

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 2021
Previous period: For the half-year ended 31 December 2020

2. Results for announcement to the market

				A\$
Revenue from ordinary activities	down	(6.32) %	to	2,930,865
Loss from ordinary activities after tax attributable to the owners of Global Health Limited	down	(754.23) %	to	(1,396,915)
Loss for the year attributable to the owners of Global Health Limited	down	(754.23) %	to	(1,396,915)

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/(liabilities)

	Reporting period Cents	Previous period Cents
Net tangible assets/(liabilities) per ordinary security (including right-of-use assets arising under AASB 16)	<u>6.33</u>	<u>(5.87)</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 2021 is attached.

12. Signed



Steven Leigh Pynt
Non-Executive Chairman
On behalf of the Board of Directors
Global Health Limited
16 February 2022

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Global Health Limited

ABN 75 091 377 892

Consolidated Interim Financial Statements

For the Half Year Ended 31 December 2021

Global Health Limited

ABN 75 091 377 892

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For the Half Year Ended 31 December 2021

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16th February 2022

Half Year to December 2021. Global Health has activated significant new customers while progressing Sales and Marketing expansion.

Australian Healthcare Software provider **Global Health Limited (ASX:GLH)** (“Global Health” or “Company”) is pleased to provide its **Half Year to December 2021 Update**.

Key Highlights

- Recurring subscription & usage fees up 9.25% to \$2,509,067
- Total customer revenue \$2,930,865 down 6.32%
- Adjusted EBITDA \$(1,198,160)
- EBIT \$(1,341,571)
- Total available cash \$7,041,454
- Operating cashflow \$(1,043,500)

Revenue and Income	Dec-19 HY	Dec-20 HY	Dec-21 HY
Subscription Revenue	\$1,699,313	\$1,950,150	\$2,119,926
Expansion Revenue	\$ 259,553	\$ 346,576	\$ 389,141
Total Recurring Revenue	\$1,958,866	\$2,296,726	\$2,509,067
Other Customer Revenue	\$ 644,465	\$ 831,726	\$ 421,798
Total Customer Revenue	\$2,603,331	\$3,128,452	\$2,930,865
Other Income	\$ -	\$ 443,000	\$ -
Finance Income	\$ 5,273	\$ 2,201	\$ 138
Total Revenue and Income	\$2,608,604	\$3,573,653	\$2,931,003

Recurring Customer revenues have increased 9.25% per corresponding period (PCP), despite the activation of key clients occurring in the later part of the half. The impact of recurring revenues from the significant customers activated will be more evident in half two.

While total customer revenues are down half on half, this reflects the timing of professional services payments brought in late in last half for services that went live in this half.

Our MasterCare platform continues its strong performance with the successful deployment of services for Ballarat Community Health Centre, West Australian Mental Health Commission, NSW Rural Fire Service, Life Without Barriers and the first tranche for Peninsula Health. MasterCare also saw a material increase in opportunity developed during the half. Of note the new MasterCare platform, MasterCare+, has seen an uplift of customers as our new SaaS platform becomes suitable to address specific customer use cases.

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Despite COVID-19 impacts on travel and office attendance, the team has performed well delivering material software upgrades and new customer activations while also developing a new sales and marketing focus.

Reconciliation to Adjusted EBITDA	Dec-19 HY	Dec-20 HY	Dec-21 HY
Net loss after income tax	\$ (505,639)	\$ (163,529)	\$(1,396,915)
<i>Adjustments:</i>			
Finance expenses	\$ 64,482	\$ 36,217	\$ 19,111
Income tax expense/(benefit)	\$ (40,565)	\$ 2,926	\$ 36,233
EBIT	\$ (481,722)	\$ (130,238)	\$(1,341,571)
<i>Adjustments:</i>			
Depreciation	\$ 86,803	\$ 105,485	\$ 2,704
Amortisation	\$ 178,439	\$ 218,906	\$ 140,707
Impairment of intangible assets	\$ -	\$ 250,474	\$ -
Adjusted EBITDA (unaudited, non-IFRS term)	\$ (216,480)	\$ 444,627	\$(1,198,160)

The material reduction, half-on-half, in adjusted EBITDA is due in part to the non-recurring receipts of JobKeeper and government grants in the December 2020 half amounting to \$443,000. In addition, the clear focus of the company in this half, since the capital raise, has been an investment in future growth via the hiring of key new staff and design and implementation of strategic marketing initiatives.

Total expenses increased 14.7% in the six months to December 2021 primarily due to the recruitment of new resources in the leadership, sales, marketing, and development teams.

This has resulted in an adjusted EBITDA of \$(1,198,160) and EBIT of \$(1,341,571).

Significant development activity took place during the half to prepare the company for further growth including:

- Material uplift in opportunity pipeline for next year.
- Achieved ISO 27001 certification.
- Established our mobile application, MConnect, and moved to pilot phase.
- Delivered Medicare claiming for all products and commenced software upgrades for customers.
- Delivered My Health Record discharge summaries as a solution and sold our first solution to Toowoomba Hospital.
- Recruited great people to join the team across sales, marketing and R&D.
- Ran a successful intent based digital marketing campaign generating substantive leads for MasterCare.

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Available Cash and Operating Cashflow

Due to the successful capital raise undertaken in calendar 2021 the company remains in a very strong available cash position of \$7,041,454 to support its strategic growth expenditure plans.

In line with these plans, and the adjusted EBITDA results explained above, the operating cashflow usage of the company in the half amounted to \$(1,043,500).

In addition to this, R&D expenses of \$309,397 were invested by the company, primarily in the development of our new mobile application and the integration of existing applications to improve cross sell options for the product catalogue.

Forward Outlook

In October, as well as providing insight into our FY21 results, we outlined our key areas of focus; sales structure and activity; marketing focus; new product development; and M&A activity.

Sales Structure & Activity

From a sales perspective, our new staff have settled in well, and customer engagement has lifted materially, with the sales team actively developing new relationships in client organisations. We have seen strong interest and engagement from our existing customers and new prospects, resulting in a pipeline of new sales for the second half. The focus has moved from generating interest to proposing and closing.

During the half to December 2021 the team secured contracts with Waratah Intervention services, NSW Rural Fire Services, AIMC, St Andrews Toowoomba and Wolper Jewish Hospital for our MasterCare+ SaaS platform.

The team also secured La-Trobe University and Echuca Headspace for our MasterCare EMR solution.

New Product Development

We continue to invest in Research and Development with an increase in staff resources enabling us to enhance existing solutions and work on the next generation of solutions for our clients.

We previously mentioned our new product initiative, MConnect, our new mobile solution is in a pilot phase and will be live in field soon addressing an initial use case. We plan to pilot with another use

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case in early 2022. The pilot phase will enable us to enhance experience based on user feedback before a more formal product launch in Autumn 2022. There has already been significant interest in this product, so we are excited by the opportunities.

Marketing Focus

Our marketing activity is delivering positive results with effective lead generation for our core EMR solution and significant testing of digital pathways to create lead generation for other products. The testing is informing our investments moving forward. Of note and for further focus in half two, our cross-sell engagement has not commenced in earnest as yet, further work is required for this activity. We will also be working on simplifying our messaging to market during early 2022.

Mergers & Acquisitions (M&A)

Our M&A opportunities include continued discussions with a number of parties focused on ASEAN expansion via partnering and locally with our Digital Front Door and Consumer Empowerment solutions.

Current and Future Trends

The key trends we are seeing are:

- A high degree of interest from our PAS customers to access EMR capability - to address the expansion of their customer care to in home rather than just in the hospital. This represents opportunities for increased spend per customer within our existing base as well as an opportunity to expand our footprint in the private hospital sector.
- A number of health organisations are recognising that their ability to meet compliance requirements with existing paper-based processes is becoming untenable and are now seeking digital solutions. MasterCare represents a compelling solution for health providers looking to make the shift to digital.
- COVID-19 has exacerbated the need for Mental Health services nationally. We already have a number of clients using our solutions for Mental Health and believe this represents significant opportunity for expansion.

Overall, these trends represent an opportunity for us to deepen relationships with existing customers and explore new opportunities for growth.

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This document was authorised to be given to the ASX by:
Michael Davies
Chief Executive Officer **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 administrative systems, practice management systems, clinical records, secure messaging exchange, patient engagement platforms and consumer health records.

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

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Global Health Limited

ABN 75 091 377 892

Directors' Report For the Half Year Ended 31 December 2021

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 2021.

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	Executive Director
Grant Smith	Independent Non-Executive Director; Chairman of the Audit Committee
Robert Knowles AO	Independent Non-Executive Director
Karen Corry	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 \$1,396,915 (2020: consolidated loss of \$163,529).

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 2021**

Events after the reporting date

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 12 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 2021 has been received and can be found on page 8 of the consolidated interim financial report.

Signed in accordance with a resolution of the Board of Directors:



Non-Executive Chairman:

Steven Leigh Pynt

Dated this 16th day of February 2022

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the interim consolidated financial report of Global Health Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in 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
16 February 2022



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 2021

		31 December 2021	Restated 31 December 2020
	Note	\$	\$
Revenue			
Revenue from contracts with customers	4(a)	2,930,865	3,128,452
Other income	4(b)	-	443,000
Finance income		138	2,201
		<u>2,931,003</u>	<u>3,573,653</u>
Total income and revenue			
Employee benefits expense		(2,708,574)	(1,961,981)
Third party product and service costs		(887,497)	(831,991)
General and administration costs		(135,375)	(147,541)
Bad debts and movements in loss allowance for financial assets		1,982	71,888
Marketing expenses		(104,507)	(67,614)
Professional fees		(181,162)	(150,064)
Rent and occupancy expenses		(48,366)	(12,239)
IT and telecommunications expense		(63,637)	(29,026)
Travel expenses		(2,027)	(458)
Finance expenses		(19,111)	(36,217)
Depreciation		(2,704)	(105,485)
Amortisation		(140,707)	(218,906)
Impairment of intangible assets	5(a)	-	(250,474)
		<u>(4,291,685)</u>	<u>(3,740,108)</u>
Total expenses			
Profit/(loss) before income tax		(1,360,682)	(166,455)
Income tax benefit/(expense)		(36,233)	2,926
Net profit/(loss) for the half year attributable to members of the parent entity		<u>(1,396,915)</u>	<u>(163,529)</u>
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		-	-
Total comprehensive income/(loss) for the half year attributable to members of the parent entity		<u>(1,396,915)</u>	<u>(163,529)</u>
Earnings per share:			
Basic earnings/(loss) per share (cents)	7	(2.52)	(0.39)
Diluted earnings/(loss) per share (cents)	7	(2.52)	(0.39)

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 2021**

	31 December 2021	30 June 2021
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	7,041,454	4,840,318
Trade and other receivables	1,025,134	550,536
Other assets	138,486	140,496
TOTAL CURRENT ASSETS	8,205,074	5,531,350
NON-CURRENT ASSETS		
Property, plant and equipment	5,267	5,281
Intangible assets	5 3,128,514	2,959,823
Deferred tax assets	390,512	422,488
Right-of-use assets	1,999	3,332
Other assets	-	118,392
TOTAL NON-CURRENT ASSETS	3,526,292	3,509,316
TOTAL ASSETS	11,731,366	9,040,666
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	782,567	1,362,270
Contract liabilities	3,024,896	2,418,336
Borrowings	135,435	159,476
Lease liabilities	2,151	2,804
Provisions	-	1,044
Employee benefits	818,335	716,502
TOTAL CURRENT LIABILITIES	4,763,384	4,660,432
NON-CURRENT LIABILITIES		
Contract liabilities	109,268	142,936
Borrowings	72,000	141,106
Deferred tax liabilities	32,322	28,065
Lease liabilities	-	728
Employee benefits	41,309	27,078
TOTAL NON-CURRENT LIABILITIES	254,899	339,913
TOTAL LIABILITIES	5,018,283	5,000,345
NET ASSETS	6,713,083	4,040,321
EQUITY		
Issued capital	6 27,280,305	24,354,141
Reserves	2,122,488	1,058,264
Accumulated losses	(22,689,786)	(21,372,160)
Total equity attributable to equity holders of the Company	6,713,007	4,040,245
Non-controlling interest	76	76
TOTAL EQUITY	6,713,083	4,040,321

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 2021

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Non- controlling Interests	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	24,354,141	(21,372,160)	24,234	1,034,030	76	4,040,321
Net profit/(loss) for the period	-	(1,396,915)	-	-	-	(1,396,915)
Transactions with owners in their capacity as owners						
Contribution of equity, net of transaction costs	2,924,422	-	-	697,281	-	3,621,703
Share based payment transactions	-	-	-	15,042	-	15,042
Options issued to joint lead managers	-	-	-	432,932	-	432,932
Lapsed employee share options	-	79,289	-	(79,289)	-	-
Exercised options	1,742	-	-	(1,742)	-	-
Balance at 31 December 2021	27,280,305	(22,689,786)	24,234	2,098,254	76	6,713,083
Balance at 1 July 2020 (Restated)	21,745,526	(20,887,138)	24,234	267,906	76	1,150,604
Net profit/(loss) for the period	-	(163,529)	-	-	-	(163,529)
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 (Restated)	21,783,352	(21,047,660)	24,234	273,985	76	1,033,987

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 2021

	31 December 2021	31 December 2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers (inclusive of GST)	3,378,951	3,897,259
Payments to suppliers and employees (inclusive of GST)	(4,410,923)	(3,270,312)
Interest received	138	2,201
Finance costs	(11,666)	(30,905)
Net cash provided by/(used in) operating activities	(1,043,500)	598,243
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	355	-
Payment for intangible assets	(309,397)	(308,365)
Purchase of property, plant and equipment	(1,544)	-
Receipts from Research and Development Grants	-	266,603
Net cash provided by/(used in) investing activities	(310,586)	(41,762)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	3,917,417	32,407
Repayment of borrowings	(93,147)	(232,238)
Payment of transaction costs	(267,823)	-
Repayment of lease liabilities	(1,225)	(91,317)
Net cash provided by/(used in) financing activities	3,555,222	(291,148)
Net increase/(decrease) in cash and cash equivalents held	2,201,136	265,333
Cash and cash equivalents at beginning of period	4,840,318	666,276
Cash and cash equivalents at end of the half year	7,041,454	931,609

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Half Year Ended 31 December 2021

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 16 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 2021 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 2021, 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.

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 2021. 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 2021

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 2021	31 December 2020
	\$	\$
<i>Major product lines:</i>		
- Recurring software subscriptions	2,119,926	1,950,150
- Expansion revenue and additional usage fees	389,141	346,576
- Professional services rendered	421,740	801,653
- Other product revenue	58	30,073
Total revenue	2,930,865	3,128,452
<i>Geographical regions:</i>		
- Australia	2,930,865	3,128,452
Total revenue	2,930,865	3,128,452
<i>Timing of revenue recognition:</i>		
- Point in time	618,649	1,013,313
- Over time	2,312,216	2,115,139
Total revenue	2,930,865	3,128,452
(b) Other income		
JobKeeper subsidy	-	423,000
Victorian Government small business fund	-	20,000
Total other income	-	443,000

Notes to the Financial Statements

For the Half Year Ended 31 December 2021

5 Intangible Assets

	31 December 2021 \$	30 June 2021 \$
Developed products		
Cost *	5,900,104	5,900,104
Accumulated amortisation and impairment	<u>(4,246,970)</u>	<u>(4,106,264)</u>
Net carrying value	<u>1,653,134</u>	<u>1,793,840</u>
Products under development		
Cost	<u>1,475,380</u>	<u>1,165,983</u>
Net carrying value	<u>1,475,380</u>	<u>1,165,983</u>
Total Intangibles	<u><u>3,128,514</u></u>	<u><u>2,959,823</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 2021			
Balance at the beginning of the half year	1,165,983	1,793,840	2,959,823
Additions	309,397	-	309,397
Amortisation expense	-	(140,706)	(140,706)
Closing value at 31 December 2021	<u>1,475,380</u>	<u>1,653,134</u>	<u>3,128,514</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.

As at 31 December 2021, there were no impairment indicators identified.

Notes to the Financial Statements

For the Half Year Ended 31 December 2021

5 Intangible Assets (continued)

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

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 16.75% (2020: 14.75%). 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 36% growth (2020: 5% to 30%)
- Growth rates (sales) - new products - 25% to 168% growth (2020: 50% to 250%)

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.

6 Issued Capital

	31 December 2021	30 June 2021
	\$	\$
56,609,392 (2021: 49,528,085) fully paid Ordinary shares	28,312,926	25,091,048
Share issue costs	(1,032,621)	(736,907)
Total issued capital	27,280,305	24,354,141

(a) Ordinary shares

	31 December 2021	30 June 2021
	No.	No.
At the beginning of the reporting period	49,528,085	42,227,950
Shares issued during the half year:		
- Shares issued via placement at 55.5 cents per share (22 June 2021)	-	7,039,640
- Shares issued via placement at 55.5 cents per share (2 August 2021)	7,039,640	-
Shares issued upon exercise of options at 25 cents per share	41,667	260,495
At the end of the reporting period	56,609,392	49,528,085

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 2021

7 Earnings per Share

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

	31 December	Restated
	2021	31 December
	\$	2020
	\$	\$
Net profit/(loss) for the half year attributable to the owners of the parent entity	<u>(1,396,915)</u>	(163,529)
Earnings used to calculate basic EPS from continuing operations	<u>(1,396,915)</u>	(163,529)
Earnings used in the calculation of dilutive EPS from continuing operations	<u>(1,396,915)</u>	<u>(163,529)</u>

(b) Earnings used to calculate overall earnings per share

	31 December	Restated
	2021	31 December
	\$	2020
	\$	\$
Earnings used to calculate overall earnings per share	<u>(1,396,915)</u>	<u>(163,529)</u>

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

	31 December	31 December
	2021	2020
	No.	No.
Weighted average number of ordinary shares outstanding during the half year used in calculating basic EPS	<u>55,369,935</u>	42,121,626
Weighted average number of ordinary shares outstanding during the half year used in calculating dilutive EPS	<u>55,369,935</u>	<u>42,121,626</u>

As the Group generated losses in the financial periods ended 31 December 2021 and 2020, 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 2021 and 2020.

Notes to the Financial Statements

For the Half Year Ended 31 December 2021

8 Correction of Prior Period Error

Correction of treatment of refundable capitalised research and development expenditure for tax purposes

As mentioned previously in the financial report for the year ended 30 June 2021, management performed an overall review of the tax calculations and respective treatments. As part of this exercise, amongst other minor matters, it was found that the historic treatment of a deferred tax liability on refundable capitalised research and development was incorrectly applied, which necessitated reworking the tax calculations. This resulted in adjustments to the previously reported deferred tax calculations. As the matter identified related to periods preceding 1 July 2019, the majority of the impact was recognised as an adjustment to the opening balances as at 1 July 2019 in accordance with the requirements of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. This has been disclosed in the financial report for the year ended 30 June 2021.

The aggregate effect of the error on the comparative information for the half year ended 31 December 2020 is as follows:

	Previously stated \$	31 December 2020 Adjustments \$	Restated \$
Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income			
Income tax expense/(benefit)	(114,334)	111,408	(2,926)
Net loss for the year attributable to members of the parent entity	52,121	111,408	163,529
Consolidated Interim Statement of Financial Position			
Tax receivable	107,111	(107,111)	-
Deferred tax assets	354,342	(40,934)	313,408
Deferred tax liabilities	(971,642)	918,046	(53,596)
Net assets/(net liabilities)	263,983	770,001	1,033,984
Accumulated losses	21,817,664	(770,001)	21,047,663

As a result of the above adjustments, the basic and diluted loss per share (cents) increased by \$0.27 cents per share from \$0.12 cents per share to \$0.39 cents per share for the half year ended 31 December 2020.

Notes to the Financial Statements
For the Half Year Ended 31 December 2021

9 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 11.

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 2021	75,390	-
30 June 2021	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 outstanding balances were repaid in the current period.

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

10 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 2021	30 June 2021
	\$	\$
	10,010	102,187
	10,010	102,187

Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2021 (30 June 2021: None).

Notes to the Financial Statements
For the Half Year Ended 31 December 2021

11 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2021	Percentage Owned (%)* 2020
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 International Pty Ltd	Australia	100	100
Global Health (Australia) Pte Ltd (formerly known as 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.

12 Impact of COVID-19

The Victorian government imposed progressive restrictions throughout the financial period ended December 2021. Through this period, the Group continued to operate in the "Work from Home" 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.

As the virus moves more prevalently through the community, the Group is inevitably impacted by staff absences via illness, and the illness of related family members. This also applies to the staff of our valued customers and suppliers.

Operationally, the impact on the Group in the half-year ended 31 December 2021 relates to the catch-up of customer projects that would have historically been implemented within tighter time-lines from their original contracted dates. Secondly, there is a general increase in the average lead time required to contract and on-board new customers, as well as new staff. The Group is proactively managing both of these impacts, ongoing, to ensure we are not held back from achieving our ambitious growth targets.

From a product perspective, COVID-19 is completely reshaping healthcare delivery in Australia, and indeed around the world. It has exposed the inadequacies of healthcare systems. 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 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.

The Group did not receive any financial assistance from the government in the half year ended 31 December 2021.

There are currently no known additional impacts on the Group.

Notes to the Financial Statements
For the Half Year Ended 31 December 2021

13 Events Occurring After the Reporting Date

The consolidated interim financial report was authorised for issue on 16 February 2022 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 12 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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Global Health Limited

ABN 75 091 377 892

Directors' Declaration

The directors of the Company declare that:

1. The consolidated interim financial statements and notes, as set out on pages 9 to 21 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 2021 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.

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



Non-Executive Chairman:

Steven Leigh Pynt

Dated this 16th day of February 2022

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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"), which comprises the consolidated interim statement of financial position as at 31 December 2021, 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 for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 2021 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*.

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 audit 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 Group, 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 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.

hlb.com.au

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Auditor's Responsibility 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 2021 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
16 February 2022



**Michael Gummery
Partner**

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