

28 February 2020

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Performance Highlights for the Half Year to 31 December 2019

- ✓ **Customer revenue up 18% to \$2,753,170**
- ✓ **Recurring subscriptions and expansion revenue up 32% to \$2,023,881**
- ✓ **57% EBITDA improvement to (\$217,903)**
- ✓ **Successful Rights Issue raised \$1,010,368**

Global Health Limited (ASX: GLH) ("Global Health" or "Company") is pleased to announce its results for the half year ended 31 December 2019.

The healthcare industry continues to demand innovation with escalating costs, aging populations and growing incidence of chronic disease such as diabetes, heart disease and mental health.

Over the past few years the Company has invested considerably on R&D focussing on our patient-centric model of healthcare that connects the variety of specialists and carers with their patients and empowers consumers to better maintain their health. This next generation portfolio of Connected Health Records is delivered as a cloud-based service (Software as a Service or SaaS) accessible by anyone, anywhere, anytime.

Global Health's software platforms are experiencing growing demand as healthcare providers and funders seek digital technology to improve their operating efficiencies and patient outcomes.

The Company is encouraged that the steady increase in recurring revenue has been achieved with fixed expenses remaining flat.

This in turn has reflected in positive EBITDA and Net Profit trends for the Company

Customer revenue up 18% to \$2,753,170
Recurring subscriptions and expansion revenue up 32% to \$2,023,881

The 6 months to 31 December 2019 saw revenues from our patient-centric healthcare eco-system continue to grow with customer revenue increasing 37% on the Previous Corresponding Period to Dec-18 (PCP).

Income	Dec-19	Dec-18	\$ Delta	% Delta
Recurring Software Subscriptions	\$1,764,328	\$1,341,442	\$422,886	32%
Expansion & additional Usage Fees	\$259,553	\$186,198	\$73,355	39%
Underlying Recurring & Expansion Subscriptions	\$2,023,881	\$1,527,640	\$496,241	32%
Professional Services	\$459,631	\$377,855	\$81,776	22%
Other Revenue & Miscellaneous Income	\$211,237	\$65,918	\$145,319	220%
Underlying Customer Revenue	\$2,694,749	\$1,971,413	\$723,336	37%
AASB-15 pre-FY18 revenue adjustment	\$58,421	\$371,231	-\$312,810	-84%
Reported Customer Revenue	\$2,753,170	\$2,342,644	\$410,526	18%
Interest Income	\$3,850	\$2,642	\$1,208	46%
Total Income	\$2,757,020	\$2,345,286	\$411,734	18%

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The reported Customer revenue includes pre-July 2018 revenue adjustments in accordance with the Australian Accounting Standard AASB-15 – *Revenue from Contracts with Customers*, resulting in a total increase of 18% (\$410,526) to \$2,757,020 for the period.

57% EBITDA improvement to (\$217,903)

The Company implemented a new subscription billing system to manage the on-boarding and off-boarding of customers to both our SaaS and non-SaaS software platforms.

The new subscription system also manages value-add expansion revenue such as SMS charges, online appointments and excess usage of other pre-paid, metered items. There were some unexpected teething issues which resulted in a larger than expected level of bad debts over the period.

	Dec-19	Dec-18	\$ Delta	% Delta
Total Income	\$2,757,020	\$2,345,286		
Operating Expenses				
Salaries & Related	\$1,753,516	\$1,664,193	\$89,323	5%
3rd Party Products & Services	\$550,792	\$756,813	(\$206,021)	(27%)
Bad Debts and impairment of receivables	\$27,669	\$-	\$27,669	0%
General & Administration	\$355,935	\$153,398	\$202,537	132%
Marketing Expenses	\$60,899	\$21,574	\$39,325	182%
Professional Fees	\$151,369	\$61,372	\$89,997	147%
Rent & Occupancy	\$16,868	\$76,274	(\$59,406)	(78%)
Telephone & Internet	\$2,968	\$23,688	(\$20,720)	(87%)
Travel & Accommodation	\$54,907	\$89,913	(\$35,006)	(39%)
Total Operating Expenses	\$2,968,789	\$2,847,225	\$121,564	4%
EBITDA	(\$217,903)	(\$501,939)	(\$284,036)	(57%)

Other expenses remained broadly at the same levels of the Previous Corresponding Period resulting in a \$284K or 57% improvement in EBITDA.

As our SaaS platforms achieved commercial or general release to the market, the Company increased its amortization of intangible assets by \$112K. The adoption of the new Accounting Standard AASB-16 – *Leases* from 1 July 2019 resulted in increased depreciation of \$52K.

	Dec-19	Dec-18	\$ Delta	% Delta
EBITDA	(\$217,903)	(\$501,939)		
Finance costs	\$64,482	\$79,970	(\$15,488)	(19%)
Depreciation	\$86,803	\$34,894	\$51,909	149%
Amortisation	\$178,439	\$66,389	\$112,050	169%
Non-operating forex losses	(\$1,423)	\$532	\$1,955	(367%)
Net loss before Income Tax	\$546,204	\$683,724	\$143,654	(21%)
Income Tax expense	\$40,565	\$182,842	(\$142,277)	(78%)
Net Loss After Income Tax	\$505,639	\$500,881	\$4,758	1%

The result is a 1% increase in the net loss position after income tax to \$505,639 for the reporting period.

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Successful Rights Issue raised \$1,010,368

The Company continued the gradual transition to monthly subscriptions and monthly revenue collections to counter the impact of AASB-15 – *Revenue from Contracts with Customers* on contracted liabilities and net assets.

A Rights issue was completed in November 2019 raising just over \$1M to help address the short-term cash impact and improve the net assets.

Total borrowings were reduced from \$1.161M in 30 June 2019 to \$891K at 31 December 2019 – a reduction of \$274K in the 6 months.

Forward Outlook

The growth momentum has continued in the second half of FY20 with a pipeline of “new logo” (new customers) sales for the Company's MasterCare EMR platform.

The MasterCare EMR platform supports a single shared health record used by multiple specialists to manage the care of people living with non-communicable, chronic or lifestyle diseases.

The Company is also increasing the focus on value-add expansion sales of the Company's patient-centric Connected Health Record SaaS platforms particularly:

- ReferralNet (www.referralnet.com.au) platform for the secure sharing of clinical data and documents across the healthcare eco-system,
- HotHealth (www.hothealth.com) platform for patient-engagement and
- Lifecard (www.lifecard.com) mobile Personal Health Record for better self-management

to existing customers of our hospital, community health and primary care enterprise products.

In summary, the Company's focus for the remainder of this financial year is:

- Extending the reach of Global Health's Mental Health Platforms in Australia;
- Considered investments in consumer health services particularly focused on connectivity, community engagement and consumer empowerment;
- Increasing Software Subscription Revenue through new logo sales and value-add (expansion) sales; and
- Ensuring our clients continue to maintain the quality, efficiencies and improved productivity of their healthcare services by fully utilising Global Health's comprehensive portfolio healthcare platforms.

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About Global Health Limited

Global Health (ASX: GLH) is a leading provider of Digital Health solutions to the Australasian Healthcare Industry. Innovation, consumer-centricity and connectivity are the foundations of the Company's vision of 'Connecting Clinicians and Consumers.'

Global Health helps streamline the delivery of healthcare services and provide better health outcomes across various health sectors, including acute and community settings.

Global Health offers a range of solutions to help health businesses be more efficient and deliver excellent patient care. These include: electronic medical records, patient administration systems, practice management systems, clinical records, secure message exchange, patient engagement platforms and consumer health records.

Find out more about Global Health Solution's at www.global-health.com or visit any of the product websites.

