

## **MEDIA RELEASE**

**ASX: GLH**  
**29 August 2017**

### **5<sup>th</sup> Consecutive Year of Profit**

Your Directors submit their report for financial year ended 30 June 2017. The previous corresponding period (PCP) for this report is the twelve months to 30 June 2016.

#### **Financial Highlights**

- ❖ Revenue up 98% to \$10.3m
- ❖ Net Profit After Tax up \$1.84m to \$1,932,019
- ❖ Earnings Per Share (EPS) of 5.81 cents per share
- ❖ Dividends paid of 2 cents per share

#### **Review of the financial year to June 2017**

Throughout FY17, we achieved a lot as a business.

The resolution of the ongoing use of the CHIRON Hospital Management System with SA Health in August was a good start to the financial year.

Investment in new product development increased by nearly 10% to \$1.48m and enabled an accelerated innovation program targeting greater consumer engagement and connectivity for consumers and their health care providers.

The underlying design philosophy is a “mobile-first” architecture to optimise the user experience on mobile smart phones and tablets in addition to the traditional wider screens of personal computers. The “mobile-first” design philosophy is a market-leading response to global usage trends.

In April, the Company announced the commercial release of the Lifecard Personal Health Record for consumers along with the HotHealth digital engagement platform for providers.

Lifecard and HotHealth are the embodiment of our long-standing vision to connect clinicians and consumers and streamline the patient journey.

Our current and growing market presence across healthcare providers combines with this new technology to enhance the end-user experience for both consumers and providers and achieve meaningful scale in the consumer market.

The initial deployment of the Lifecard patient portal was across three early adopter sites in the acute (hospital) sector and three community healthcare providers for on-going consumer engagement.

Early feedback from customers has been very encouraging with up to 50% of pre-admissions forms submitted online within 6 months of launch. Lifecard Patient Portal is now in general release for the Company's wider base of customers.

We have secured agreements with two healthcare professional organisations covering approximately 15,000 individual providers for the commercial release of the more comprehensive HotHealth digital engagement platform for providers.

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HotHealth will record patient consent, provide for online appointments and tele-consulting in addition to the Lifecard patient portal for forms and assessments.

In May, the Company announced a major connectivity rollout across Peninsula Health - the major health care provider serving the metropolitan and regional areas on Victoria's Mornington Peninsula.

Peninsula Health is a metropolitan public health service with over 900 beds, delivering healthcare services to a population of over 300,000 across a region of approximately 900 square kilometres.

Apart from improvements in workflow productivity and patient safety, a key driver for the Connectivity project is to meet the Victorian Government's eReferral and Access Policies for managing referrals. This covers the processing and live tracking of Referrals and the reporting of KPIs relating to inbound referrals.

The initial phase of the Referral Management project has been progressively rolled out since December 2016 with discharge summaries sent electronically from Frankston Hospital's Cerner Electronic Medical Record system through Global Health's ReferralNet secure messaging platform, to General Practitioners (GPs) and Specialists in the region.

Over 65% of discharge summaries from Peninsula Health are now sent via the ReferralNet platform. Integration to the hospital's iPM Patient Administration System has been completed with a limited rollout of in-bound referrals to 2 of 40 outpatient clinics at the hospital now in progress.

The Company has also achieved interoperability with Telstra Health's Argus Messaging platform with ReferralNet subscribers able to send to Argus subscribers. Volumes of ReferralNet to Argus messages more than tripled over the 6 months to June in the limited trials.

Two-way messaging from Argus to ReferralNet is in advanced stages of field testing following which ReferralNet and Argus interoperability will be available for general market release.

Over the 12 months to 30-June, ReferralNet subscribers grew by 8% while transaction volumes grew by 20%.

The level of expenditure in innovation is reviewed every 6 months to ensure return on investments are performing in line with forecasts.

Impairment charges of \$917k were applied against intangible assets following a review by the Board.

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The net result is a reported record net profit after tax of \$1.93m representing Earnings Per Share of 5.8 cents.

In the 5 years to 30-Jun-2017, the share price of GLH has provided a return in excess of 49% CAGR (Compound Annual Growth Rate) inclusive of dividends.



The Company's core operational revenue is derived from the sale of software annual subscriptions and product-related professional services to:

- Specialists, General Practitioners, Community Health and Allied Health Providers (the non-acute or Community sector) and,
- Overnight and Day Hospitals (the acute or Hospital sector).

Software for connectivity is sold under the ReferralNet brand ([www.referralnet.com.au](http://www.referralnet.com.au)) while software for healthcare providers are sold under the MasterCare (<http://www.mastercare.net.au/>) and PrimaryClinic (<https://www.primaryclinic.com.au/>) brands. These are deployed in both the community and hospital market sectors.

Revenue from sales to the Community Sector was up 9% to \$3.74m largely driven by the continuing appeal of MasterCare EMR for providers of Mental Health services with 19 new customer organisations and over 500 new healthcare professionals.

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Project specific professional service expenses of approximately \$350k were incurred over the year for projects expected to go-live prior to 30-June however the associated projects have been delayed beyond the reporting period and are now scheduled for go-live in the September quarter.

In accordance with the Company's policy, work-in-progress is not recognised as revenue in the period incurred. Project services and licence revenue from these will only be recognised on invoicing which in these projects are only due on go-live.

The effect of these is a greater expense reflected in the 2017 Financial Year with the corresponding project revenue delayed to the 2018 Financial Year.

The Company has increased investment in sales and marketing activity focussed on Mental Health Services, Connectivity and Consumer engagement. Given the relatively long sales-cycle in health care, it was an important investment to maximise the likelihood of sustainable revenue growth in the medium-term for this growth area.

Revenue and margins from customers delivering services within hospitals has been flat over the reporting period. The reduction in revenue is due to the closure of two hospitals within the customer base and a delayed go-live of a further two new hospital customers.

Core subscriptions in this sector are for the use of the Company's MasterCare PAS (Patient Administration System) to manage patient workflow from pre-admission through to discharge including the management of beds, theatres, medical records, billing and receipting.

The Company has taken steps to reduce the cost base for the Hospital business unit in the current period and accelerate the upgrade of MasterCare PAS to the new MasterCare+ platform which will re-vitalise the competitive positioning of our offering to hospital operators.

MasterCare+ is a multi-tenanted, "mobile-first", web based platform & marketplace which is the successor to our healthcare provider products including MasterCare EMR and PAS.

MasterCare+ features an extensible and modular design so customers only subscribe to features they need. The first release addresses the Referral Management needs of healthcare providers.

During the transitional period, revenue growth for the acute sector will be derived from add-ons such as the Lifecard Patient Portal and MasterCare+ for Referral Management to existing customers.

### **Forward Outlook**

In the current financial year, the focus is on developing digital health communities through the newly released HotHealth platform ([www.hothealth.com](http://www.hothealth.com)), to encourage digital engagement between healthcare providers and their healthcare consumers.

Consumers will be provided with tools to manage their on-going health conditions through digital interactions with their healthcare providers, and encouraged to pro-actively manage their health and wellness through the Lifecard Personal Health Record ([www.lifecard.com](http://www.lifecard.com)).

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Over 3000 healthcare organisations use Global Health applications in hospitals, community and chronic disease health centres, specialists, general practice and allied health.

Our coverage across the Australian healthcare industry is estimated at 12,000 individual healthcare providers and is expected to grow at round 1,000 providers per annum in the near future.

However, only one third of these are paying subscribers when they come on board.

One of the key drivers for revenue growth in the immediate future relies on the successful monetisation of these freemium subscribers.

By providing improved business productivity and improved patient outcomes, the goal is to increase the average revenue per customers.

This will be achieved through add-on applications and monetisation of interactions between providers and their clients.

In the first quarter, our new MasterCare+ Software as a Service platform will be live with the initial release.

This extends the Company's sales reach to the global marketplace with provider, connectivity, consumer and digital engagement platforms accessible anywhere, anytime and on any device.

A dedicated General Manager for business development across the ASEAN Region has commenced to develop new overseas opportunities for this suite of "mobile-first", cloud applications to "Connect Clinicians and Consumers".

With over 625 million people in the ASEAN Region and a rapidly growing middle class the Company believes that our proven products can help improve the healthcare markets in these economies.

The last 12 months has seen market demand for addressing the spiralling costs of healthcare increase substantially. After 5 years of profitable operations, the strengthened balance sheet has been timely, enabling the Company to increase our investment over the last 9 months in:

- Key sales, marketing and development personnel that have come on board;
- New mobile applications and marketplace platforms, and,
- Expanding our reach to the fast developing healthcare market in the ASEAN Region.

These investments will maximise the opportunity to build a genuine global business of scale.

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