

## Financial Result

The financial result of the Company for the year ended 30 June 2018 is summarised below:

	2018 \$	2017 \$ <sup>1</sup>	\$ Change	% Change
Licence Subscriptions	3,880,443	3,415,775	464,668	+18%
Services & Other Revenue	2,075,428	1,884,406	191,022	+10%
<b>Total Revenue</b>	<b>5,955,871</b>	<b>5,300,181</b>	<b>655,690</b>	<b>+12%</b>
<b>Total Operating Expenses</b>	<b>5,857,399</b>	<b>6,950,256</b>	<b>(1,092,857)</b>	<b>-16%</b>
<b>EBITDA</b>	<b>110,060</b>	<b>(1,650,075)</b>	<b>1,760,135</b>	<b>+107%</b>
<b>Net Profit / (Loss)</b>	<b>(263,250)</b>	<b>(3,271,955)</b>	<b>3,008,705</b>	<b>+93%</b>

<sup>1</sup> 2017 results have been adjusted for significant one-off legal settlement of \$5,000,000

The operations have achieved strong trends across key measures:

- 18% growth in new and recurring Licence Subscriptions
- 12% growth in overall revenue to just under \$6M
- 16% reduction in operating expenses
- 1.8M turnaround in EBITDA to \$110K.
- Reduction in Net Loss from (\$3.272M) to (\$0.263M).

### Business As Usual (BAU) - Today's Revenue

Over 80% of revenue was generated from the provision of our software solutions to community health, hospital and primary care health businesses, deployed on customer's IT infrastructure ("on-premises").

Sales of MasterCare Electronic Medical Record (EMR) software to mental health and chronic disease healthcare providers was the fastest growing line of business (up 33%). MasterCare EMR now represents more than 50% of total revenue. A number of significant implementations went "live" through the year:

- Territory-wide deployment across ACT for Mental Health, Justice, Alcohol and Other Drugs public services;
- Mercy Mental Health services deployment in metropolitan Victoria
- Windana Drug and Alcohol Recovery in Victoria
- Bass Coast Community Health Services in country Victoria.

With a consistently strong pipeline, MasterCare EMR is expected to continue its growth well beyond the existing 100 customers over the next 18 months.

Secure Message Delivery (SMD) platforms are software platforms that enable sensitive clinical information to be encrypted, digitally signed and securely shared between providers to protect patient privacy and confidentiality.

The Company's ReferralNet SMD subscriber network grew 13% processing 16% more messages (or clinical documents) over the 12 months. ReferralNet is currently engaged in two Federal government projects to improve interoperability with Australia's two largest SMD networks.

The completion of the project later in 2018 should extend the network reach of ReferralNet to over 80% of healthcare providers that are enabled for SMD. The interoperability projects will be followed by campaigns to extend ReferralNet subscribers beyond Victoria focussing primarily on Allied Health and Specialist providers.

Over 3,000 healthcare organisations in Australia rely on Global Health on-premises software applications to support their internal operations or their connectivity needs.

The Company's Business-as-Usual (BAU) portfolio of applications that are deployed "on-premises" is forecast to continue double-digit growth over the foreseeable future.

But Healthcare cannot maintain a status quo or "Business-as-Usual".

### **The Problem – Unsustainable Cost Escalation in Healthcare**

50% of us have or will have a chronic disease in our lifetime;  
63% of those will die from their disease;  
50% of us will experience a mental health episode.

The combination of

- an aging population,
- unhealthy, sedentary lifestyles,
- obesity
- the stresses of modern life

and

- rapid improvements in medical technology,
- earlier detection of adverse conditions,
- more medications to manage lifelong conditions and
- innovative developments in medical devices

have created a crisis in healthcare delivery.

In Australia half a billion dollars is spent on healthcare each and every day. And it is growing.

Approximately 35% of healthcare costs are non-patient facing – back office costs such as phone conversations between providers, re-keying of information on paper as valuable clinical information is exchanged through the patient journey, re-keying of patient stories, re-doing tests.

Thousands of avoidable deaths occur due to poor access to relevant information at the point of care.

Healthcare is a complex system of complex systems. Funding of healthcare in Australia is a combination of self-funding, private insurance, Medicare, DVA, Workers Compensation, Transport Accident compensation and a myriad of state and federal funding programs.

There are an estimated 150,000 different businesses involved in healthcare – from state-funded Area Health Services in each state, commonwealth-funded community health organisations, private aged care operators, general practice, day hospitals, overnight hospitals, allied health services, diagnostic services and pharmacies.

Globally, healthcare costs are increasing at over 5% p.a. in real terms.

The largest growth in chronic disease is in developing economies – as people become more affluent, the precursors of chronic disease take hold and eventually costs take off.

Healthcare is a universal product – diabetes in Dubai or Delhi is best treated the same way as diabetes in Boston or Melbourne.

Some believe that that a single homogenous system across all of healthcare is the answer.

At Global Health we think differently.

### **CONNECTED HEALTH RECORDS**

Our vision for improving consumer outcomes and healthcare productivity is an eco-system for digital health based on connectivity, specialist applications and consumer engagement.

**Connected Health Records** with consumers or customers of the healthcare system at the centre.

Care managers develop activity tasks or management plans tailored to each individual's circumstance that need to be shared and actively monitored to maximise compliance.

Engaged consumer will be the key to disrupting the escalating costs of healthcare and improving individual health outcomes. Consumers will choose who and when to share information; with their family and external care team.

Many healthcare issues can be addressed if as consumers, we exercise more, eat healthy, sleep well and manage stress better.

With the use of Artificial Intelligence (AI), machine learning and gaming techniques we have a greater chance to influence behaviour modifications – to stop bad habits, lose weight, take our meds, exercise more and become more socially active.

*The better way to stop the escalation in healthcare costs is by addressing the demand side.*

## Tomorrow's Growth revenue

Prior to July 2017, the Company spent an average of \$1M each year on product development for the next-generation of software platforms aimed at connecting healthcare consumers and clinicians.

Timing is considered one of the most important factors in the success of technology companies.

In the past year, our product development was accelerated. We have invested approximately \$2M in new product development to fast track the release of our SaaS (Software as a Service) platforms that together comprise our **Connected Health Records (CHR)** portfolio. These are designed for mobility and international markets:

- to work on smart phones, tablets and laptops,
- to support multiple languages, and,
- to offer an open marketplace for third parties to value-add modules unique to certain specialities or jurisdictions.

Our **Connected Health Records** comprise of 4 platforms:

- **MasterCare+** is the cloud-based marketplace where healthcare providers can subscribe to the Software Services and features they need – patient record management, prescriptions, medication management, diagnostic services, secure messaging, clinical notes, management plans, billing, appointments etc. Within 5 years, MasterCare+ is expected to replace the functionality of our existing on-premises hospital, community health, medical and allied health applications.
- **LifeCard** is for consumers; you and I as customers of healthcare services, empowered to work proactively with our care teams. Lifecard is already available in Thai, Vietnamese and Bahasa – the 3 largest markets within ASEAN with about 450M consumers.
- **HotHealth** enables healthcare providers to engage with their patients; with video-conferencing, their own web-store, online appointments, special-interest groups and chats; In essence, the online clinic for healthcare providers to build communities of common interest. Consumers can subscribe to multiple providers e.g. their dentist, physio, GP, nutritionist etc.
- Core to all of these is the **ReferralNet** SMD platform which enables data to securely flow from a single point of entry through to colleagues, funders and consumers.

Over the last 15 months, the **CHR** portfolio was successfully deployed to a limited number of early adopters with key learnings re-factored into the platforms ready for commercialisation and growth.

## Digitally Connected Healthcare Journey

We operate at the intersection of technology and healthcare which represents the best of both worlds - healthcare is a defensive industry that is less susceptible to economic cycles. We get sick in good times and in bad; enabling technology is the fastest growth industry in the world.

Healthcare technology is hard but sticky.

At Global Health, our strategy is to focus on a path to sustainable profitability. Our investments in new products and markets have been funded by internally generated funds – close to \$10M over the recent past.

Our focus is on the prevention side of healthcare; platforms designed to educate consumers and encourage behaviour change.

Achieving scale will depend on the ability to execute our vision in markets with much greater populations of consumers.

The largest populations and fastest growing economies are in our neighbourhood - with a population of 650M consumers across South-East Asia or ASEAN, the potential market is 26 times larger than Australia. With a GDP already twice the size of Australia and growing at 30%, this is a key focus going forward.

Successfully expanding to international markets gives the scale of consumers we need to make an affordable difference.

Over the next three to five years, our traditional on-premises revenue derived from Australian customers will be augmented with revenue from our Connected Health Records platforms derived from a broader regional market.

**MEDIA RELEASE**  
**ASX: GLH**

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**About Global Health Limited**

Global Health is a leading provider of e-health solutions to the Australian healthcare industry supporting healthcare delivery in hospitals and community settings.

Connectivity is embedded in Global Health applications to promote secure information sharing, financial transactions and the use of technology in ways that transform healthcare delivery.

Products in the Global Health suite include: MasterCare EMR, MasterCare PAS, PrimaryClinic, ReferralNet, Altitude Cloud Hosting, HotHealth and LifeCard.

Global Health is listed on the Australian Stock Exchange with its head office in Melbourne. For further information about Global Health and its products, visit [www.global-health.com](http://www.global-health.com).

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