0.6**
Total comprehensive loss for the period		**-**	**-**	**(1.1)**	**(12.8)**	**(13.9)**
Shares issued via Non-executive Director (NED) Share Plan	**12**	**0.1**	**-**	**-**	**-**	**0.1**
Share based payments		**-**	**(0.1)**	**-**	**-**	**(0.1)**
Transfers		**-**	**(2.0)**	**-**	**2.0**	**-**
Balance at 31 December 2024		**2,604.0**	**1.1**	**(0.2)**	**(1,578.1)**	**1,026.8**

Notes to the financial statements are included on pages 17 to 27

Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2024

CONSOLIDATED $M	NOTE	Issued capital	Share-based payments reserve	Other reserves	Accumulated losses	Total
Balance at 1 July 2023		**2,421.0**	**6.0**	**2.5**	**(923.3)**	**1,506.2**
Loss for the period		-	-	-	(635.8)	(635.8)
Fair value loss on cash flow hedges		-	-	(3.0)	-	(3.0)
Reclassification adjustments relating to cash flow hedges recognised in profit or loss		-	-	(0.9)	-	(0.9)
Exchange differences arising on translation of foreign operations		-	-	(0.1)	-	(0.1)
Income tax relating to components of other comprehensive income		-	-	1.2	-	1.2
Total comprehensive loss for the period		**-**	**-**	**(2.8)**	**(635.8)**	**(638.6)**
Entitlement offer	**12**	187.4	-	-	-	187.4
Entitlement offer – fees and transaction costs	**12**	(8.1)	-	-	-	(8.1)
Entitlement offer – equity tax	**12**	2.4	-	-	-	2.4
Shares issued via Non-executive Director (NED) Share Plan	**12**	0.1	-	-	-	0.1
Share based payments		-	0.9	-	-	0.9
Transfers		1.1	(2.9)	-	1.8	-
Balance at 31 December 2023		**2,603.9**	**4.0**	**(0.3)**	**(1,557.3)**	**1,050.3**

Notes to the financial statements are included on pages 17 to 27

Condensed consolidated statement of cashflow
For the half-year ended 31 December 2024

	Note	CONSOLIDATED 31 December 2024 $M	31 December 2023 $M
Cash flows from operating activities			
Receipts from customers		**996.9**	878.9
Payments to suppliers and employees		**(804.3)**	(764.5)
Gross cash flows from operating activities		**192.6**	114.4
Net income tax refund		**-**	6.5
Net cash provided by operating activities	14 (b)	**192.6**	120.9
Cash flows from investing activities			
Proceeds from sale of business - net of cash disposed		**0.1**	1.0
Payments for property, plant and equipment		**(20.7)**	(25.8)
Payments for other intangibles		**(4.7)**	(8.5)
Proceeds from sale of property, plant and equipment and intangibles		**0.3**	2.9
Payment for business acquired – NH Diagnostics		**-**	(2.1)
Deferred consideration and settlement		**(1.0)**	-
Net cash used in investing activities		**(26.0)**	(32.5)
Cash flows from financing activities			
Finance costs paid on interest bearing liabilities		**(15.2)**	(15.4)
Interest received		**0.9**	0.8
Interest paid on lease liabilities		**(24.7)**	(19.8)
Payment of lease liabilities		**(111.4)**	(112.9)
Proceeds from borrowings, net of transaction costs		**60.0**	-
Repayment of borrowings		**(20.0)**	(150.0)
Proceeds from issuing shares, net of transaction costs		**-**	179.3
Net cash used in financing activities		**(110.4)**	(118.0)
Net increase/(decrease) in cash held		**56.2**	(29.6)
Cash at the beginning of the period		**60.1**	115.3
Cash at the end of the period	14 (a)	**116.3**	85.7

Notes to the financial statements are included on pages 17 to 27

1. MATERIAL ACCOUNTING POLICIES

Healius Limited ("Healius") is a for-profit entity domiciled in Australia. These financial statements represent the condensed consolidated financial statements of Healius for the half-year ended 31 December 2024 which comprises Healius and its subsidiaries (together referred to as "the consolidated entity" or "the Group").

Statement of compliance

This half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. This financial report does not include all of the notes normally included within the annual financial report and should be read in conjunction with the 30 June 2024 annual financial report of Healius Limited.

Basis of preparation

This half-year financial report has been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The financial report has been prepared on a going concern basis. Where applicable, prior year comparatives have been restated in line with current year presentation.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's annual report for the financial year ended 30 June 2024. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New and amended standards adopted

There are no new accounting standards or interpretations that are applicable for the first time in the current financial year which have a material impact on the disclosures or amounts recognised in the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Rounding of amounts

Healius is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest hundred thousand dollars, unless otherwise indicated.

2. SEGMENT INFORMATION

Operating segments are identified based on the way that the Chief Executive Officer and Board of Directors (also collectively known as the chief operating decision makers) regularly review and assess the financial performance of the business and determine the allocation of resources. For internal management reporting purposes, the Group is organised into the following three divisions or operating segments:

Operating segment	Activity
Pathology	Provider of pathology services, including speciality pathology and clinical trials.
Imaging[1]	Provider of imaging services from standalone imaging sites, hospitals and medical centres.
Other	Comprises corporate functions.

The Group operates predominantly in Australia.

Intersegment

Cross segment fees are charged for the use of facilities and services. These charges are eliminated on consolidation.

Presentation of segment revenue and results

Segment revenues and segment results are presented on an underlying basis.

Underlying results exclude the impact of impairment expenses and non-underlying items relating to:

- Strategic initiatives; and
- Other significant non-recurring items

1. The Imaging segment results are presented as part of discontinued operations in the profit and loss statement. The inclusion of these results within the segment information note is to provide users with greater transparency and comparability of the Group's overall results.

2. SEGMENT INFORMATION (CONTINUED)

Underlying results

31 December 2024	**Pathology $M**	**Other [3] $M**	**Total Continuing Operations $M**	**Imaging [4] $M**	**Total Group $M**
Segment Revenue	**660.5**	**2.1**	**662.6**	**271.6**	**934.2**
Intersegment sales			**-**		**(0.3)**
Total Revenue			**662.6**		**933.9**
EBITDA [1]	**114.1**	**(6.1)**	**108.0**	**56.4**	**164.4**
Depreciation - fixed assets	**(13.0)**	**(0.6)**	**(13.6)**	**(6.6)**	**(20.2)**
Amortisation - intangibles	**(3.8)**	**(0.5)**	**(4.3)**	**(2.0)**	**(6.3)**
Depreciation - right of use assets	**(92.1)**	**(0.7)**	**(92.8)**	**(21.4)**	**(114.2)**
EBIT [2]	**5.2**	**(7.9)**	**(2.7)**	**26.4**	**23.7**

31 December 2023	Pathology $M	Other [3] $M	Total Continuing Operations $M	Imaging [4] $M	Total Group $M
Segment Revenue	619.0	1.9	620.9	228.3	849.2
Intersegment sales			-		(0.2)
Total Revenue			620.9		849.0
EBITDA [1]	119.4	(5.9)	113.5	45.6	159.1
Depreciation - fixed assets	(13.3)	(0.4)	(13.7)	(6.3)	(20.0)
Amortisation - intangibles	(5.4)	(0.6)	(6.0)	(2.2)	(8.2)
Depreciation - right of use assets	(94.6)	(1.1)	(95.7)	(19.5)	(115.2)
EBIT [2]	6.1	(8.0)	(1.9)	17.6	15.7

1. EBITDA is a non-statutory profit measure representing earnings before interest, tax, depreciation and amortisation.

2. EBIT is a non-statutory profit measure representing earnings before interest and tax.

3. Other represents the Group's corporate functions. Consistent with prior periods, these functions have continued to support the broader Group over the period and are therefore presented separately.

4. In the previous years, discontinued operations were not disclosed as a separate segment. In the current year, as the discontinued Imaging operation forms a significant proportion of the Group's overall result, it has been disclosed as a separate segment. The inclusion of these results within the segment information note is consistent with what is reviewed by the Chief Operating Decision Maker (CODM), and provides users with greater transparency and comparability of the Group's overall results.

2. SEGMENT INFORMATION (CONTINUED)

Reconciliation of underlying segment revenue continuing operations to statutory revenue

	31 December 2024 $M	31 December 2023 $M
Segment revenue from continuing operations	**662.6**	620.9
Transactions with discontinued operations	**(0.3)**	(0.1)
Reported revenue	**662.3**	620.8

Reconciliation of underlying result for continuing operations to reported loss before tax

	31 December 2024 $M	31 December 2023 $M
Underlying EBIT from continuing operations before tax	**(2.7)**	(1.9)
Digital transformation costs	**(9.2)**	(12.5)
Transaction and takeover bid costs	**(1.4)**	(2.4)
Impairment of goodwill	**-**	(603.2)
Termination and other costs	**(2.5)**	(1.7)
Transactions with discontinued operations	**(6.8)**	(7.2)
Reported EBIT	**(22.6)**	(628.9)
Net finance cost	**(33.6)**	(31.0)
Reported loss before tax	**(56.2)**	(659.9)

Reconciliation of underlying segment EBIT for Imaging to reported EBIT from discontinued operations

	31 December 2024 $M	31 December 2023 $M
Underlying EBIT from discontinued operations before tax	**26.4**	17.6
Restructuring, termination and other costs	**(3.9)**	(5.1)
Transactions with continued operations	**6.8**	7.2
Depreciation and amortisation post held for sale classification[1]	**16.0**	-
Reported EBIT as per discontinued operations (note 15)	**45.3**	19.7

1. Accounting standards require depreciation and amortisation to be recognised only up to the date that the disposal group is deemed held for sale. The Imaging segment met the conditions to be held for sale at 23 September 2024. Depreciation and amortisation expense has been included in the segment note results to appropriately reflect the underlying performance of the business.

3. NET FINANCE COSTS	31 December 2024 $M	31 December 2023 $M
Interest expense	**14.4**	15.6
Interest on lease liabilities	**18.4**	14.8
Amortisation of borrowing costs	**0.8**	0.6
Total net finance costs	**33.6**	31.0

4. INCOME TAX BENEFIT	31 December 2024 $M	31 December 2023 $M
The prima facie income tax benefit on the pre-tax accounting result reconciles to the income tax benefit in the financial statements as follows:		
Loss before tax	**(56.2)**	(659.9)
Income tax benefit calculated at 30% (2023: 30%)	**(16.9)**	(198.0)
Tax effect of amounts which are not deductible in calculating taxable income:		
Impairment of goodwill	**-**	181.0
Share related expense	**-**	0.3
Other items	**0.5**	0.2
	0.5	181.5
Under provision in prior years	**0.3**	0.7
Income tax benefit	**(16.1)**	(15.8)

OECD Pillar Two rules

Pillar Two legislation has been enacted, or substantially enacted, in certain jurisdictions where the Group has a presence. The legislation will be effective for the Group's financial year beginning 1 July 2024. An assessment has been performed of the Group's potential exposure to Pillar Two income taxes for the half year ended 31 December 2024. The assessment, which is based on the most recent financial performance information available for the constituent entities of the Group, indicates that all entities will be able to apply the transitional safe harbour relief in their respective jurisdictions. The Group therefore does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

5. GOODWILL	31 December 2024 $M
Opening balance	**1,296.7**
Transfer to assets held for sale	**(371.5)**
Closing balance	**925.2**
Goodwill is allocated to the Group's cash-generating units (CGUs) as follows:	
Pathology	**925.2**
	925.2

6. PROPERTY, PLANT AND EQUIPMENT

31 December 2024 $M	Plant and Equipment	Leasehold Improvements	Assets Under Construction	Total
Net book value				
Opening balance	**99.1**	**77.5**	**6.8**	**183.4**
Additions	**4.0**	**0.5**	**8.7**	**13.2**
Capitalisation of assets under construction	**3.1**	**1.7**	**(4.8)**	**-**
Disposals	**(0.2)**	**(0.1)**	**-**	**(0.3)**
Depreciation expense [1]	**(10.5)**	**(6.2)**	**-**	**(16.7)**
Transfer to assets held for sale	**(28.9)**	**(29.7)**	**(6.7)**	**(65.3)**
Closing balance	**66.6**	**43.7**	**4.0**	**114.3**
Cost	**233.3**	**118.9**	**4.0**	**356.2**
Accumulated depreciation	**(166.7)**	**(75.2)**	**-**	**(241.9)**
Closing balance	**66.6**	**43.7**	**4.0**	**114.3**

7. OTHER INTANGIBLE ASSETS

31 December 2024 $M	IT Software	Licences	Intangibles Under Construction	Total
Net book value				
Opening balance	**51.9**	**9.5**	**10.4**	**71.8**
Additions	**0.1**	**-**	**4.5**	**4.6**
Capitalisation of intangible assets under construction	**11.4**	**(2.9)**	**(8.5)**	**-**
Transfers and disposals	**-**	**-**	**(0.2)**	**(0.2)**
Amortisation expense [2]	**(5.1)**	**(0.3)**	**-**	**(5.4)**
Transfer to assets held for sale	**(11.0)**	**(4.6)**	**(0.1)**	**(15.7)**
Closing balance	**47.3**	**1.7**	**6.1**	**55.1**
Cost	**152.5**	**5.6**	**6.1**	**164.2**
Accumulated amortisation	**(105.2)**	**(3.9)**	**-**	**(109.1)**
Closing balance	**47.3**	**1.7**	**6.1**	**55.1**

1. Includes depreciation expense from discontinued operations only up to the point when the assets were classified as held for sale. A further $3.5 million in depreciation expense presented in the segment note (note 2) for the period from when classified as held for sale to 31 December 2024 to appropriately reflect the underlying performance of the business.
2. Includes amortisation expense from discontinued operations only up to the point when the assets were classified as held for sale. A further $0.9 million in amortisation expense presented in the segment note (note 2) for the period from when classified as held for sale to 31 December 2024 to appropriately reflect the underlying performance of the business.

8. RIGHT OF USE ASSETS	31 December 2024 $M
Opening balance	**1,038.5**
New leases and remeasurement of leases during the period	**128.6**
Depreciation [1]	**(102.6)**
Transfer to assets held for sale	**(210.0)**
Closing balance	**854.5**

1. Includes depreciation expense from discontinued operations only up to the point when the assets were classified as held for sale. A further $11.6 million in depreciation expense presented in the segment note (note 2) for the period from when classified as held for sale to 31 December 2024 to appropriately reflect the underlying performance of the business.

9. LEASE LIABILITIES	31 December 2024 $M
Opening balance	**1,177.1**
New leases and remeasurement of leases during the period	**127.7**
Interest	**21.0**
Payments including interest	**(121.6)**
Transfer to liabilities held for sale	**(267.0)**
Closing balance	**937.2**
Presented as:	
Current lease liabilities	**175.2**
Non-current lease liabilities	**762.0**
Total lease liabilities	**937.2**

10. INTEREST-BEARING LIABILITIES	31 December 2024 $M	30 June 2024 $M
Non-current		
Gross bank loans	**465.0**	425.0
Unamortised borrowing costs	**(3.4)**	(4.2)
Closing balance	**461.6**	420.8

The Group had access to the following financing facilities as at the end of the reporting period:

	31 December 2024 $M	30 June 2024 $M
Financing facilities		
Non-current		
Unsecured Syndicated Debt Facilities		
Amount used	**465.0**	425.0
Amount unused	**215.0**	255.0
Closing balance	**680.0**	680.0

Amounts unused on non-current facilities are able to be drawn during the course of the ordinary working capital cycle of the Group.

11. NET TANGIBLE LIABILITY BACKING	31 December 2024 $	30 June 2024 $
Net tangible liability backing per share	**(0.04)**	(0.63)

12. ISSUED CAPITAL	No. of shares 31 December 2024 000's	No. of shares 30 June 2024 000's	31 December 2024 $M	30 June 2024 $M
Opening balance	**726,101**	569,529	**2,603.9**	2,421.0
Shares issued via Short Term Incentive Plan (deferred equity)	**-**	210	**-**	0.8
Shares issued via Non-executive Director (NED) Share Plan	**33**	59	**0.1**	0.1
Shares issued via Long Term Incentive Plan	**-**	155	**-**	0.3
Shares issued via Entitlement Offer, net of transaction costs	**-**	156,148	**-**	181.7
Closing balance	**726,134**	726,101	**2,604.0**	2,603.9

Issued capital consists of fully paid ordinary shares carrying one vote per share and the right to dividends.

Transaction costs that were incurred directly in connection with the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

13. DIVIDENDS ON EQUITY INSTRUMENTS

No dividends are expected to be paid for the period ended 31 December 2024.

14. NOTES TO THE CASH FLOW STATEMENT	31 December 2024 $M	31 December 2023 $M
(a) Reconciliation of cash		
For the purposes of the cash flow statement, cash includes cash on hand and in banks, net of outstanding bank overdrafts.		
Cash at the end of the period as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:		
Cash as disclosed in the statement of financial position	**115.4**	85.7
Cash classified as asset held for sale	**0.9**	-
Total cash	**116.3**	85.7

(b) Reconciliation of loss from ordinary activities after related income tax to net cash flows from operating activities

	31 December 2024 $M	31 December 2023 $M
Loss attributable to equity holders	**(12.8)**	(635.8)
Net finance cost	**39.9**	36.0
Depreciation of plant and equipment	**16.7**	20.0
Depreciation of right of use assets	**102.6**	115.2
Impairment of goodwill	**-**	603.2
Amortisation of HCP upfronts in revenue	**0.2**	0.5
Amortisation of intangibles	**5.4**	8.2
Share based payments expense	**(0.1)**	0.9
Gain on derecognition of ROU asset	**(2.0)**	(2.7)
Loss/(gain) on sale of fixed assets	**0.1**	(1.0)
Other non-cash items	**0.3**	(1.1)
Increase/(decrease) in liabilities:		
Trade payables and accruals	**18.9**	(26.8)
Provisions	**(5.2)**	-
Deferred revenue	**(0.7)**	(0.8)
Income taxes and deferred taxes	**(4.5)**	(2.9)
Decrease/(increase) in assets:		
Receivables and prepayments	**37.6**	8.7
Consumables	**(3.8)**	(0.7)
Net cash provided by operating activities	**192.6**	120.9

15. DISCONTINUED OPERATIONS

On 23 September 2024, the Group announced that it had entered into a binding agreement to sell its Lumus Imaging business to Affinity Equity Partners for an enterprise value of $965 million on a cash, debt and equipment-lease free basis.

Completion of the transaction is expected to occur in the first half of calendar year 2025 and remains subject to a limited number of conditions precedent customary for a transaction of this nature.

The transaction is estimated to result in net proceeds of ~$835 million after the repayment of equipment leases and any closing adjustments[2] and ~ $800 million, post transaction fees, separation costs and other fees. The final proceeds will not be determined until the close of the transaction in 2H FY2025.

As part of the sale completion, any capital gain that may arise is expected to be offset in full by carried forward capital losses.

The Imaging business has been presented as a discontinued operation for the period to 31 December 2024, with comparatives restated accordingly.

The results of discontinued operations for the year are presented below:

	31 December 2024 $M	31 December 2023 $M
Revenue from contracts with customers	**271.5**	228.2
Expenses	**(226.2)**	(208.5)
Earnings before interest, tax and loss on sale	**45.3**	19.7
Net finance costs	**(6.3)**	(5.0)
Profit before tax from discontinued operations	**39.0**	14.7
Income tax expense from discontinued operations	**(11.7)**	(6.4)
Profit from discontinued operations	**27.3**	8.3

The net cash flows of discontinued operations are:

	31 December 2024 $M	31 December 2023 $M
Operating	**39.9**	38.4
Investing	**(14.8)**	(10.5)
Financing	**(30.1)**	(29.2)
Net cash outflow	**(5.0)**	(1.3)

The profit per share attributable to discontinued operations is as follows:

	2024 Cents	2023 Cents
Basic profit per share from discontinued operations	**3.8**	1.4
Diluted profit per share from discontinued operations	**3.8**	1.4

[2] Closing adjustments relate primarily to working capital, lease balances and capex.

15. DISCONTINUED OPERATIONS (CONTINUED)

Contingent liabilities in relation to discontinued operations

During the period, the Group has received a tax position paper from the Australian Tax Office in relation to the deductibility or otherwise, of lump sum payments made to healthcare practitioners (HCPs) from 2019 to 2022. These payments were mainly made to HCPs in the previously sold Medical Centres, and to a lesser extent the currently held for sale Lumus businesses. As at the date of this report, discussions are ongoing with the ATO to find a resolution to this matter. No provision has been recognised in the financial statements as the outcome of these discussions, and any potential financial impacts, are unknown. The Group considers that it has paid the correct amount of tax.

16. SUBSEQUENT EVENTS

There has not been any matter or circumstance that has arisen since the end of the period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.