

INTERIM FINANCIAL REPORT

**FOR THE HALF YEAR ENDED
31 DECEMBER 2019**

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GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

(ABN: 75 091 377 892)

**Appendix 4D
Half Year Report**

Name of entity

GLOBAL HEALTH LIMITED

ABN Half yearly Preliminary final Half Year ended

75 091 377 892



31 December 2019 (Comparative period 31 December 2018)

Results for announcement to the market

The information in this report should be read in conjunction with the most recent annual financial report.

		%		\$
Revenues from ordinary activities	Up	17.6	to	\$2,757,020
Loss from ordinary activities after tax	Up	0.95	to	\$505,639
Net loss for the period attributable to members	Up	0.95	to	\$505,639

Dividends / distributions	Amount per security	Franked amount per security
Final dividend	Nil ¢	Nil ¢
Interim dividend	Nil ¢	Nil ¢
Previous corresponding period	Nil ¢	Nil ¢

Net Tangible Asset backing	Current period	Previous corresponding period
Net Tangible Assets/(Liabilities) per ordinary security	(\$0.10)	(\$0.11)

Signed by:



Print name: Mathew Cherian
Chief Executive Officer

Date: 28th February 2020

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DIRECTORS' REPORT

Your Directors submit their report for the half year ended 31 December 2019.

Directors

The names and details of the Company's directors in office during the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Steven Leigh Pynt LLB, BBus, MBA, MTax

(Independent Non-Executive Chairman)

Mathew Cherian BBus (IS/IT), MACS, MAICD

(Managing Director and Chief Executive Officer)

Grant Smith

(Independent Non-Executive Director)

Robert Knowles AO

(Independent Non-Executive Director)

Principal Activities

During the period the principal activities of the consolidated entity consisted of the development, licensing, implementation and provision of IT services to the healthcare industry.

Consolidated Results

The entity derived a consolidated loss of \$546,204 for the half year before income tax (2018 loss: (\$683,723). The loss attributable to owners of the parent entity after income tax was \$505,639 (2018 loss: \$500,881).

Dividends

No dividends were announced or paid.

Review of Operations

The entity experienced continual growth in and demand for its software platforms as healthcare providers and funders seek digital technology to improve their operating efficiencies and patient outcomes.

Key highlights

- Total customer revenue increased by 18% to \$2,753,170;
- Recurring subscription and expansion revenue increased by 10% to \$2,082,302;

GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

(ABN: 75 091 377 892)

- Finance costs reduced by 19% as the Company remained focused on reducing reliance on external funding to expand its patient-centric Connected Health Record SaaS platforms;
- Total debt reduced by \$274,229 during the reporting period; and
- Net loss decreased by less than 1%, resulting in a loss per share of 1.41 cents (2018: 1.497 cents)

During the reporting period, the Company implemented a new subscription billing system to manage the on-boarding and off-boarding of customers to both our SaaS and non-SaaS software platforms. The new subscription system also manages value-add expansion revenue such as SMS charges, online appointments and excess usage of other pre-paid, metered items. There were some unexpected teething issues which resulted in a larger than expected level of bad debts over the period.

The Company continued the gradual transition to monthly subscriptions and monthly revenue collections to counter the impact of accounting standard *AASB-15 – Revenue from Contracts with Customers* on both contracted liabilities and net assets.

Successful completion of a share rights issue occurred in November 2019, resulting in just over \$1 million cash to help fund further development in SaaS platforms, support further business development activities in new domestic and overseas markets, reduce borrowings and improve the Company's net asset position.

Financial Commentary

The financial statements have been prepared in accordance with the new standards for the recognition of leases which became effective for periods commencing on or after 1 January 2019. Accordingly, these standards apply for the first time to this set of interim financial statements. The nature and effect of material changes arising from *AASB 16 – Leases* is summarised in Note 2 of the financial report. AASB 16 has not materially impacted the results of the Company.

Forward Outlook

The Company remains focused on:-

- Expanding its value add patient-centric Connected Health Record SaaS platforms to existing customers in the hospital, community health and primary care sectors;
- Extending reach of the Company's mental health platforms across Australia;
- Considered further investment in consumer health services particularly focused on connectivity, community engagement and consumer empowerment;
- Increasing software subscription revenue through new logo sales and value-add (expansion) sales; and
- Ensuring Global Health clients maintain the quality, efficiencies and improved productivity of their healthcare services by fully utilising the Company's comprehensive portfolio healthcare platforms.

GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES
(ABN: 75 091 377 892)

Auditor's Independence Declaration

In accordance with *section 307C of the Corporations Act 2001*, a Declaration of Independence was obtained from auditors Grant Thornton, a copy of which is attached and forms part of this report.

Any enquiries on the above can be directed to Mr Mathew Cherian, Chief Executive Officer, on +61 3 9675 0688 or alternatively by email to mathew.cherian@global-health.com

Signed in accordance with a resolution of Directors

GLOBAL HEALTH LIMITED



Steven Leigh Pynt
Non-Executive Chairman



Mathew Cherian
Chief Executive Officer

Melbourne, 28 day of February 2020

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Auditor's Independence Declaration

To the Directors of Global Health Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Global Health Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 28 February 2020

GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

(ABN: 75 091 377 892)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	Half Year	
		31 December 2019 (\$)	31 December 2018 (\$)
Revenue			
Revenue from contracts with customers	4	2,753,170	2,342,644
Interest income	4	3,850	2,642
		2,757,020	2,345,286
Expenses			
Salaries and related costs		(1,753,516)	(1,664,193)
Third party product and service costs		(550,792)	(756,813)
Bad debts and impairment of receivables		(27,669)	-
General and administration costs		(355,935)	(153,398)
Marketing expenses		(60,899)	(21,574)
Professional fees		(151,369)	(61,372)
Rent and occupancy expenses		(16,868)	(76,274)
Telephone and internet expenses		(2,968)	(23,688)
Travel expenses		(54,907)	(89,913)
Earnings before interest, tax, depreciation and amortisation		(217,903)	(501,939)
Finance costs		(64,482)	(79,970)
Depreciation		(86,803)	(34,894)
Amortisation		(178,439)	(66,389)
Non-operating foreign exchange gains/(losses)		1,423	(532)
Loss before income tax		(546,204)	(683,723)
Income tax expense		40,565	182,842
Net loss for the period		(505,639)	(500,881)
Other comprehensive income			
Exchange differences on translating foreign operations <i>(may be subsequently reclassified to profit or loss)</i>		-	-
		-	(193)
Total comprehensive income for the period		(505,639)	(501,074)
Loss after income tax expense for the period attributable to:			
Owners of Global Health Limited		(505,639)	(500,916)
Non-controlling interest		-	35
		(505,639)	(500,881)
Total comprehensive loss for the period attributable to the owners of Global Health Limited			
Owners of Global Health Limited		(505,639)	(501,092)
Non-controlling interest		-	18
		(505,639)	(501,074)
Basic earnings/(loss) per share		(1.413)	(1.497)
Diluted earnings/(loss) per share		(1.413)	(1.497)

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes

GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES
(ABN: 75 091 377 892)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31 December 2019	30 June 2019 (\$)
Current Assets			
Cash and cash equivalents	5	876,810	803,990
Trade and other receivables		725,575	436,125
Other assets		34,065	61,716
Total Current Assets		1,636,450	1,301,831
Non-Current Assets			
Property, plant and equipment		45,288	54,844
Intangibles	6	3,753,648	4,089,825
Deferred Tax Asset		277,856	334,665
Security bond - office lease		116,351	113,490
Right of use lease assets		285,771	-
Total Non-Current Assets		4,478,914	4,592,824
Total Assets		6,115,364	5,894,655
Current Liabilities			
Payables		1,171,855	1,786,261
Borrowings		492,441	559,983
Employee benefits		505,301	591,322
Contract liabilities		2,281,360	1,621,494
Lease liabilities		147,030	-
Provisions		52,500	-
Total Current Liabilities		4,650,487	4,559,060
Non-Current Liabilities			
Contract liabilities		199,207	280,406
Borrowings		398,971	605,658
Employee benefits		19,604	33,588
Lease liabilities		88,302	-
Deferred tax liability		1,043,786	1,141,160
Employee benefits		1,749,870	2,060,812
Total Liabilities		6,400,357	6,619,872
Net (Liabilities)/Assets		(284,993)	(725,217)
Equity			
Issued capital	7	21,898,798	20,961,242
Reserves	8	120,980	174,211
Accumulated losses		(22,304,846)	(21,860,746)
Non-controlling interest		76	76
Total Equity		(284,993)	(725,217)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

(ABN: 75 091 377 892)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Issued capital ordinary	Option reserve	Currency translation	Retained earnings	Non- controlling	Total equity
	\$	\$	\$	\$	\$	\$
Reported balance at 1 July 2018	20,898,742	128,220	24,234	(20,563,953)	76	487,319
Profit/(loss) after income tax expense for the year	-	-	-	(500,881)	-	(500,881)
Other comprehensive income/(loss) for the year (net of income tax)	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	(193)	-	-	(193)
Total comprehensive income/(loss) for the period	-	-	(193)	(500,881)	-	(501,074)
Transactions with owners in their capacity as owners:						
Issue of share capital, net of transaction costs	-	-	-	-	-	-
Share based payments expense	-	-	-	-	-	-
Balance at 31 December 2018	20,898,742	128,220	24,041	(21,064,834)	76	(13,755)
Reported balance at 1 July 2019	20,961,242	149,977	24,234	(21,860,746)	76	(725,217)
Profit/(loss) after income tax expense for the year	-	-	-	(505,639)	-	(505,639)
Other comprehensive income/(loss) for the year (net of income tax)	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	(505,639)	-	(505,639)
Transactions with owners in their capacity as owners:						
Issue of share capital, net of transaction costs	937,556	-	-	-	-	937,556
Share based payments expense	-	8,308	-	-	-	8,308
Lapsed employee share options	-	(61,539)	-	61,539	-	-
Balance at 31 December 2019	21,898,798	96,746	24,234	(22,304,846)	76	(284,993)

GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES
(ABN: 75 091 377 892)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	Half Year	
		31 December 2019 (\$)	31 December 2018 (\$)
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,347,229	2,971,780
Payments to suppliers and employees (inclusive of GST)		(3,956,795)	(2,996,721)
Interest received		989	2,642
Interest and other finance costs paid		(64,482)	(74,548)
Net cash used in operating activities		(673,059)	(96,847)
Cash flows from investing activities			
Payments for property, plant and equipment		(788)	-
Payments for intangibles		(288,351)	(512,358)
Receipts from research and development grants		446,089	789,905
Net cash from investing activities		156,950	277,547
Cash flows from financing activities			
Repayment of borrowings		(274,230)	(255,357)
Proceeds from share rights issue		1,010,368	-
Costs related to share rights issue		(72,812)	-
Payments for lease liabilities		(74,397)	-
Net cash from/(used in) financing activities		588,929	(255,357)
Net (decrease)/increase in cash and cash equivalents		72,820	(74,657)
Cash and cash equivalents at the beginning of the financial period		803,990	1,157,536
Cash and cash equivalents at the end of the financial period		876,810	1,082,879

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

(ABN: 75 091 377 892)

Notes to the Financial Statements

1. Statement of Significant Accounting Policies

The financial report covers the consolidated entity of Global Health Limited and controlled entities (the Group) for the half year ended 31 December 2019. Global Health Limited is a listed public company, incorporated and domiciled in Australia.

A description of the nature of the Group's operations and principal activities are contained in the Directors' report. This report does not form part of the financial report.

(a) Basis of preparation

This general purpose financial report for the interim half year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Global Health Limited during the interim reporting period in accordance with the continuous disclosure requirements of the ASX listing rules.

The same accounting policies and methods of computation have been followed in the interim financial report as were applied in the most recent annual financial statements except as those disclosed in Note 2 of this report.

The Company has considered the implications of new or amended Accounting Standards. Refer to Note 2 for the impact these new or amended Accounting Standard have had on the Company.

The financial report of Global Health Limited was authorised for issue as at the date of the Directors' report.

(b) New Standards Adopted as at 1 July 2019

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

(ABN: 75 091 377 892)

Notes to the Financial Statements (cont'd)

AASB 16 Leases

The consolidated entity has adopted *AASB 16 Leases* from 1 July 2019. The standard replaces *AASB 117 - Leases* and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs).

In the earlier periods of the lease, the expenses associated with the lease under *AASB 16* will be higher when compared to lease expenses under *AASB 117 - Leases*. However, EBITDA (earnings before interest, tax, depreciation and amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The impact on the financial performance and position of the consolidated entity from the adoption of *AASB 16* is detailed in note 2 of this report.

(c) Going Concern

The Company reported a loss of (\$546,204) before income tax, had cash reserves of \$876,810 and a net liability position of \$284,993 at reporting date.

The half year interim financial report has been prepared on a going concern basis which assumes that the consolidated entity will be able to meet their 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:

Success in continued operations

The consolidated entity successfully obtained contracts with Government agencies and large community health organisations during the reporting period. This success is expected to enhance the entity's cashflows from operating activities. Management has capacity to reduce operating costs associated with development activities should the need arise. With an increase in expected collections and ability to reduce operating costs from development activities, the consolidated entity is well positioned to increase its operating cash flows.

Expansion into the new markets

The consolidated entity continues its business development activities in the domestic and international markets. Management anticipates it will leverage this position to increase operating cashflows through the sale of software and services specifically targeted toward international markets. This includes sales of new software developed by the company.

GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES
(ABN: 75 091 377 892)

Notes to the Financial Statements (cont'd)

Ability to raise capital

The Company is listed on the Australian Stock Exchange (ASX) and as such, has the ability to raise additional funds by way of capital raising(s) if required.

Availability of finance

Through financial institutions, the consolidated entity is able to acquire additional financial support if required.

Deferral of creditor payments

The consolidated entity has reviewed current outstanding accounts payable balances and has determined that large balances can be gradually paid through payment plans with negotiations with its suppliers.

There is a material uncertainty related to these events that may cast significant doubt on the entity's ability to continue as a going concern. If the consolidated entity is not successful in these matters, the going concern basis may not be appropriate, with the result that the consolidated entity 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 provision for such circumstances has been made in the financial report.

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

2. Changes in Significant Accounting Policies

The interim financial statements have been prepared in accordance with the same accounting policies and methods of computation and should be read in conjunction with the financial statements and related notes included in the consolidated entity's annual report for the year end 30 June 2019 except as described below.

The changes in accounting policies which are specified below only apply to the current period. The accounting policies included in the Group's most recent annual financial report are the relevant policies for the purposes of comparatives.

(a) AASB 16 Leases

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

(ABN: 75 091 377 892)

Notes to the Financial Statements (cont'd)

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

AASB 16 Leases

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the future lease payments arising from a change in:

- Index or a rate used;
- Residual guarantee;
- Lease term;
- Certainty of a purchase option; and
- Termination penalties.

When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 at 1 July 2019 was 6.0%p.a.

The following is a reconciliation of total operating commitments at 30 June 2019 to the lease liabilities recognised at 1 July 2019:-

Total operating lease commitments disclosed at 30 June 2019	465,241
<i>Less:</i> Leases with remaining term less than 12 months	(32,593)
<i>Less:</i> Other adjustments relating to commitment disclosures	(98,095)
Operating lease liabilities before discounting	<u>334,553</u>
<i>Less:</i> Discount using incremental borrowing rate	(11,202)
Operating lease liabilities	<u>323,351</u>
Reasonably certain extension options	-
Finance lease obligations	-
Total lease liabilities recognised under AASB 16 at 1 July 2019	323,351

GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES
(ABN: 75 091 377 892)

Notes to the Financial Statements (cont'd)

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated.

The right of use assets were measured at the amount equal to the new lease liability plus any make good obligation at 1 July 2019. This resulted in a right of use asset of \$375,851 being recognised at 1 July 2019.

Effect of adopting AASB 16 at 1 July 2019

The effect of adopting AASB 16 on the statement of financial performance for the 6 months ended 31 December 2019 is summarised in the table below:-

	Prior to AASB 16	Post adoption of AASB 16
	\$	\$
Rent expense	(92,192)	(9,997)
Interest expense	-	(9,272)
Depreciation expense	-	(77,148)
Impact on loss for the half year ending 31 December 2019	(92,192)	(96,417)

3. Segment Information

The consolidated entity operates in the computer technology, software and services industry with particular emphasis on healthcare and associated professional services.

Operating segments are identified by management based on the country of origin and discrete financial information is reported to the executive management team at least monthly. Only one segment has been identified by management.

Geographical information for the current reporting period is not included in this report as there were no material sales or non-current assets held outside Australia.

GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES
(ABN: 75 091 377 892)

Notes to the Financial Statements (cont'd)

4. Revenue from Customers

	Half Year	
	31 December 2019	31 December 2018
	(\$)	(\$)
Revenue from contracts with customers		
Recurring software subscriptions	1,822,749	1,712,673
Expansion revenue and additional usage fees	259,553	186,198
	2,082,302	1,898,871
Professional services		
Professional services rendered	459,631	377,855
Other revenue		
Interest income	3,850	2,642
Other revenue and miscellaneous income	211,237	65,918
	215,086	68,560
Timing of revenue recognition		
Point in time revenue	775,183	476,362
Over time revenue	1,981,837	1,868,924
	2,757,020	2,345,286

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GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES
(ABN: 75 091 377 892)

Notes to the Financial Statements (cont'd)

5. Cash and cash equivalents

For the purposes of the statement of cashflows, cash and cash equivalents includes:-

	Consolidated	
	31 December 2019	30 June 2019
	(\$)	(\$)
Cash at bank and cash on hand	171,184	399,814
Short-term deposits	705,626	404,176
	876,810	803,990

6. Intangibles

An intangible asset arising from the development phase of an internal project shall be recognised as an asset and upon completion are amortised over a pre-determined period. The criteria contained in *AASB 138* must be satisfied for the costs to be eligible to be capitalised and amortised accordingly. The Company has capitalised amounts in accordance with the requirements of *AASB 138*.

Developed products have a finite useful life 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 expenses in the consolidated statement of profit or loss and other comprehensive income.

Any research and development grants in relation to these expenditures are offset against the asset when they are determined to be recoverable.

Reconciliations of the written down values at the beginning and end of the current and previous year are shown in the table following:-

GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES
(ABN: 75 091 377 892)

Notes to the Financial Statements (cont'd)

6. Intangibles (cont'd)

	Development Costs \$	Total \$
Half year ended 31 December 2019		
At 1 July 2019 net of accumulated amortisation and impairment	4,089,825	4,089,825
<i>Add:</i> Internal development costs	288,351	288,351
Research and development grant	(446,089)	(446,089)
<i>Less:</i> Amortisation charge for the period	(178,439)	(178,439)
At 31 December 2019 net of accumulated amortisation and impairment	3,753,648	3,753,648
At 31 December 2019		
Intangibles at cost	6,912,565	6,912,565
Accumulated amortisation and impairment	(3,158,917)	(3,158,917)
	3,753,648	3,753,648
Year ended 30 June 2019		
At 1 July 2018 net of accumulated amortisation and impairment	4,110,178	4,110,178
<i>Add:</i> Internal development costs	959,881	959,881
Research and development grant	(789,905)	(789,905)
<i>Less:</i> Amortisation charge for the period	(190,329)	(190,329)
At 30 June 2019 net of accumulated amortisation and impairment	4,089,825	4,089,825
At 30 June 2019		
Intangibles at cost	6,385,359	6,385,359
Accumulated amortisation and impairment	(2,295,534)	(2,295,534)
	4,089,825	4,089,825

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GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES
(ABN: 75 091 377 892)

Notes to the Financial Statements (cont'd)

7. Contributed equity

	Consolidated Entity			
	31 December 2019 Number	31 December 2018 Number	31 December 2019 \$	31 December 2018 \$
Opening balance	33,678,592	33,470,259	20,961,242	20,898,742
<i>Add:</i> Shares issued under non-renounceable entitlement offer				
(a) ordinary shares	8,419,728	0	1,010,368	0
<i>Less:</i> Costs associated with shares issued under non-renounceable entitlement offer	-	-	(72,812)	0
Total number of shares on issue	42,098,320	33,470,259	21,898,798	20,898,742

(b) Options

The Company issued 5,304,873 options during the period, details of which are outlined below

31 December 2019	Exercise price	Opening Balance	Options Granted	Options Exercised	Options Expired	Closing Balance
Employee option - exercisable on or before 30 November 2019	\$0.75	400,000	-	-	(400,000)	-
Employee option - exercisable on or before 10 June 2020	\$0.65	310,000	-	-	-	310,000
Employee option - exercisable on or before 11 December 2024	\$0.25	-	1,095,000	-	-	1,095,000
Director options - exercisable on or before 30 November 2021	\$0.75	600,000	-	-	-	600,000
Investor options - exercisable on or before 11 November 2022	\$0.25	-	4,209,873	-	-	4,209,873
		1,310,000	5,304,873	-	(400,000)	6,214,873
Weighted average exercise price (\$)		0.72	0.25	-	0.75	0.32

30 June 2019	Exercise price	Opening Balance	Options Granted	Options Exercised	Options Expired	Closing Balance
Employee option - exercisable on or before 10 June 2020	\$0.65	310,000	-	-	-	310,000
Employee option - exercisable on or before 30 November 2019	\$0.75	400,000	-	-	-	400,000
Director options - exercisable on or before 30 November 2021	\$0.75	600,000	-	-	-	600,000
		1,310,000	-	-	-	1,310,000
Weighted average exercise price (\$)		0.72	-	-	-	0.72

GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES
(ABN: 75 091 377 892)

Notes to the Financial Statements (cont'd)

8. Equity – Reserves

Foreign currency reserve

The foreign currency reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Options reserve

The options reserve issued to recognise the value of equity benefits through the issue of options provided to employees and Directors as part of their remuneration package and other parties as compensation for services rendered.

The Company granted the issue of 1,095,000 share options to employees during the reporting period. These options carry a three stage vesting period and are exercisable on or before 11 December 2024.

The Company underwent a share rights offer during the period, whereby existing investors were granted up to 1 option for every 4 ordinary shares held immediately prior to the rights option period. These options carry a three year vesting period.

Share based payments

Movements in each class of reserve during the current period are set out below:-

Share based payments	31 December 2019	Weighted average exercise price 2019 (\$)	31 December 2018	Weighted average exercise price 2018 (\$)
Unvested shares at 1 July	1,310,000	0.73	1,310,000	-
Options granted during the period	1,095,000	0.25	-	-
Options expired during the period	(400,000)	0.75	-	-
Unvested options at 31 December	2,005,000	0.46	1,310,000	0.73

Ageing of unvested options

Vest within one year	365,000
Vest after one year	1,640,000
Total unvested options at 31 December	2,005,000

GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES
(ABN: 75 091 377 892)

Notes to the Financial Statements (cont'd)

Movements in reserves

Movements in each class of reserve during the reporting period are set out below:-

Consolidated	Currency translation reserve	Option reserve	Total
	\$	\$	\$
Balance at 1 July	24,234	149,977	174,211
Share based payment expense		8,308	8,308
Transfer lapsed share options to retained earnings	-	(61,539)	(61,539)
Balance at 31 December 2019	24,234	96,746	120,980

9. Dividends

No dividend has been paid in the current financial period (2018: Nil).

10. Contingent Liabilities

No change to contingent liabilities of the Parent Entity and its subsidiaries has occurred since the previous reporting date.

11. Events subsequent to reporting date

There were no significant events since the end of the half year that are expected to have a material effect on the results and state of affairs of the consolidated entity.

12. Seasonality of operations

The directors have determined that the operations of the consolidated entity are not considered highly seasonal and therefore have not provided additional disclosures as required under *AASB 134 Interim Financial Reporting*.

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GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES
(ABN: 75 091 377 892)

Directors' Declaration

In the opinion of the Directors of Global Health Limited:

- (1). The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - a. giving a true and fair view of the financial position of the consolidated entity as at 31 December 2019 and of its performance, as represented by the results of its operations and cash flows for the half - year ended on that date; and
 - b. complying with *Accounting Standards AASB 134: Interim Financial Reporting and Corporations Regulations 2001*.
- (2). There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s303(5) of *the Corporation Act 2001*.

Dated at Melbourne this 28 day of February 2020

On behalf of the Board of Directors



Steven Leigh Pynt
Non-Executive Chairman

Independent Auditor's Review Report

To the Members of Global Health Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Global Health Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Global Health Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a loss before tax of \$546,204 during the half year ended 31 December 2019 and, as of that date, the Group's liabilities exceeded its assets by \$284,993. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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.

Directors' responsibility 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2019 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*. As the auditor of Global Health Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 28 February 2020