
June Quarterly Business Activity Report & Appendix 4C | 24th July 2023
Global Health Limited (ASX:GLH)

Global Health Australian operations return to positive cashflow
Strong growth in customer revenues
operating profits (pre-R&D expense) doubles

Operational highlights

Results of the June 2023 quarter:

- Australian operations return to positive cashflow.
- Overseas cashflow deficit reduced.
- Total cashflow deficit reduced by 64%.

Australian operations' performance during financial year 2023 relative to the financial year ended 30 June 2022:

- Customer revenue up 20% to \$7.8m
- Professional services up over 100% to \$1.4m
- Annual Recurring Revenue up 12% to \$5.7m
- Gross Margin up 48% to over \$4m
- Overhead Expenses flat at \$4m
- Operating Profit before R&D expenses up 106%

Global Health Limited (ASX:GLH) ("Global Health" or "the Group") is pleased to release its Appendix 4C Cash Flow Report for the quarter ended 30 June 2023 (Q4 FY23), and the accompanying Quarterly Business Activity Report. The period was marked by the Group's Australian operations returning to positive cashflow, Global Health delivering strong customer revenues and doubling operating profits (pre-R&D expense).

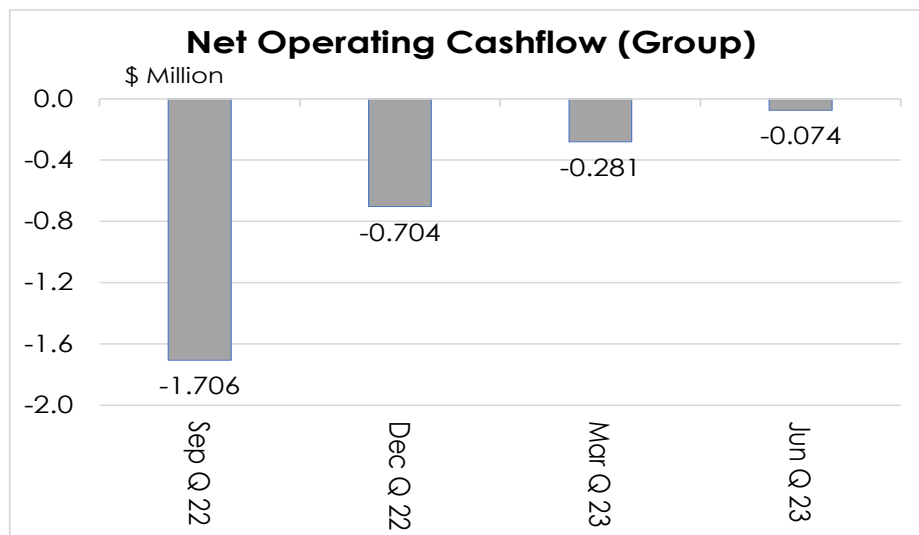
Global Health Managing Director Mathew Cherian commented "We are very proud of our achievements over the June 2023 quarter – both from a financial and operational perspective. Group EBITDA, pre-R&D expenses, more than doubled in the quarter, while the Group's Australian operations were cash flow positive both in the latest quarter and the June 2023 half year. Global Health's focus on delivering sustainable revenues is also bearing fruit, with a good double-digit uplift in annual recurring revenues in the current financial year over the previous year.

Operationally, we successfully completed or progressed several important system implementations in the June 2023 quarter, while a key new contract was executed.

At the same time, we have also laid the groundwork for future growth, with our re-platformed Allied Health and Medical Specialists SaaS products set to be released by December 2023 and all other client/server applications re-platformed by December 2024. We now look forward to providing further updates on our growth strategy at the time of our FY23 results announcement in August."

Australian operations report positive operating cashflow in Q4 FY23

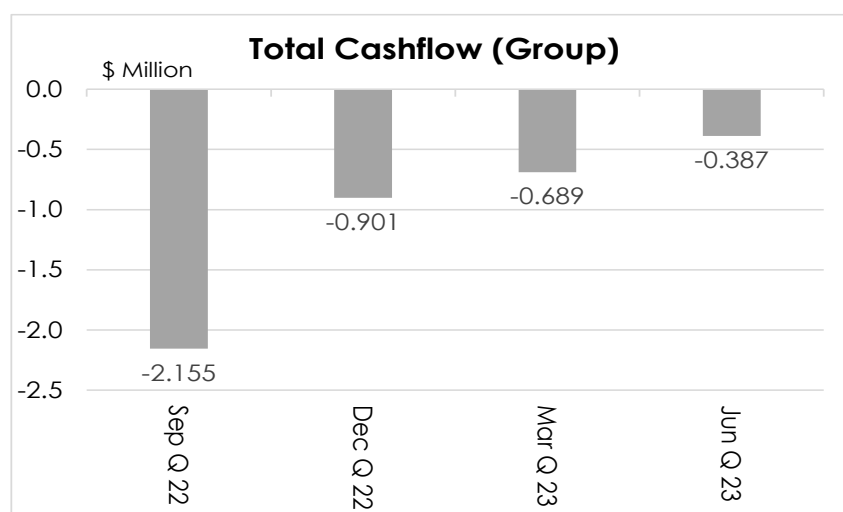
- Global Health's Australian operations recorded an operating cashflow surplus of \$71K in Q4 FY23 and a \$6K surplus in the June 2023 half year.
- The Group's Overseas operations (Global Health (Australia) Pte. Ltd) recorded a Q4 FY23 operating cashflow deficit of (\$145K), taking its June 2023 half year shortfall to (\$361K).
- Net Operating Cashflow deficit for the Group was (\$74K) in Q4 FY23 and (\$355K) in the June 2023 half year.



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Total cashflow deficit shrinks by 64% in H2 FY23 compared to H1 FY23

- The total Cashflow deficit for the Group recorded in the June Quarter was (\$390K). The shortfall for the June 2023 half (H2 FY23) period of (\$1,085K) was 64% below the much larger deficit of (\$3,045K) reported in the six months to December 2022 (H1 FY23).



Major activities in the June 2023 quarter include:

- Completion of the MasterCare Patient Administration System implementation at the Acurio Health Group's The George Hospital in NSW, which successfully went live in July 2023.
- Completion of the MasterCare Electronic Medical Record (EMR) implementation at Yarrum Community Health, which also successfully went live in July 2023.
- The ongoing implementation of MasterCare Community health platforms at La Trobe Regional Community Health and Peninsula Community Health, due to go-live over the next 12 months.
- The execution of a contract for the implementation of the Group's MasterCare Patient Portal, Patient Administration System, Inpatient EMR, Data Warehouse and Secure Messaging platforms at the new Weststate Private Hospital in Townsville, due for completion by the last quarter of FY2024.
- Organisational restructuring with new hires of customer facing staff across the Development, Quality Assurance and Customer Success group.

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Highlights of result for the year ended 30 June 2023 include:

Subject to audit, key Income Statement metrics for the 12 months to June 2023 follow:

- Customer revenue of approximately \$7.8M, up 20% on the previous corresponding period (PCP).
- Professional Services revenue of approximately \$1.4M, more than double the PCP figure.
- ARR (Annual Recurring Revenue) of \$5.7M, up 12% up on PCP.
- Net Revenue or Gross Margin* is up 48% to over \$4M.
- Overhead Expenses (Corporate, Sales & Marketing) of around \$4M, flat on PCP.
- Operating Profit before R&D expenses (EBITDA before R&D expenses) of approximately \$80K, up 106% on PCP.

* *Gross Margin is calculated after all direct Cost To Service (CTS) expenses including 3rd party costs, staff salaries and contractor fees for Customer Success, Implementation and Product Maintenance.*

Global Health continued to invest in growth initiatives over the June Quarter. The period saw increased spend on R&D for the re-platforming of the Group's mature client/server provider applications to a cloud-hosted, multi-tenanted platform with a composable architecture and device independent. While this outlay was a drag on overall profitability, it is crucial to the Global Health's long-term growth prospects.

It will continue at the increased rate of approximately \$3M p.a., up 142% from the PCP expense of \$1.27M. The Group expects this R&D spend will enable the progressive transfer of its revenues to SaaS digital platforms from December 2024.

Forward outlook & growth strategy

Over \$1m in Implementation Services for contracted projects is already locked in for the 2024 financial year and will be recognised as these services are delivered. A further \$1M in associated Contracted Annual Recurring Revenue (CARR) will kick-in as these contracted projects go-live.

The Group's re-platformed Allied Health and Medical Specialists SaaS products are scheduled to be released by December 2023 with all other client/server provider applications for hospitals and community health centres by December 2024.

Global Health's Australian operations are expected to continue double-digit growth over the next 18 months, with new logo sales and upsells to existing customers. The Group's Australian operations currently have a strong pipeline of prospective sales opportunities for its 2024 financial year and beyond.

Overseas market expansion will be pursued through in-country distributors or resellers supported by existing Australia-based staff; this strategy is expected to reduce the overseas cash deficit by over 50%.

Required disclosures in accordance with Listing Rule 4.7C

In accordance with Listing Rule 4.7C.1, the expenditures of Global Health for the quarter ended 30 June 2023 are set out in the table below:

Expense Category	Amount (\$A'000)
Product manufacturing and operating costs	450
Advertising and marketing	38
Leased assets	47
Staff costs	1,521
Administration and corporate costs	217
Interest and other costs of finance paid	2
Property, plant and equipment	1
Research and product development	337

In accordance with Listing Rule 4.7C.3, payments to related parties and their associates during the quarter totalled \$108K. This related to directors' remuneration.

This announcement was approved for lodgement by the Board.

Ends.

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For further information please contact:

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About Global Health Limited

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

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

Global Health offers a range of tailored software and SaaS solutions helping health businesses to be more efficient and deliver excellent patient care. These include electronic medical records for health delivery organisations, client management systems for community health, patient administration systems for hospitals, practice management systems, secure messaging for connected care, patient engagement platforms and consumer health records.

Located in Melbourne, Victoria the company is ISO27001 compliant.

To learn more about Global Health please visit: www.global-health.com

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Global Health Limited

ABN

75 091 377 892

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows

**Current quarter
\$A'000**

**Year to date
(12 months)
\$A'000**

1.1	Receipts from customers	2,201	7,875
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(450)	(2,477)
	(c) advertising and marketing	(38)	(221)
	(d) leased assets	(47)	(186)
	(e) staff costs	(1,521)	(6,530)
	(f) administration and corporate costs	(217)	(1,211)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(2)	(8)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(74)	(2,758)

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2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(9)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	(337)	(1,598)
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	2	2
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	(11)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(335)	(1,616)

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3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	338
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Net proceeds from borrowings	20	20
3.6	Net repayment of borrowings	-	(105)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	20	253

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,631	6,376
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(74)	(2,758)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(335)	(1,616)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	20	253
4.5	Effect of movement in exchange rates on cash held	2	(11)
4.6	Cash and cash equivalents at end of period	2,244	2,244

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,244	2,631
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,244	2,631

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1 *	108
6.2 Aggregate amount of payments to related parties and their associates included in item 2 **	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

** Payments associated with item 6.1 relate to directors' fees/directors' remuneration.*

***Payments associated with item 6.2 relate to a loan to an associate company.*

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7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<p><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i></p> <p><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i></p>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	19	19
7.3 Other (please specify)	56	56
7.4 Total financing facilities	75	75
7.5 Unused financing facilities available at quarter end		NIL
<p>7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p>		
<p>7.2 Lender: Australia and New Zealand Banking Group Limited (ANZ) Company Credit Card Facility Interest rate: Up to 8-week Interest free period. Otherwise, 17.74% per annum on purchases if unpaid by the due date. 19.24% per annum on cash advances. Secured/unsecured: Unsecured</p>		
<p>7.3 Lender: HP Financial Services (Australia) Pty Ltd Interest rate: 8.5% per annum Maturity date: June 2023 Secured/unsecured: Unsecured</p>		
<p>Lender: iQumulate Premium Funding – Insurance premium funding Interest rate: 6.4073% per annum Maturity date: 31 December 2023 Secured/unsecured: Unsecured</p>		

8. Estimated cash available for future operating activities	SA'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(74)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,244
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,244
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	30.32
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

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8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24th July 2023

Authorised by: Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO

and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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