

27 February 2023

ASX:GLH

Financial Commentary - Half Year to December 2022

Australian Healthcare application provider **Global Health Limited (ASX:GLH)** (“Global Health” or “Group”) is pleased to provide its **Half Year to December Update**.

Financial Statements Analysis:

- Recurring subscription and usage fees increased by 13.3% to \$2.84M
- Total Customer Revenue increased by 8.6% to \$3.18M
- Operating Expenses increased by 35.6% to \$5.6M

Revenue & Other Income	Dec-20 HY	Dec-21 HY	Dec-22 HY
Recurring Subscription & Usage Revenue	\$2,296,726	\$2,509,067	\$2,841,535
Professional Services & Other Product Rev.	\$831,726	\$421,798	\$341,848
Total Customer Revenue	\$3,128,452	\$2,930,865	\$3,183,425
Operating Expenses	(\$3,129,026)	(\$4,129,162)	(\$5,600,254)
EBITDA	\$444,627	(\$1,198,159)	(\$2,416,829)
Profit/(Loss) before Tax	(\$166,455)	(\$1,360,681)	(\$2,676,297)
Net Profit/(Loss)	(\$163,529)	(\$1,396,915)	(\$2,714,525)

Overhead Expense Analysis:

- Singapore office established with start-up costs of \$531K
- Product research and re-platforming expenses up to \$1.6M before capitalisation
- Corporate overhead, Sales & Marketing Expenses increased 36% to \$4.6M which included one-off termination payments of approximately \$240K

Expenses	Dec-20 HY	Dec-21 HY	Dec-22 HY
Australian Operations			
Corporate, Sales & Marketing	(\$1,513,834)	(\$2,034,199)	(\$2,430,429)
Re-platforming Development	(\$679,080)	(\$478,262)	(\$1,289,217)
Singapore Operations			
Corporate, Sales & Marketing	-	-	(\$531,348)
Re-platforming Development	-	-	(\$398,534)
Total Group	(\$2,192,914)	(\$2,512,461)	(\$4,649,528)

Group Margin and Earnings Analysis:

- Loss before Tax and Impairment up 97% to (\$2.7M)
- Net Loss up 94% from (\$1.3M) to (\$2.7M)

Mathew Cherian, Managing Director of Global Health Commented:

The operating results of the Group in 1HY 2023 have been disappointing. Due to delays in commencement of contracted projects and delays in government funding for health technology, there was little or no income growth across several platforms. The continuation of difficult operating conditions and increased wage pressures contributed to an unsustainable increase in operating costs in Australia.

The Board has taken immediate and decisive steps to restructure the Group's Australian operations to enable it to operate more efficiently and effectively in the difficult market conditions in Australia, as a result of the post COVID-19 fallout and its continued economic pressures on the healthcare sector.

This restructure has seen a reduction of operating costs of \$1.4m, with the full benefits of these cost reductions to emerge in the 2HY 2023.

These actions have seen costs coming under control and will hopefully result in the Australian operations returning to positive operating cashflow (excluding product re-platforming costs) and positive EBITDA (before product re-platforming costs) in 2HY 2023.

The Board will continue to monitor costs across the Group's operations.

The investment in product re-platforming has resulted in the successful initial deployment of the Group's MasterCare Plus SaaS platform to support clinical functionality in acute (hospital) settings. The re-platforming will progressively enable our existing customers to transition to a single SaaS platform from the largely on-premise deployments of the Group's mature products – MasterCare EMR, MasterCare PAS and PrimaryClinic.

The schedule of releases will target customer segments initially across the acute sector followed by the community health settings with multiple medical specialists and allied health practitioners.

Coupled with a healthy Australian operations pipeline, the Group's Asian business has built a solid pipeline which will hopefully result in new revenue in 2HY 2023. The Group is currently active in Thailand, Malaysia, Singapore, and Vietnam with the focus on the Group's four SaaS platforms comprising:

- Lifecard Personal Health Record (PHR) for healthcare consumers;
- MasterCare Plus for healthcare providers;
- ReferralNet for Secure Connectivity across the healthcare ecosystem; and
- HotHealth as the digital front door for provider engagement with their patients.

The Group continues also to engage in inorganic growth through M&A opportunities.

This announcement was approved for lodgement by the Board.

– ENDS –

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About Global Health Limited

Global Health (ASX: GLH) is a leading provider of Digital Health solutions to the Australian 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 tailored software and SaaS solutions helping health businesses to be more efficient and deliver excellent patient care. These include electronic medical records for health delivery organisations, client management systems for community health, patient administration systems for hospitals, practice management systems, secure messaging for connected care, patient engagement platforms and consumer health records.

Located in Melbourne, Victoria the company is ISO27001 compliant.

Find out more about Global Health Solution's at www.global-health.com