

Global Health Limited
Appendix 4D
Half-Year Report

1. Company details

Name of entity: Global Health Limited
ABN: 75 091 377 892
Reporting period: For the half-year ended 31 December 2020
Previous period: For the half-year ended 31 December 2019

2. Results for announcement to the market

				A\$
Revenue from ordinary activities	up	20.17 %	to	3,128,452
Loss from ordinary activities after tax attributable to the owners of Global Health Limited	down	89.69 %	to	(52,121)
Loss for the year attributable to the owners of Global Health Limited	down	89.69 %	to	(52,121)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

An explanation of the above figures is contained in the review of operations included within the attached Directors' Report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security (including right-of-use assets arising under AASB 16)	<u>(7.69)</u>	<u>(9.59)</u>

4. Control gained over entities

Not applicable

5. Loss of control over entities

Not applicable

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Current period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable

8. Details of associates and joint venture entities

Not applicable

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

This report is based on accounts which have been subject to review in accordance with ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*. A copy of the review report is attached.

11. Attachments

Details of attachments (if any):

The Half-Year Report of Global Health Limited for the half-year ended 31 December 2020 is attached.

12. Signed



Steven Leigh Pynt
Non-Executive Chairman
On behalf of the Board of Directors
Global Health Limited
9 February 2021

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Global Health Limited

ABN 75 091 377 892

Consolidated Interim Financial Statements

For the Half Year Ended 31 December 2020

Global Health Limited

ABN 75 091 377 892

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For the Half Year Ended 31 December 2020

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Global Health Delivers as Digital Engagement in Healthcare Gains Momentum Half Year to December 2020

Australian Healthcare Software provider **Global Health Limited (ASX: GLH)** (“**Global Health**” or “**Company**”) is pleased to provide its **Half Year to December 2020 Update**.

Key Highlights

- ✓ Positive Operating Cashflow of \$598,243
- ✓ Recurring subscription & usage fees up 17% to \$2,296,726
- ✓ Total Customer Revenue up 20% to \$3,128,452
- ✓ EBITDA up 305% to \$443,759
- ✓ EBIT of \$119,368 before non-cash impairment of \$250,474

The Company is pleased to report a strong performance over the six months to Dec-20, achieved despite the strict COVID-19 restrictions imposed in Victoria over the period. Our staff continued to adapt well to working from home while maintaining a high level of responsiveness and service levels to our customers.

Our MasterCare platform for Community Health care providers continued to experience strong demand with Bellarine Community Health Centre successfully going live in Dec-20 and a backlog of new MasterCare customers scheduled for progressive go-live over the remainder of this financial year.

This represents over \$750K of implementation services for contracts including:

- Ballarat Community Health Centre
- Peninsula Health
- Butterfly Foundation’s Wandjina Residential Care and,
- Western Australia Mental Health Commission

In addition, these new MasterCare contracts signed and implemented in FY21 represent over \$750K of additional Annualised Recurring Revenue (ARR).

Global Health’s consumer engagement and connectivity platforms are similarly experiencing steady demand as healthcare providers adapt to the demands of remote consultations and minimal physical contact.

As adoption of digital technology gains momentum, our HotHealth Virtual Care platform for providers extends MasterCare and enables our customers to actively engage with their patients online (www.hothealth.com).

Patients in turn, are encouraged to maintain their personal health records, actively monitor their key indicators as prescribed by their healthcare team and modify the behaviours detrimental to their health and wellbeing through the Company's Lifecard platform (www.lifecard.com).

Secure connectivity is in-built across our applications and the broader healthcare eco-system through the Company's ReferralNet Secure Messaging platform (www.referralnet.com.au).

Positive Operating Cashflow of \$598,243

Non-cash Impairment of \$250,474

Over the six months to Dec 2020, our operations generated \$598K of operating cashflow which was an increase of \$1,271,302 over the Previous Corresponding Period (PCP) total of (-\$673,059).

Over the reporting period, borrowings were reduced by \$232,238 to \$398,971 as at 31-Dec 2020.

The bulk of R&D expenses totalling approximately \$680K was directed to the transition of features from our PrimaryClinic and MasterCare client/server applications to our MasterCare Plus (M+) multi-tenanted and highly configurable SaaS platform to support a large variety of Healthcare specialities and delivery settings.

M+ for Allied Health Practitioners was released in late 2020 with M+ for clinicians scheduled to be progressively released over the next 18 months for the medical specialists' market.

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers.

Management completed a review of annual impairment indicators and concluded that an impairment charge of \$250,474 (31 December 2019: \$NIL) was required to be recognised for the half year ended 31 December 2020 in respect of the portion of the developed products intangible asset relating to Abaki.

This is due to the expectation that the future cash flows from the Abaki revenue stream which are derived from the PrimaryClinic platform would progressively decline as Allied Health and Medical Specialists customers are migrated to the Group's MasterCare Plus SaaS platform over the next few years.

Recurring subscription & usage fees up 17% to \$2,296,726

Total Customer Revenue up 20% to \$3,128,452

EBITDA up 305% to \$443,759

EBIT of \$119,368 before non-cash impairment of \$250,474

The 6 months to December 2020 saw revenues from our patient-centric healthcare eco-system continue to grow with customer revenue increasing 20% on the Previous Corresponding Period to Dec-19 (PCP).

The 20% increase in customer revenue has been achieved with fixed expenses increasing by a lesser 11% after 2 years of flat expenses.

This has resulted in an EBITDA of \$443,759 and EBIT of \$119,368 before the non-cash impairment of \$250,474.

	Dec-18 HY	Dec-19 HY	Dec-20 HY
Recurring Revenue	\$1,898,871	\$1,958,866	\$2,296,726
Other Customer Revenue	\$443,773	\$644,465	\$831,726
Total Customer Revenue	\$2,342,644	\$2,603,331	\$3,128,452
Other Income	\$2,642	\$5,273	\$445,201
Total Income	\$2,345,286	\$2,608,604	\$3,573,653
Total Expenses	\$2,847,225	\$2,825,084	\$3,129,894
EBITDA	\$(501,939)	\$(216,480)	\$443,759
EBIT before Impairment of Assets	\$(603,222)	\$(481,722)	\$119,368
Impairment of intangible assets	\$-	\$-	\$(250,474)
Reported EBIT	\$(603,222)	\$(481,722)	\$(131,106)

Forward Outlook

The impact of COVID-19 will be with us for a long period and the need for improved productivity and efficiency in our healthcare sector can only be achieved by the adoption of digital technology.

The remainder of FY21 is positive as the digitisation of healthcare services and records gathers pace as a result of COVID-19. The focus of all governments in Australia is to create a safe environment for the population and ensure economic recovery during this period of COVID-19 pandemic.

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As adoption of digital technology gains momentum, our HotHealth Virtual Care platform for providers (www.hothealth.com) extends MasterCare and enables our customers to actively engage with their patients online.

Increasingly, patients are encouraged to maintain their own personal health records. The Lifecard platform (www.Lifecard.com), with new developments now underway to actively monitor their key observations and measurements and encouraged to modify the behaviours detrimental to their health and wellbeing as MasterCare management plans for patients, assessments, appointments, and reminders are better integrated across our platforms.

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.

Our focus for the remainder of FY21 is:

- Extending the reach of Global Health's MasterCare platform for Community Health across Australia.
- Considered investments in consumer health services particularly focused on streamlining the patient journey in non-acute encounters.
- Increasing Software Subscription Revenue through new logo sales and value-add (expansion) sales.
- Ensuring our clients continue to maintain the quality, efficiencies, and improved productivity of their healthcare services by fully using Global Health's comprehensive portfolio of healthcare platforms.
- Implementation of MasterCare platforms sold during the first half of FY21.
- With the roll out of the Covid19 vaccine underway there is an opportunity to utilise Lifecard to provide third party verification that patients have been vaccinated.
- Extending the Telehealth and Virtual Care features of our platforms to the broader marketplace.

Ongoing development of MasterCare Plus - the next generation platform that will further integrate healthcare services with the patient.

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This document was authorised to be given to the ASX by:
Mathew Cherian
Managing Director **Global Health**

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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.



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Global Health Limited

ABN 75 091 377 892

Directors' Report

For the Half Year Ended 31 December 2020

The directors present their report, together with the consolidated interim financial statements of the Group, being Global Health Limited (the Company) and its controlled entities, for the financial half year ended 31 December 2020.

Directors

The names of the directors in office at any time during, or since the end of, the half year are:

Names	Position
Steven Leigh Pynt	Independent Non-Executive Chairman; Member of Audit Committee
Mathew Cherian Grant Smith	Chief Executive Officer; Managing Director
Robert Knowles AO	Independent Non-Executive Director; Chairman of the Audit Committee Independent Non-Executive Director

Principal activities and significant changes in nature of activities

The principal activities of the Group during the financial half year were:

- the development, sales and support of application software for the healthcare sector; and
- the development of systems integration software that enables data to be securely exchanged between multiple, disparate applications within an enterprise and across the healthcare value chain.

There were no significant changes in the nature of the Group's principal activities during the financial half year.

Operating result

The consolidated loss of the Group for the financial half year after providing for income tax amounted to \$52,121 (2019: consolidated loss of \$505,639).

Dividends paid or recommended

No dividends were paid or declared since the start of the financial half year. No recommendation for payment of dividends has been made.

Review of operations

A review of the operations of the Group during the financial half year and the results of those operations found that, during the period, the Group continued to engage in its principal activities, the result of which are disclosed in the attached financial statements.

Commentary regarding the Group's operations for the financial half year is contained in the "Financial and Operations Review" preceding this Directors' Report.

Global Health Limited

ABN 75 091 377 892

**Directors' Report
For the Half Year Ended 31 December 2020**

Events after the reporting date

The COVID-19 pandemic continues to create unprecented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Group at the reporting date. As responses by the government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Group's operations, its future results and financial position. Refer to Note 11 to the interim financial report for further information regarding the impact of COVID-19 on the Group.

Except for the above, no other matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2020 has been received and can be found on page 8 of the consolidated interim financial report.

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Non-Executive Chairman:
Steven Leigh Pynt

Dated this 9th day of February 2021

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Global Health Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Global Health Limited and the entities it controlled during the period.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

Melbourne
9 February 2021



**Michael Gummery
Partner**

hlb.com.au

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Global Health Limited

ABN 75 091 377 892

Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2020

		31 December 2020	31 December 2019
	Note	\$	\$
Revenue			
Revenue from contracts with customers	4(a)	3,128,452	2,603,331
Other income	4(b)	443,000	-
Finance income		2,201	5,273
		<u>3,573,653</u>	<u>2,608,604</u>
Total income and revenue			
Employee benefits expense		(1,961,981)	(1,815,267)
Third party product and service costs		(831,991)	(532,647)
General and administration costs		(147,541)	(83,146)
Bad debts and loss allowance for financial assets		71,888	(27,669)
Marketing expenses		(67,614)	(66,802)
Professional fees		(150,064)	(165,098)
Rent and occupancy expenses		(12,239)	(19,388)
IT and telecommunications expense		(29,026)	(60,160)
Travel expenses		(458)	(54,907)
Finance expenses		(36,217)	(64,482)
Depreciation		(105,485)	(86,803)
Amortisation		(218,906)	(178,439)
Impairment of intangible assets	5(a)	(250,474)	-
		<u>(3,740,108)</u>	<u>(3,154,808)</u>
Total expenses			
Profit/(loss) before income tax		(166,455)	(546,204)
Income tax benefit		114,334	40,565
		<u>(52,121)</u>	<u>(505,639)</u>
Net profit/(loss) for the half year attributable to members of the parent entity			
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
		<u>(52,121)</u>	<u>(505,639)</u>
Total comprehensive income/(loss) for the half year attributable to members of the parent entity			
Earnings per share:			
Basic earnings/(loss) per share (cents)	7	(0.12)	(1.40)
Diluted earnings/(loss) per share (cents)	7	(0.12)	(1.40)

The accompanying notes form part of these financial statements.

Global Health Limited

ABN 75 091 377 892

Consolidated Interim Statement of Financial Position As At 31 December 2020

	31 December 2020	30 June 2020
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	931,609	666,276
Trade and other receivables	1,009,089	1,208,968
Tax receivable	107,111	97,930
Other assets	116,924	114,009
TOTAL CURRENT ASSETS	2,164,733	2,087,183
NON-CURRENT ASSETS		
Property, plant and equipment	28,705	34,956
Intangible assets	5 3,512,071	3,939,689
Deferred tax assets	354,342	391,799
Right-of-use assets	102,567	201,802
Other assets	125,784	116,350
TOTAL NON-CURRENT ASSETS	4,123,469	4,684,596
TOTAL ASSETS	6,288,202	6,771,779
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	890,091	1,059,512
Contract liabilities	2,714,333	2,622,080
Borrowings	191,536	360,111
Lease liabilities	93,577	181,674
Provisions	50,000	50,000
Employee benefits	688,232	582,053
TOTAL CURRENT LIABILITIES	4,627,769	4,855,430
NON-CURRENT LIABILITIES		
Contract liabilities	180,391	218,604
Borrowings	207,435	271,098
Deferred tax liabilities	971,642	1,114,254
Lease liabilities	2,151	3,532
Employee benefits	34,831	39,669
TOTAL NON-CURRENT LIABILITIES	1,396,450	1,647,157
TOTAL LIABILITIES	6,024,219	6,502,587
NET ASSETS	263,983	269,192
EQUITY		
Issued capital	6 21,783,352	21,745,526
Reserves	298,219	292,140
Accumulated losses	(21,817,664)	(21,768,550)
Total equity attributable to equity holders of the Company	263,907	269,116
Non-controlling interest	76	76
TOTAL EQUITY	263,983	269,192

The accompanying notes form part of these financial statements.

Global Health Limited

ABN 75 091 377 892

Consolidated Interim Statement of Changes in Equity

For the Half Year Ended 31 December 2020

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Non- controlling Interests	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	21,745,526	(21,768,550)	24,234	267,906	76	269,192
Net profit/(loss) for the period	-	(52,121)	-	-	-	(52,121)
Transactions with owners in their capacity as owners						
Contribution of equity, net of transaction costs	32,407	-	-	-	-	32,407
Share based payment transactions	-	-	-	14,505	-	14,505
Forfeited employee share options	-	3,007	-	(3,007)	-	-
Exercised options	5,419	-	-	(5,419)	-	-
Balance at 31 December 2020	21,783,352	(21,817,664)	24,234	273,985	76	263,983

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Non- controlling Interests	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	20,961,242	(21,860,746)	24,234	149,977	76	(725,217)
Net profit/(loss) for the period	-	(505,639)	-	-	-	(505,639)
Transactions with owners in their capacity as owners						
Contribution of equity, net of transaction costs	937,556	-	-	-	-	937,556
Share based payment transactions	-	-	-	8,308	-	8,308
Lapsed employee share options	-	61,539	-	(61,539)	-	-
Balance at 31 December 2019	21,898,798	(22,304,846)	24,234	96,746	76	(284,992)

The accompanying notes form part of these financial statements.

Global Health Limited

ABN 75 091 377 892

Consolidated Interim Statement of Cash Flows For the Half Year Ended 31 December 2020

	31 December 2020	31 December 2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers (inclusive of GST)	3,897,259	3,347,229
Payments to suppliers and employees (inclusive of GST)	(3,270,312)	(3,956,795)
Interest received	2,201	989
Finance costs	(30,905)	(64,482)
Net cash provided by/(used in) operating activities	598,243	(673,059)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for intangible assets	(308,365)	(288,351)
Purchase of property, plant and equipment	-	(788)
Receipts from Research and Development Grants	266,603	446,089
Net cash provided by/(used in) investing activities	(41,762)	156,950
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	32,407	1,010,368
Repayment of borrowings	(232,238)	(274,230)
Payment of transaction costs	-	(72,812)
Repayment of lease liabilities	(91,317)	(74,397)
Net cash provided by/(used in) financing activities	(291,148)	588,929
Net increase/(decrease) in cash and cash equivalents held	265,333	72,820
Cash and cash equivalents at beginning of period	666,276	803,990
Cash and cash equivalents at end of the half year	931,609	876,810

The accompanying notes form part of these financial statements.

Global Health Limited

ABN 75 091 377 892

Notes to the Financial Statements

For the Half Year Ended 31 December 2020

The consolidated interim financial report covers Global Health Limited and its controlled entities ('the Group'). Global Health Limited is a for-profit listed public company limited by shares, incorporated and domiciled in Australia.

Global Health Limited shares are listed on the Australian Securities Exchange (ASX code: GLH).

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 09 February 2021.

When required by Accounting Standards, or when deemed appropriate by management for financial reporting clarity, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

1 Basis of Preparation

This consolidated interim financial report for the reporting period ended 31 December 2020 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Global Health Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. This interim financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2020, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going concern

As at 31 December 2020, the Group has cash reserves of \$931,609 and an excess of current liabilities over current assets of \$2,463,036. However, the current liabilities as at 31 December 2020 contain a contract liability account, which represents the result of accounting adjustments and does not represent amounts currently payable, or expected to become payable, to third parties. If these liability accounts are removed from the calculation of the excess of current liabilities over current assets at 31 December 2020, the excess of current assets over current liabilities at that date is \$251,297. As disclosed in Note 12, it is difficult to reliably estimate with any degree of certainty the potential impact of the COVID-19 pandemic on the Group's future operations, results or financial position, and the impact on its future cashflows.

The current half-year loss before tax was \$166,455.

The consolidated interim financial report has been prepared on a going concern basis which assumes that the Group will be able to meet its debts as and when they fall due. The following matters have been considered by the directors in determining the appropriateness of the going concern basis of preparation in the financial statements:

Notes to the Financial Statements For the Half Year Ended 31 December 2020

1 Basis of Preparation (continued)

Going concern (continued)

- a) **Success in continued operations** - In the current financial period, the Group was successful in obtaining contracts with Government agencies and large community health organisations. This is expected to increase net cashflows related to the operations of the Group. Management also have the ability to reduce operating costs in relation to development should the need arise. Increases in expected collections with the ability to reduce operating costs in relation to development will allow the Group to increase its operating cash flows.
- b) **Availability of finance** - The Group, through its financial institutions, is able to acquire additional financial support if so required. As at 31 December 2020, it was determined that additional finance facilities were not necessary.
- c) **Ability to raise capital** - As the Group is an ASX-listed entity, the Group has the ability to raise additional funds by way of capital raising(s), if required, and has a past history of raising capital successfully when required.
- d) **Deferral of creditor payments** - The Group has reviewed current outstanding accounts payable balances and has determined that large balances can be gradually paid through payment plans with negotiations with our suppliers, if required.

There is a material uncertainty related to these events that may cast significant doubt on the Group's ability to continue as a going concern. If the Group is not successful in these matters, the going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the Group not continue as a going concern.

The interim financial statements have been prepared on a going concern basis as the directors believe that the Group will be able to pay its debts as and when they fall due and payable.

2 Changes to the Group's Accounting Policies

Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 1 July 2020. The adoption of these standards has not resulted in material adjustments to the reported financial position, performance or cash flow of the Group.

3 Operating Segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates in a single segment, being the computer technology, software and services industry with particular emphasis on healthcare and associated professional services. In respect of geographical segments, the Group does not conduct material activities outside the Australia geographic area.

Notes to the Financial Statements
For the Half Year Ended 31 December 2020

4 Revenue and other income

(a) Revenue from contracts with customers

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	31 December 2020	31 December 2019
	\$	\$
<i>Major product lines:</i>		
- Recurring software subscriptions	1,950,150	1,699,313
- Expansion revenue and additional usage fees	346,576	259,553
- Professional services rendered	801,653	433,228
- Other product revenue	30,073	211,237
Total revenue	<u>3,128,452</u>	<u>2,603,331</u>
<i>Geographical regions:</i>		
- Australia	3,128,452	2,603,331
Total revenue	<u>3,128,452</u>	<u>2,603,331</u>
<i>Timing of revenue recognition:</i>		
- Point in time	1,013,313	775,183
- Over time	2,115,139	1,828,148
Total revenue	<u>3,128,452</u>	<u>2,603,331</u>
(b) Other income		
JobKeeper subsidy	423,000	-
Victorian Government small business fund	20,000	-
Total other income	<u>443,000</u>	<u>-</u>

Notes to the Financial Statements

For the Half Year Ended 31 December 2020

5 Intangible Assets

	31 December 2020	30 June 2020
	\$	\$
Developed products		
Cost *	5,887,692	6,025,285
Accumulated amortisation	(1,999,183)	(1,780,277)
Accumulated impairment	(1,167,855)	(917,381)
Net carrying value	<u>2,720,654</u>	<u>3,327,627</u>
Products under development		
Cost	791,417	612,062
Net carrying value	<u>791,417</u>	<u>612,062</u>
Total Intangibles	<u><u>3,512,071</u></u>	<u><u>3,939,689</u></u>

* Developed products have finite useful lives of 10 years which are amortised on a straight-line basis over their effective life. The current amortisation charges for intangible assets have been separately presented as amortisation expense in the consolidated interim statement of profit or loss and other comprehensive income.

(a) Movements in carrying amounts of intangible assets

Movement in the carrying amounts for each class of intangible assets between the beginning and the end of the current financial half year:

	Products under development	Developed products	Total
	\$	\$	\$
Half Year ended 31 December 2020			
Balance at the beginning of the half year	612,062	3,327,627	3,939,689
Additions	346,984	-	346,984
Amortisation expense	-	(218,906)	(218,906)
Impairment loss (Note 5(c))	-	(250,474)	(250,474)
Adjustment	-	(38,619)	(38,619)
R&D tax offset allocated	(167,629)	(98,974)	(266,603)
Closing value at 31 December 2020	<u>791,417</u>	<u>2,720,654</u>	<u>3,512,071</u>

(b) Impairment testing of products under development

Irrespective of whether there is any indication of impairment, the Group will test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment at least annually by comparing its carrying amount with its recoverable amount. This impairment test is performed as at the end of the financial period. Further, all intangible assets are assessed for indication of impairment at each reporting period. If indicators of impairment are identified, a detailed impairment assessment is performed. Impairment testing is performed based on the cash generating units (CGUs) identified by software product lines.

Notes to the Financial Statements For the Half Year Ended 31 December 2020

5 Intangible Assets (continued)

(b) Impairment testing of products under development (continued)

As at 31 December 2020, impairment indicators were identified for specific CGUs which triggered the performance of a detailed impairment assessment on the following basis:

The recoverable amount of each cash-generating unit is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period, except for products which are in the early stages of their lifecycle, where an extended cash flow projection over a maximum 10 year period is applied instead. The cash flows are discounted using a pre-tax discount rate of 14.75% (2019: 20%). Further, the estimation of terminal values for each product has been excluded from the value-in-use calculations on the basis that cash flows are not expected to continue into perpetuity and the useful life of intangible assets is estimated to be 10 years. The following key assumptions were used in the value-in-use calculations:

- Growth rates (sales) - existing products - 5% to 30% growth (2019: 5%)
- Growth rates (sales) - new products - 50% to 250% growth (2019: 10%-487%)

Management has based the value-in-use calculations on budgets for each type of product. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the Group operates.

(c) Impairment of developed products

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Management completed an impairment assessment at 31 December 2020 and concluded that an impairment charge of \$250,474 (31 December 2019: \$NIL) was required to be recognised for the half year ended 31 December 2020 in respect of the portion of the developed products intangible asset relating to Abaki. This is due to the expectation that the future cash flows from the Abaki revenue stream derived from the Primary Clinic platform would progressively diminish as customers migrate to the Group's MasterCare Plus SaaS platform over the next few years.

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Notes to the Financial Statements For the Half Year Ended 31 December 2020

6 Issued Capital

	31 December 2020	30 June 2020
	\$	\$
42,227,950 (2020: 42,098,320) fully paid Ordinary shares	21,858,813	21,820,987
Share issue costs	(75,461)	(75,461)
Total issued capital	21,783,352	21,745,526

(a) Ordinary shares

	31 December 2020	30 June 2020
	No.	No.
At the beginning of the reporting period	42,098,320	33,678,592
Shares issued during the half year:		
- Shares issued pursuant to completion of rights issue at 12 cents per share (11 November 2019)	-	8,419,728
Shares issued upon exercise of options at 25 cents per share	129,630	-
At the end of the reporting period	42,227,950	42,098,320

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

**Notes to the Financial Statements
For the Half Year Ended 31 December 2020**

7 Earnings per Share

(a) Reconciliation of earnings to profit or loss from continuing operations

	31 December 2020	31 December 2019
	\$	\$
Net profit/(loss) for the half year attributable to the owners of the parent entity	<u>(52,121)</u>	<u>(505,639)</u>
Earnings used to calculate basic EPS from continuing operations	<u>(52,121)</u>	<u>(505,639)</u>
Earnings used in the calculation of dilutive EPS from continuing operations	<u>(52,121)</u>	<u>(505,639)</u>

(b) Earnings used to calculate overall earnings per share

	31 December 2020	31 December 2019
	\$	\$
Earnings used to calculate overall earnings per share	<u>(52,121)</u>	<u>(505,639)</u>

(c) Weighted average number of ordinary shares outstanding during the half year used in calculating basic EPS

	31 December 2020	31 December 2019
	No.	No.
Weighted average number of ordinary shares outstanding during the half year used in calculating basic EPS	<u>42,121,626</u>	<u>36,012,321</u>
Weighted average number of ordinary shares outstanding during the half year used in calculating dilutive EPS	<u>42,121,626</u>	<u>36,012,321</u>

As the Group generated losses in the financial periods ended 31 December 2020 and 2019, options on issue would decrease loss per share and are therefore anti-dilutive. Accordingly, issued options were excluded from the calculations of diluted earnings per share for the half years ended 31 December 2020 and 2019.

Notes to the Financial Statements
For the Half Year Ended 31 December 2020

8 Related Parties

(a) The Group's main related parties are as follows:

Global Health Limited is the parent entity.

Interests in subsidiaries are set out in Note 10.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

There were no transactions with related parties during the current and previous financial period.

There were also no trade receivables from or trade payables to related parties as at the current and previous reporting date.

(c) Loans to/from related parties

The following balance is outstanding at the reporting date in relation to loans with related parties:

	Opening balance	Closing balance
	\$	\$
Loans from KMP *		
31 December 2020	75,390	75,390
30 June 2020	75,390	75,390

* This relates to wages in arrears payable to the Managing Director, Mathew Cherian. This amount is interest-free and unsecured.

All transactions were made on normal commercial terms and conditions and at market rates, except where otherwise stated.

9 Contingencies and Guarantees

Guarantees

The parent has provided a cash security bond in favour of the property owner of the parent entity's leased office premises

Total guarantees

	31 December 2020	30 June 2020
	\$	\$
	102,187	102,187
	102,187	102,187

Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2020 (30 June 2020: None).

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Notes to the Financial Statements For the Half Year Ended 31 December 2020

10 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2020	Percentage Owned (%)* 2019
Subsidiaries:			
Global Health (Australia) Sdn Bhd	Malaysia	100	100
Working Systems Solutions (Malaysia) Sdn Bhd	Malaysia	94	94
Working Systems Solutions Pty Ltd	Australia	100	100
Uni U Interntional Pty Ltd	Australia	100	100
Working Systems Solutions (Singapore) Pte Ltd	Singapore	100	100
Bourke Johnston Systems Pty Ltd	Australia	100	100
Working Systems Software Pty Ltd	Australia	100	100
Statewide Unit Trust	Australia	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

11 Impact of COVID-19

The Victorian government imposed progressive restrictions from July through to November 2020. Through this period, the Group continued to operate in the "Work from Anywhere" model which had been implemented in March 2020.

The Executive and Board monitored the status with a focus on ensuring staff well-being and meeting customer expectations.

The main adverse impact was the inability to implement "new-logo" customer projects that had been contracted since March 2020. Following the easing of restrictions in Victoria, however, the Group successfully implemented the first of these backlog projects in December 2020 at the Bellarine Community Health Centre.

The delivery of further stalled projects will commence in February 2021 with the target of completing existing contracts by June 2021. Due to this backlog, it is likely that delivery of any further new contracts will only be deliverable post June 2021.

The Group has received financial assistance from the government in the form of JobKeeper subsidies (\$423,000) and other grants (\$20,000), although from October 2020, the Group no longer qualifies for any further JobKeeper subsidies.

Further, COVID-19 is completely reshaping healthcare delivery in Australia, and indeed around the world. It has exposed the inadequacies of our healthcare system and the lack of integrated patient records. Patients are having to take a more active role in their own health and maintain their own records. Healthcare Providers are realising that they are not at the centre of healthcare delivery, the patient is. There is an unprecedented shift to online digital technology for the traditional customer facing healthcare businesses. Everything from patient management and engagement to service delivery and provisioning is being transformed by telehealth and digital technology providing accurate patient records and timely reporting. The major benefit of the COVID-19 pandemic will be a better healthcare system that provides accurate information on a timely basis for the patient and healthcare provider. The Group and its platforms are well placed to take advantage of this drive for better productivity and efficiency to the benefit of all participants in the Australian healthcare system.

There are currently no known additional impacts on the Group.

Notes to the Financial Statements For the Half Year Ended 31 December 2020

12 Events Occurring After the Reporting Date

The consolidated interim financial report was authorised for issue on 09 February 2021 by the board of directors.

The COVID-19 pandemic continues to create unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Group at the reporting date. As responses by the government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Group's operations, its future results and financial position. Refer to Note 11 for further information regarding the impact of COVID-19 on the Group.

No matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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Directors' Declaration

The directors of the Company declare that:

1. The consolidated interim financial statements and notes, as set out on pages 9 to 22 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
2. 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 based on the factors outlined in Note 1 "Going Concern".

This declaration is made in accordance with a resolution of the Board of Directors.



Non-Executive Chairman:

Steven Leigh Pynt

Dated this 9th day of February 2021

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Independent Auditor's Review Report to the Members of Global Health Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Global Health Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated interim statement of financial position as at 31 December 2020, the consolidated interim statement of profit or loss and other comprehensive income, the consolidated interim statement of changes in equity and the consolidated interim statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying 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 Group's financial position as at 31 December 2020 and of its 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*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 Going Concern in the interim financial report, which indicates that the Group incurred a loss before tax of \$166,455 (2019: loss before tax of \$546,204) for the 6-month period ended 31 December 2020 and, as of that date, its current liabilities exceed its current assets by \$2,463,036 (30 June 2020: \$2,768,247). As stated in Note 1 Going Concern, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 review of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Group 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

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financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the 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 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Melbourne
9 February 2021

A handwritten signature in black ink, appearing to read 'M Gummery', with a stylized flourish at the end.

Michael Gummery
Partner

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