

**Global Health Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

Name of entity: Global Health Limited  
ABN: 75 091 377 892  
Reporting period: For the year ended 30 June 2023  
Previous period: For the year ended 30 June 2022

**2. Results for announcement to the market**

					A\$
Revenue from ordinary activities	up	19.61 %	to		7,818,120
Loss from ordinary activities after tax attributable to the owners of Global Health Limited	up	293.08 %	to		(8,054,589)
Loss for the year attributable to the owners of Global Health Limited	up	293.08 %	to		(8,054,589)

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The loss for the consolidated entity after providing for income tax amounted to \$8,054,589 (2022: loss of \$2,049,090).

Further commentary on the result of the consolidated entity are include in the financial report attached to this document.

**3. Net tangible liabilities**

	Reporting period Cents	Previous period Cents
Net tangible assets/(liabilities) per ordinary security	(2.79)	4.57

**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

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**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Not applicable

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**10. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements for the year ended 30 June 2023 have been audited and contains an unmodified audit opinion.

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**11. Attachments**

*Details of attachments (if any):*

The audited financial report for the financial year ended 30 June 2023, together with the auditor's opinion, are attached.

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**12. Signed**



Grant Smith  
Non-Executive Chairman  
On behalf of the Board of Directors  
Global Health Limited  
31 August 2023

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# **Global Health Limited**

**ABN 75 091 377 892**

## **Consolidated Financial Statements**

**For the Year Ended 30 June 2023**

**Global Health Limited**

ABN 75 091 377 892

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**For the Year Ended 30 June 2023**

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## **Corporate Governance Statement**

### **For the Year Ended 30 June 2023**

The 2023 corporate governance statement is dated as at 30 June 2023 and reflects the corporate governance practices in place throughout the 2023 financial year. The 2023 corporate governance statement was approved by the Board on 31 August 2023. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed at <https://www.global-health.com/our-approach/governance/> and should be read in conjunction with the recent Company announcements on the ASX website.

## Global Health Limited

ABN 75 091 377 892

### Directors' Report For the Year Ended 30 June 2023

The Directors present their report, together with the consolidated financial statements of the Group, being Global Health Limited ("the Company") and its controlled entities, for the financial year ended 30 June 2023.

#### Information on Directors

The names, qualifications, experience and special responsibilities of each person who has been a Director during the year and to the date of this report are:

Grant Smith

Qualifications

BComm, AAIM, ASIA

Experience

Mr Smith has worked in insurance, superannuation, investment and funds management for over 40 years. He started with National Mutual (now AMP) in the investments division and was responsible for the establishment of the funds management business for National Mutual.

In 1984, he established an independent funds management group and floated Hospitals of Australia - the first healthcare investment fund in Australia. Hospitals of Australia owned and operated a number of hospitals throughout Australia.

Mr Smith was intimately involved in the building of a number of hospitals including Strathfield Private, Southern Highlands Private Hospital, Port Macquarie Hospital and the refurbishment of a number of other healthcare facilities. Hospitals of Australia was ultimately acquired by Mayne Nickless Limited. In the past 15 years, Mr Smith developed and built the Medica Centre and opened the first digital (paperless) private surgical hospital in Australia. He is currently involved in developing new hospitals in Melbourne. Mr Smith is also involved in utilising digital technology to generate increased productivity and efficiencies for the Healthcare sector.

Interest in shares and options

486,722 ordinary shares

Special responsibilities

Independent Non-Executive Chairman (from 23 November 2022);  
Member of the Audit and Remuneration Committee;  
Chair of the Audit and Remuneration Committee (until 23 November 2022)

Other current directorships in listed entities

None

Other directorships in listed entities held in the previous three years

None

## Directors' Report

### For the Year Ended 30 June 2023

#### Information on Directors (continued)

Mathew Cherian

Qualifications

BBus (IS/IT), MACS, MAICD

Experience

Mr Cherian has been in the information technology industry since 1981. In 1985, he established Working Systems Pty Ltd in Perth, Western Australia. Mr Cherian was appointed CEO of Working Systems Solutions Limited in January 2002 to re-focus the Group as a software product developer for the Healthcare sector. The initial phase culminated with the re-branding of the Company as Global Health Limited in December 2007. Mr Cherian plays an active role in product strategy and the development of overseas markets for the Company.

Interest in shares and options

24,176,619 ordinary shares

Special responsibilities

Group Managing Director (from 17 November 2022);  
Executive Director (until 16 November 2022)

Other current directorships in listed entities

None

Other directorships in listed entities held in the previous three years

None

Karen Corry

Qualifications

BCom, FCA, FAICD

Experience

Karen is an experienced board director and business leader with a background in digital health, technology and finance. Previously a partner at KPMG, she is a Fellow of the Institute of Chartered Accountants and has worked globally, including KPMG London. In her consulting career she has led strategic planning and major transformational programs and has been responsible for business development and growth. She established a consulting company, Delta Management Consulting, achieving success developing and delivering digital health strategy for over a decade in the public and private health sectors.

Karen is a non-executive director at Peninsula Health, Holmesglen Institute, ACMI (Australian Centre for the Moving Image), Chair of the Australian Community Support Organisation (ACSO), and the Cultural Development Network (NFP). She chairs the Audit and Risk committees of Holmesglen and ACMI, and the Digital Health & Capital Projects committee at Peninsula. She is a Fellow of the AICD and in 2020 was privileged to participate in the AICD Chair's Mentoring Program. Her experience leverages strategy and growth with a strong balance between innovation, governance, finance and risk.

Interest in shares and options

40,000 ordinary shares

Special responsibilities

Independent Non-Executive Director;  
Chair of the Audit and Remuneration Committee (from 23 November 2022)

Other current directorships in listed entities

None

Other directorships in listed entities held in the previous three years

None

## Global Health Limited

ABN 75 091 377 892

### Directors' Report For the Year Ended 30 June 2023

#### Information on Directors (continued)

Steven Leigh Pynt	
Qualifications	LLB, BBus, MBA, MTax
Experience	He is a Director of the Perth legal firm, MP Commercial Lawyers, and his main area of practice is in commercial law including corporations' law, franchising and contracts. He was formerly a member of the Racing Penalties Appeals Tribunal and Chairman of the Commercial Tribunal of WA.
Interest in shares and options	434,409 ordinary shares
Special responsibilities	Independent Non-Executive Director; Member of Audit and Remuneration Committee; Independent Non-Executive Chairman (until 23 November 2022)
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None
Steven Strange	(Appointed 6 July 2022)
Qualifications	Dip IT, MIS, LLM, MAICD, MACS
Experience	Steven brings over 30 years of leadership experience to the Board at a very opportune and pivotal time, where the Company seeks to significantly grow its business both domestically and in its positioning in the Asia Pacific Region. Steven was the Founder and Executive Director of Health Metrics (HM) a leading provider of software solutions to the aged care sector. He also recently successfully completed the sale of HM to Private Equity interests.
Interest in shares and options	35,113 ordinary shares
Special responsibilities	Independent Non-Executive Director
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.



## **Directors' Report**

### **For the Year Ended 30 June 2023**

#### **Principal activities and significant changes in nature of activities**

The principal activities of the Group during the financial 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.

The following significant changes in the nature of the principal activities occurred during the financial year:

- From 1 July 2022, the Group has commenced pursuing opportunities, particularly in under-served markets, initially in the South East Asian economies, through its previously dormant wholly-owned subsidiary in Singapore, Global Health (Australia) Pte Ltd. This decision was a response to the impact of COVID-19 across the region which has accelerated the demand for digital engagement in a virtual healthcare ecosystem which has led to the Group experiencing an increased interest in its consumer/provider connectivity and digital engagement platforms.

There were no other significant changes in the nature of the Group's principal activities during the financial year.

#### **Operating result**

The consolidated loss of the Group for the financial year after providing for income tax amounted to \$8,054,589 (2022: consolidated loss of \$2,049,090).

#### **Dividends paid or recommended**

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

#### **Review of operations**

The financial year ended 30 June 2023 featured solid progress in key areas relative to the Previous Corresponding Period (PCP):

- Financial performance in terms of Customer Revenue, Recurring Revenue and Gross Margin achieved double digit improvements.
- Operating expenses have been re-directed to customer facing roles.
- Investment of resourcing in product engineering was accelerated to ensure the Group's focus on delivering patient-centric SaaS based platforms will be substantially completed by December 2024.

Over the year, over 30 new customers were onboarded across our portfolio of platforms contributing to a 20% increase in revenues (up \$1.28M) to \$7.81M. One-off Professional Services revenue represented 57% (\$733K) of the increase while the increase in recurring revenue represented 43% (\$548K) of the revenue growth.

In addition, a demand of over \$1M in contracted projects are scheduled for delivery in FY24 and beyond.

As the Group transitions its platforms from on-premises client/server architecture to cloud-based platforms, SaaS recurring has grown by 42% (up \$390K) to \$1.32M and now represents 23% of total Annual Recurring Revenue (up from 18% of ARR).

The Group's management accounts identify expenses directly related to revenue as the "Cost to Service".

## **Directors' Report**

### **For the Year Ended 30 June 2023**

#### **Review of operations (continued)**

The Cost to Service includes:

- 3rd party software such as Atlassian, Zendesk, Hubspot, Amazon Web Services, Microsoft Azure, MIMS, SMS and more.
- Staff and contractor costs for Customer Support, Product Maintenance and Professional Services.

The Australian Government's 2023 Intergenerational Report identifies health, aged care, and the National Disability Insurance Scheme (NDIS) as three of the fastest growing areas of expenditure. The report encourages the better use of digital and data technology to meet the growing demand for high-quality care to support an ageing and longer-living population.

The opportunity to deliver improved productivity to healthcare operators and improved outcomes for patients is driving the demand for technology across the entire healthcare sector. COVID-19 has normalised the remote delivery of healthcare services. The Group has elected to accelerate the re-platforming of our MasterCare and PrimaryClinic "on-premises" provider platforms to a multi-tenanted SaaS platform for use anywhere, anytime and on any device. The Provider platforms are being integrated to the following Group SaaS platforms designed to deliver an optimised, exceptional experience for clinicians and consumers.

- ReferralNet ([www.referralnet.com.au](http://www.referralnet.com.au)) for secure sharing of clinical and patient data across allied health, medical and consumer applications,
- Lifecard Personal Health Record (PHR) ([www.lifecard.com](http://www.lifecard.com)) for patient empowerment enabling consumers to proactively manage their health with a prescribed care plan in collaboration with their team of clinicians, and,
- HotHealth Digital Front Door ([www.hothealth.com](http://www.hothealth.com)) for an exceptional and optimised engagement between providers and their customers.

The patient journey is the underpinning design for the development roadmap over the next 18 months. The patient's interaction with allied health and medical specialists will be completed by December 2023. The patient journey for day and overnight hospital stays will be available by July 2024, extending to people living with chronic and lifelong medical conditions through various models of care, will be delivered by December 2024.

This roadmap requires an investment of product resources of approximately \$250K per month to December 2024. The Board has recognised the challenging economic conditions, however, based on current forecasts, the accelerated R&D investment will not require new equity capital raising.

The recent increases in interest rates and weighted average cost of capital have meant an annual discount rate of 22.8% has been applied to the Discounted Cashflow Forecast when determining impairment of intangible assets. The underperformance of revenue growth over the last 3 years (COVID-19 period) compared to budget, and the decision to accelerate R&D investment in re-platforming the products to a SaaS model, combined with the increased discount rate, have required the Board to prudently impair the capitalised value of intangible assets.

In January 2023, the Board decided to expense R&D expenditure going forward. For the financial year ended 30 June 2023, the Board determined it prudent to fully impair the capitalised value of developed software to the value of \$3.9M. This enables the Group to re-set the development roadmap as operational expenditure until the economic conditions start to shift and the health sector invests in expenditure on data and digital technology, as highlighted through the recent release of the Australian Government's 2023 Intergenerational Report.

## Global Health Limited

ABN 75 091 377 892

### Directors' Report For the Year Ended 30 June 2023

#### Significant changes in state of affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

- i) During the year ended 30 June 2023, 1,353,614 ordinary shares were issued upon exercise of options;
- ii) On 11 November 2022, 2,424,092 options with an exercise price of \$0.25 expired.
- iii) 2,000,000 options and 1,100,060 performance rights were granted to Mr M Murnaghan (a former director of the Company's subsidiary, Global Health (Australia) Pte Ltd, on his appointment on 7 September 2022. These were forfeited upon his resignation on 3 January 2023.
- iv) During the year ended 30 June 2023, 50,000 options and 750,000 performance rights were forfeited upon the departure of the relevant staff member from the Group's employment.

There have been no significant changes in the state of affairs of entities in the Group other than those matters already outlined in the "Review of Operations".

#### Events after the reporting date

A 5-year contract was signed on 3 July 2023 to deploy the Group's MasterCare portfolio of hospital applications at the new Weststate Private Hospital in Townsville, North Queensland, which is scheduled to open in the first half of 2024. The value of the first 5-year contract is \$2m. There are options for a further 2 terms of 5 years after the expiry of the initial 5-year term.

46,154 ordinary shares were issued on 7 July 2023 to 2 employees as a one-off award in recognition of their significant contributions to the performance of the Group in the past 6 months.

8,171,017 options with an exercise price of \$0.8325 expired on 3 August 2023.

Except for the above, no other matters or circumstances have arisen since the end of the financial 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.

#### Future developments and results

The Group will continue to pursue its objective of increasing the profitability and market share of its major business sectors during the next financial year.

#### Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

## Directors' Report

### For the Year Ended 30 June 2023

#### Company secretary

Mr Sam Butcher (LLB(Hons), BEc) was appointed as company secretary in June 2018 and resigned on 31 January 2023. Mr Butcher was replaced by Mr James Barrie on 31 January 2023.

James Barrie is a professional Director and Company Secretary and provides GLH with a range of commercially focussed professional services and knowledge, including governance, share registry and employee equity plans, stakeholder relations support and virtual shareholder meetings.

Mr Barrie (B.Bus, DipInvRel, CPA, GAICD) is currently company secretary of ASX-listed HITIQ Limited, IOUpay Limited, Jupiter Energy Limited, InhaleRx Limited, TTA Holdings Limited and Boadicea Resources Limited, where he is also a Non-Executive Director. Mr Barrie is also a Non-Executive Director and company secretary of NSX-listed A2A GN Limited and Phoenician International Limited as well as several unlisted private companies.

#### Meetings of Directors

During the financial year, 10 meetings of Directors and 4 audit and risk committee meetings were held. Attendances by each Director during the year were as follows:

	Directors' Meetings		Audit and Risk Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Grant Smith	10	10	4	4
Mathew Cherian	10	10	4	4
Karen Corry	10	10	2	2
Steven Leigh Pynt	10	10	4	4
Steven Strange (Appointed 6 July 2022)	10	9	-	-

#### Indemnification and insurance of officers and auditors

During or since the end of the financial year, the Company has not, in any aspect, or for any person who is or has been an officer or Director of the Company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

#### Options and rights

At the date of this report, the unissued ordinary shares of Global Health Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
12 December 2019	11 December 2024	\$0.25	780,000

1,100,060 performance rights were granted to Mr M Murnaghan (a former director of the Company's subsidiary, Global Health (Australia) Pte Ltd, on his appointment on 7 September 2022. These were forfeited upon his resignation on 3 January 2023.

## Global Health Limited

ABN 75 091 377 892

### Directors' Report For the Year Ended 30 June 2023

#### Options and rights (continued)

750,000 performance rights with expiry date of 30 June 2029 were granted during the year ended 30 June 2022 which will convert into shares, subject to the achievement of vesting hurdles and agreed performance criteria over the period from 1 July 2021 to 30 June 2026. If the vesting hurdles and performance criteria are met over the period, some or all of the rights will vest on 30 June 2026. If the eligible employee remains employed by the Group, the vested rights will be exercisable until their expiry on 30 June 2029. Each vested right will entitle the eligible employee to receive one share in the Company at no cost. The values of the performance rights at grant date were determined using the Black-Scholes and Monte-Carlo Simulation method. These 750,000 performance rights were forfeited during the year ended 30 June 2023, subsequent to the eligible employee's resignation.

At the date of this report, there are a total of 736,712 unissued ordinary shares of Global Health Limited in the form of performance rights. These were granted on 15 March 2021 and expire on 30 June 2026.

During the year ended 30 June 2023, the following ordinary shares of Global Health Limited were issued on the exercise of options granted. No amounts are unpaid on any of these shares.

Grant Date	Exercise Price	Number of Shares Issued
11 November 2019	\$ 0.25	1,353,614
		<b>1,353,614</b>

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

There have been no options granted over unissued shares or interests of any controlled entity within the Group since the end of the financial year other than detailed above.

Option and performance rights holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

The options and performance rights granted during the year ended 30 June 2023 have been brought to account in these financial statements in the options reserve.

For details of options and performance rights issued to Directors and other key management personnel as remuneration, refer to the remuneration report.

#### Proceedings on behalf of Company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

#### Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2023 has been received and can be found on page 20 of the consolidated financial report.

## **Directors' Report**

### **For the Year Ended 30 June 2023**

#### **Remuneration report (audited)**

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

#### **Principles used to determine the nature and amount of remuneration**

Remuneration of Directors and key management personnel of the Group is established by the Board. Remuneration of executives is determined as part of an annual performance review, having regard to market factors and a performance evaluation process. The remuneration framework is designed to align executive reward with achievement of strategic objectives and the creation of value for shareholders, and aligns with good practice in remuneration. For Directors, remuneration packages generally comprise salary and superannuation. Remuneration packages for executives include salary, superannuation and incentives. Many executives are offered short-term cash incentives and some key executives are also offered longer-term incentives under the Equity Incentive Plan, which seeks to align the interests of executives with the interests of shareholders. Directors, including the Executive Director do not receive incentives or performance-based payments.

The Non-Executive Directors are responsible for evaluating the performance of the Executive Director, and the Chief Executive Officer, who in turn evaluates the performance of all other senior executives.

In accordance with good practice, the structures of Non-Executive Director and Executive Director remuneration are quite different.

#### ***Performance based remuneration***

Performance based remuneration of executives is evaluated based on specific criteria, including the Group's business performance and achievement of revenue and Net Profit After Tax (NPAT) targets, whether short and long-term objectives are achieved and individual performance objectives.

#### ***Non-executive Directors' remuneration***

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed periodically by the Board to ensure all payments are appropriate and in line with the market. In August 2021, the board received advice from an independent remuneration consultant and on the basis of that advice resolved to increase the Chairman's remuneration to \$65,000 per annum plus superannuation and the remuneration of other Non-Executive Directors to \$45,000 per annum plus superannuation.

## **Directors' Report**

### **For the Year Ended 30 June 2023**

#### **Remuneration report (audited) (continued)**

##### **Principles used to determine the nature and amount of remuneration (continued)**

ASX listing rules require the aggregate non-executive Directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 24 November 2009, where the shareholders approved a maximum annual aggregate remuneration of \$350,000. This amount may be divided among Non-Executive Directors in the manner determined by the Board from time to time.

##### *Executive Directors' remuneration*

The Executive Directors' salary and conditions are determined by the Board of Directors and reviewed at the expiry of each contract period.

##### *Executive remuneration*

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. There are no guaranteed base pay increases included in any senior executive's contract.

As part of executive remuneration, during the year ended 30 June 2021, the Company initiated a new Short Term Incentive Plan (STI) and a new Long Term Incentive Plan (LTI Plan). These plans continued to be in place in the year ended 30 June 2023 as set out below.

##### Short Term Incentive Plan (STI)

The STI is designed to motivate and incentivise executives towards the Group achieving strong performance in the areas that matter most. Participation in the STI entitled the participating executives to receive a bonus cash payment if the weighted Key Performance Indicators (KPIs) stipulated for the financial year ended 30 June 2023 were met, subject to the Group achieving a specified Earnings Before Interest, Tax, Depreciation, Amortisation and Research & Development costs (EBITDAR) target for the year ended 30 June 2023.

The Group's EBITDAR for the year ended 30 June 2023 was not met and as a result the participating executives were not entitled to receive bonus cash payments under the STI for the year, and no payments were made.

Participation in the STI for any year does not guarantee participation in future years.

##### Long Term Incentive Plan (LTI Plan)

During the year ended 30 June 2021, the board implemented a new Long Term Incentive Plan following the approval by shareholders of the new Equity Incentive Plan at the Annual General Meeting in 2020.

1,100,060 performance rights were granted to Mr M Murnaghan (a former director of the Company's subsidiary, Global Health (Australia) Pte Ltd, on his appointment on 7 September 2022. These were forfeited upon his resignation on 3 January 2023.

During the year ended 30 June 2022, an offer was made to Michael Davies (former Chief Executive Officer) to participate in the Long Term Incentive Plan. The offer entitles the participant to 750,000 rights to acquire fully paid ordinary shares in the Company, subject to the achievement of vesting hurdles and agreed performance criteria over the period from 1 July 2021 to 30 June 2026.

These 750,000 performance rights were forfeited during the year ended 30 June 2023, subsequent to Michael stepping down from his role as Chief Executive Officer.

Participation in the LTI Plan for any year does not guarantee participation in future years.

## Directors' Report

### For the Year Ended 30 June 2023

#### Remuneration report (audited) (continued)

#### Principles used to determine the nature and amount of remuneration (continued)

##### *Voting and comments made at the Company's 2022 Annual General Meeting ("AGM")*

At the Annual General Meeting held on 23 November 2022, 96.38% of votes cast by shareholders were in support of adopting the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

#### Relationship between remuneration policy and Group performance

The Group's remuneration policy has been designed to align the interests of shareholders, Directors and executives. Two methods have been applied to achieve this aim: the STI Plan and the LTI Plan. Historically, options have also been granted to Directors and executives to encourage the alignment of personal and shareholder interests. There is no formal remuneration policy linking remuneration and the Group's performance.

The following table shows the gross revenue, profits and dividends for the last five years for the Company, as well as the share prices at the end of the respective financial years.

	2023	2022	2021	2020*	2019**
	\$	\$	\$	\$	\$
Revenue	7,818,120	6,536,493	7,029,415	5,969,377	5,475,024
Net Profit/(Loss)	(8,054,589)	(2,049,090)	(488,029)	(200,090)	(1,296,793)
Share Price at Year-end	0.14	0.23	0.48	0.20	0.14
Dividends Paid (cents)	-	-	-	-	-

\* The Company adopted AASB 16 Leases for the first time on 1 July 2019, and accordingly, the results include the impacts of applying this standard. The net loss for the year ended 30 June 2020 has been restated as a result of the correction of a prior period error.

\*\* The Company adopted AASB 9 Financial Instruments and AASB 15 *Revenue from Contracts with Customers* for the first time on 1 July 2018, and accordingly, the results include the impact of applying these standards.

#### Remuneration details for the year ended 30 June 2023

##### *Amounts of remuneration*

The key management personnel of the Group consists of the following Directors of Global Health Limited:

- Mr G Smith - Non-Executive Chairman
- Mr M Cherian - Group Managing Director
- Ms K Corry - Non-Executive Director
- Mr S Pynt - Non-Executive Director
- Mr S Strange - Non-Executive Director (appointed 6 July 2022)



## Directors' Report

### For the Year Ended 30 June 2023

#### Remuneration report (audited) (continued)

#### Remuneration details for the year ended 30 June 2023 (continued)

And the following personnel:

- Mr D Groenveld - Chief Technology Officer
- Mr K Cherian - Chief Strategy Officer
- Mr M Davies - Former Chief Executive Officer (resigned 17 November 2022)
- Mr S Cronin - Former Chief Operating Officer (resigned 21 December 2022)

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

#### Table of benefits and payments

	Cash salary and fees	Short-term benefits			Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments	
		Annual leave accrued	Allowances **	STI	Superannuation	Long service leave accrued		Share options and rights ***	Total
2023	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Directors</b>									
<i>Non-Executive Directors:</i>									
Mr S L Pynt	58,333	-	-	N/A	3,331	-	-	-	61,664
Mr G Smith	62,333	-	-	N/A	2,306	-	-	-	64,639
Ms K Corry	45,000	-	-	N/A	4,725	-	-	-	49,725
Mr S Strange *	37,125	-	-	N/A	1,181	-	-	-	38,306
<i>Executive Director:</i>									
Mr M Cherian	273,999	42,802	26,000	N/A	27,031	4,565	-	-	374,397
<b>Other KMP</b>									
Mr D Groenveld	228,999	24,909	-	-	23,203	3,666	-	6,823	287,600
Mr K Cherian	262,843	17,468	15,000	-	27,599	3,250	-	6,823	332,983
Mr M Davies *	136,022	-	6,144	-	12,646	-	157,500	1,600	313,912
Mr S Cronin *	125,864	-	-	N/A	12,415	-	58,022	-	196,301
<b>Total remuneration</b>	<b>1,230,518</b>	<b>85,179</b>	<b>47,144</b>		<b>114,437</b>	<b>11,481</b>	<b>215,522</b>	<b>15,246</b>	<b>1,719,527</b>

\* See section above for appointment/resignation dates.

\*\* These amounts relate to car allowances paid.

\*\*\* Share based payments included above are in relation to the recognition of the expense relating to share options and performance rights granted in the current year to KMP, including those for which vesting conditions have been met during the current financial year.

## Directors' Report

### For the Year Ended 30 June 2023

#### Remuneration report (audited) (continued)

#### Remuneration details for the year ended 30 June 2023 (continued)

	Cash salary and fees	Short-term benefits		STI	Post- employment benefits	Long-term benefits	Termination benefits	Share based payments	Total
		Annual leave accrued	Allowances **		Superannuation	Long service leave accrued		Share options ***	
2022	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Directors</b>									
<i>Non-Executive Directors:</i>									
Mr S L Pynt	63,024	-	-	N/A	6,302	-	-	-	69,326
Mr G Smith	43,920	-	-	N/A	4,392	-	-	-	48,312
Mr R Knowles *	43,920	-	-	N/A	4,392	-	-	-	48,312
Ms K Corry *	41,250	-	-	N/A	4,125	-	-	-	45,375
<i>Executive Director:</i>									
Mr M Cherian	329,737	-	33,000	N/A	27,571	4,568	-	-	394,876
<b>Other KMP</b>									
Mr D Groenveld	195,455	-	-	-	19,619	3,667	-	8,904	227,645
Mr K Cherian	190,034	5,509	15,000	-	19,003	3,251	-	8,259	241,056
Mr M Davies *	295,392	12,914	15,000	-	23,568	4,924	-	3,164	354,962
Mr S Cronin *	37,715	2,901	-	N/A	3,771	629	-	-	45,016
Mr K Jayesuria *	93,685	-	-	-	10,175	-	-	5,431	109,291
Mr E Ali *	85,799	-	-	N/A	8,077	-	-	-	93,876
<b>Total remuneration</b>	<b>1,419,931</b>	<b>21,324</b>	<b>63,000</b>		<b>130,995</b>	<b>17,039</b>	<b>-</b>	<b>25,758</b>	<b>1,678,047</b>

\* Appointment/resignation dates:

- Ms K Corry - Non-Executive Director (appointed 10 August 2021)
- Mr R Knowles AO - Non-Executive Director (resigned 30 June 2022)
- Mr M Davies - CEO (appointed 1 July 2021)
- Mr S Cronin - COO (appointed 1 May 2022)
- Mr K Jayesuria - COO (retired 11 November 2021)
- Mr E Ali - CFO (appointed 4 August 2021; resigned 26 November 2021)

\*\* These amounts relate to car allowances paid.

\*\*\* Share based payments included above are in relation to the recognition of the expense relating to share options and performance rights granted in the current year to KMP, including those for which vesting conditions have been met during the financial year.

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## Directors' Report For the Year Ended 30 June 2023

### Remuneration report (audited) (continued)

The proportion of remuneration linked to performance and the fixed portion are as follows:

Name	Fixed remuneration		At risk - Short Term Incentive		At risk - Long Term Incentive	
	2023	2022	2023	2022	2023	2022
	%	%	%	%	%	%
<i>Non-Executive Directors:</i>						
Mr S L Pynt	100	100	-	-	-	-
Mr G Smith	100	100	-	-	-	-
Mr R Knowles	-	100	-	-	-	-
Ms K Corry	100	100	-	-	-	-
Mr S Strange	100	-	-	-	-	-
<i>Executive Director:</i>						
Mr M Cherian	100	100	-	-	-	-
<i>Other KMP:</i>						
Mr D Groenveld	98	96	-	-	2	4
Mr K Cherian	98	97	-	-	2	3
Mr M Davies	99	99	-	-	1	1
Mr S Cronin	100	100	-	-	-	-
Mr K Jayesuria	-	95	-	-	-	5
Mr E Ali	-	100	-	-	-	-

Cash bonuses are dependent on meeting defined performance measures. The amount of the bonus is determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Principles used to determine the nature and amount of remuneration'. The maximum bonus values are established at the start of each financial year and amounts payable are determined in the final month of the financial year by the Board.

The proportion of the cash bonus paid/payable or forfeited is as follows:

	Cash bonus paid/payable		Cash bonus forfeited	
	2023	2022	2023	2022
	%	%	%	%
<i>Other KMP:</i>				
Mr D Groenveld	-	-	100	100
Mr K Cherian	-	-	100	100
Mr M Davies	-	-	100	100
Mr K Jayesuria	-	-	-	100

### Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. It is the Company's policy that employment contracts contain provisions for termination with notice or payment in lieu of notice, and for termination by the Company without notice for serious misconduct or breach of contract. The Executive Director is entitled to receive a termination payment in addition to notice where the Company terminates employment on grounds of illness or incapacity. The notice period required to be given by the employee or the Company along with any termination payments are set out below.

## Global Health Limited

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### Directors' Report For the Year Ended 30 June 2023

#### Remuneration report (audited) (continued)

##### Service Agreements (continued)

Name: Mr M Cherian  
Title: Group Managing Director  
Term of agreement: No fixed term  
Details: Notice period to be provided by Company: 6 months; Notice period to be provided by employee: 6 months; Termination payment: 6 months (if termination is by reason of the employee's illness or incapacity).

Name: Mr D Groenveld  
Title: Chief Technology Officer  
Term of agreement: No fixed term  
Details: Notice period to be provided by Company: 1 month; Notice period to be provided by employee: 1 month; Termination payment: None.

Name: Mr K Cherian  
Title: Chief Strategy Officer  
Term of agreement: No fixed term  
Details: Notice period to be provided by Company: 1 month; Notice period to be provided by employee: 1 month; Termination payment: None.

##### Share-based compensation

###### Issue of shares

There were no shares granted to Directors and other key management personnel as part of compensation during the years ended 30 June 2023 and 30 June 2022.

###### Options and rights granted

Grant details			For the financial year ended 30 June 2023				Overall		
			Value \$	Lapsed \$	Vested No.	Vested %	Unvested %	Lapsed %	
Date	No.		No.		No.	%	%	%	
Performance rights									
Other KMP:									
Mr M Davies *	01 October 2021	-	-	750,000	3,164	-	-	-	100.00

\* These 750,000 performance rights were forfeited during the year ended 30 June 2023, subsequent to the Mr M Davies' resignation on 17 November 2022.

There were no options or performance rights granted to key management personnel as part of compensation during the years ended 30 June 2023.

##### Key management personnel options and rights holdings

###### Options

The number of options in the Company held by each KMP and their related parties up to and including the financial year end is as follows:

## Directors' Report

### For the Year Ended 30 June 2023

#### Remuneration report (audited) (continued)

#### Key management personnel options and rights holdings (continued)

	Balance at beginning of year	Granted as remuneration	Exercised	Other changes *	Balance at the end of year	Vested during the year	Vested and exercisable
30 June 2023	No.	No.	No.	No.	No.	No.	No.
<i>Non-Executive Directors:</i>							
Mr S L Pynt	59,001	-	(59,001)	-	-	-	-
Mr G Smith	62,241	-	(62,241)	-	-	-	-
Ms K Corry	-	-	-	-	-	-	-
Mr S Strange	-	-	-	-	-	-	-
<i>Executive Director:</i>							
Mr M Cherian	2,378,625	-	(800,000)	(1,578,625)	-	-	-
<i>Other KMP:</i>							
Mr D Groenveld	150,000	-	-	-	150,000	50,000	150,000
Mr K Cherian	150,000	-	-	-	150,000	50,000	150,000
Mr M Davies	-	-	-	-	-	-	-
Mr S Cronin	-	-	-	-	-	-	-
<b>Total</b>	<b>2,799,867</b>	<b>-</b>	<b>(921,242)</b>	<b>(1,578,625)</b>	<b>300,000</b>	<b>100,000</b>	<b>300,000</b>

\* These options expired during the year ended 30 June 2023.

#### Performance Rights

There were no performance rights granted during the year ended 30 June 2023.

During the year ended 30 June 2022, an offer was made to Michael Davies (Chief Executive Officer) to participate in the Long Term Incentive Plan. The offer entitles the participant to 750,000 rights to acquire fully paid ordinary shares in the Company, subject to the achievement of vesting hurdles and agreed performance criteria over the period from 1 July 2021 to 30 June 2026. If the vesting hurdles and performance criteria are met over the period, some or all of the rights will vest on 30 June 2026. If the eligible employee remains employed by the Group, the vested rights will be exercisable until their expiry on 30 June 2029. In the event where employment and/or directorship with the Group is terminated due to death, permanent disability or retirement, or in any other circumstances determined by the Board to be a "good leaver" any vested rights will be retained by the participant and be entitled to exercise them until the expiry date. Each vested right will entitle the eligible employee to receive one share in the Company at no cost. These 750,000 performance rights were forfeited during the year ended 30 June 2023, subsequent to Michael stepping down from his role as Chief Executive Officer on 17 November 2022.

There have been no transactions involving equity instruments apart from those described above relating to options, rights and shareholdings.

## Global Health Limited

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### Directors' Report For the Year Ended 30 June 2023

#### Remuneration report (audited) (continued)

#### Key management personnel shareholdings

The number of ordinary shares in Global Health Limited held by each key management person of the Group, including their personally related parties, during the financial year is as follows:

	Balance at beginning of year No.	On exercise of options No.	Other changes during the year * No.	Balance at end of year No.
<b>30 June 2023</b>				
<i>Non-Executive Directors:</i>				
Mr S L Pynt	375,408	59,001	-	434,409
Mr G Smith	424,481	62,241	-	486,722
Ms K Corry	40,000	-	-	40,000
Mr S Strange	-	-	35,113	35,113
<i>Executive Director:</i>				
Mr M Cherian	23,376,619	800,000	-	24,176,619
<i>Other KMP:</i>				
Mr D Groenveld	304,000	-	-	304,000
Mr K Cherian	-	-	-	-
Mr M Davies	96,090	-	(96,090)	-
Mr S Cronin	33,000	-	(33,000)	-
<b>Total</b>	<b>24,649,598</b>	<b>921,242</b>	<b>(93,977)</b>	<b>25,476,863</b>

\* These changes represent the holdings associated with the named personnel when they were appointed or on the date of resignation as key management personnel. These do not represent the disposal or purchase of shares.

#### KMP related party transactions

During the year, the Group undertook the following transactions with:

- Key management personnel (KMP)
- A close member of the family of that person, or
- An entity over which the key management person or family member has, directly or indirectly, control, joint control or significant influence.

Information regarding share-based payment transactions with these persons or entities are included elsewhere in the remuneration report.

## Global Health Limited

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### Directors' Report For the Year Ended 30 June 2023

#### Remuneration report (audited) (continued)

#### Transactions with key management personnel and their related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Ms Karen Corry, a director of the Group, is a Non-Executive Director of Peninsula Health, which is a customer of the Group. During the year ended 30 June 2023, the Group provided software licensing and professional services to Peninsula Health which amounted to \$589,004 (2022: \$648,734). As at 30 June 2023, Peninsula Health has an amount due to the Group of \$319,576 (2022: \$201,075).

#### Loans to key management personnel and their related parties

There were no loans made to KMP during the period.

#### Other transactions with key management personnel and their related parties

There were no other transactions conducted between the Group and KMP or their related parties, apart from those disclosed above relating to equity, compensation and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

#### End of Audited Remuneration Report

This Director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors, pursuant to section 295(2)(a) of the *Corporations Act 2001*.



Non-Executive Chairman: .....  
Grant Smith

Dated this 31st day of August 2023

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Global Health Limited ("the Company") for the year ended 30 June 2023, 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 audit; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to the Company and the entities it controlled during the year.

HLB Mann Judd

**HLB Mann Judd**  
**Chartered Accountants**

Melbourne  
31 August 2023



**Michael Gummery**  
**Partner**



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Revenue and other income</b>			
Revenue from contracts with customers	5	7,818,120	6,536,493
Finance income	6(a)	1	138
<b>Total income and revenue</b>		<b>7,818,121</b>	<b>6,536,631</b>
Employee benefits expense (excluding those relating to R&D)		(5,733,920)	(4,825,718)
Employee benefits expense relating to R&D		(1,137,308)	(405,264)
Third party product and service costs		(1,572,985)	(1,775,699)
Contractor costs relating to R&D		(1,067,929)	94,315
General and administration costs		(238,874)	(402,827)
Bad debts and movements in loss allowance for financial assets		(35,404)	8,863
Marketing expenses		(200,509)	(213,683)
Professional fees		(491,964)	(413,113)
Occupancy expenses		(169,343)	(125,009)
IT and telecommunications expense		(186,331)	(136,969)
Travel expenses		(224,950)	(29,795)
Finance expenses	6(b)	(73,368)	(33,471)
Depreciation		(5,554)	(6,378)
Amortisation	12(a)	(482,118)	(281,413)
Impairment of intangible assets	12(a)	(3,897,289)	-
<b>Total expenses</b>		<b>(15,517,846)</b>	<b>(8,546,161)</b>
<b>Loss before income tax</b>		<b>(7,699,725)</b>	<b>(2,009,530)</b>
Income tax benefit/(expense)	8	(354,864)	(39,560)
<b>Net loss for the year attributable to members of the parent entity</b>		<b>(8,054,589)</b>	<b>(2,049,090)</b>
<b>Other comprehensive income, net of income tax</b>			
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			
Exchange differences on translating foreign controlled entities	21	(8,564)	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(8,564)</b>	<b>-</b>
<b>Total comprehensive loss for the year attributable to members of the parent entity</b>		<b>(8,063,153)</b>	<b>(2,049,090)</b>
Earnings per share:			
Basic earnings/(loss) per share (cents)	24	(14.00)	(3.66)
Diluted earnings/(loss) per share (cents)	24	(14.00)	(3.66)

# Global Health Limited

ABN 75 091 377 892

## Consolidated Statement of Financial Position

As At 30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	2,244,031	6,376,082
Trade and other receivables	10	652,782	520,009
Loans and advances	29(c)	50,904	24,179
Other assets	15	163,035	251,459
<b>TOTAL CURRENT ASSETS</b>		<b>3,110,752</b>	<b>7,171,729</b>
<b>NON-CURRENT ASSETS</b>			
Investments in associates	33	109	240
Property, plant and equipment	11	8,828	9,041
Intangible assets	12	-	3,495,515
Deferred tax assets	13	-	354,864
Right-of-use assets	14	-	667
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,937</b>	<b>3,860,327</b>
<b>TOTAL ASSETS</b>		<b>3,119,689</b>	<b>11,032,056</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	1,321,238	909,101
Contract liabilities	17	2,482,137	2,941,910
Borrowings	18	44,942	141,106
Lease liabilities	14	-	727
Employee benefits	19	844,431	827,746
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,692,748</b>	<b>4,820,590</b>
<b>NON-CURRENT LIABILITIES</b>			
Contract liabilities	17	15,227	76,136
Employee benefits	19	31,370	48,852
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>46,597</b>	<b>124,988</b>
<b>TOTAL LIABILITIES</b>		<b>4,739,345</b>	<b>4,945,578</b>
<b>NET ASSETS/ (NET LIABILITIES)</b>		<b>(1,619,656)</b>	<b>6,086,478</b>
<b>EQUITY/ (NET DEFICIENCY)</b>			
Issued capital	20	27,687,770	27,292,786
Reserves	21	1,980,769	2,135,577
Accumulated losses	22	(31,288,271)	(23,341,961)
<b>Total equity/(net deficiency) attributable to equity holders of the Company</b>		<b>(1,619,732)</b>	<b>6,086,402</b>
Non-controlling interest	23	76	76
<b>TOTAL EQUITY/ (NET DEFICIENCY)</b>		<b>(1,619,656)</b>	<b>6,086,478</b>

The accompanying notes form part of these financial statements.

## Consolidated Statement of Changes in Equity

### For the Year Ended 30 June 2023

#### 2023

		Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Non- controlling Interests	Total
	Note	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>		<b>27,292,786</b>	<b>(23,341,961)</b>	<b>24,234</b>	<b>2,111,343</b>	<b>76</b>	<b>6,086,478</b>
Net loss attributable to members of the parent entity	22	-	(8,054,589)	-	-	-	(8,054,589)
Gain/(loss) on foreign currency translation	21	-	-	(8,564)	-	-	(8,564)
<b>Transactions with owners in their capacity as owners</b>							
Contribution of equity, net of transaction costs		338,403	-	-	-	-	338,403
Share based payment transactions	21	-	-	-	18,616	-	18,616
Lapsed employee share options	22,21	-	108,279	-	(108,279)	-	-
Exercised options	21	56,581	-	-	(56,581)	-	-
<b>Balance at 30 June 2023</b>		<b>27,687,770</b>	<b>(31,288,271)</b>	<b>15,670</b>	<b>1,965,099</b>	<b>76</b>	<b>(1,619,656)</b>

#### 2022

<b>Balance at 1 July 2021</b>		24,354,141	(21,372,160)	24,234	1,034,030	76	4,040,321
Net loss attributable to members of the parent entity	22	-	(2,049,090)	-	-	-	(2,049,090)
<b>Transactions with owners in their capacity as owners</b>							
Contribution of equity, net of transaction costs		2,934,516	-	-	697,281	-	3,631,797
Options issued to joint lead managers	21	-	-	-	432,932	-	432,932
Share based payment transactions	21	-	-	-	30,518	-	30,518
Lapsed employee share options	22,21	-	79,289	-	(79,289)	-	-
Exercised options	21	4,129	-	-	(4,129)	-	-
<b>Balance at 30 June 2022</b>		<b>27,292,786</b>	<b>(23,341,961)</b>	<b>24,234</b>	<b>2,111,343</b>	<b>76</b>	<b>6,086,478</b>

The accompanying notes form part of these financial statements.

## Consolidated Statement of Cash Flows

### For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers (inclusive of GST)	7,907,540	7,719,571
Payments to suppliers (inclusive of GST) and employees	(11,360,646)	(8,883,214)
Interest received	1	138
Finance costs	(8,746)	(19,075)
<b>Net cash provided by/(used in) operating activities</b>	<b>25 (3,461,851)</b>	<b>(1,182,580)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	1,782	355
Payment for intangible assets	(883,892)	(887,855)
Purchase of property, plant and equipment	(9,574)	(7,660)
Loans to associates	(11,084)	(10,000)
Payment for investments	-	(240)
Receipts from Research and Development Grants	-	126,472
<b>Net cash provided by/(used in) investing activities</b>	<b>(902,768)</b>	<b>(778,928)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of shares	338,403	3,927,511
Repayment of borrowings	(96,806)	(159,476)
Payment of transaction costs	-	(267,823)
Repayment of lease liabilities	(735)	(2,940)
<b>Net cash provided by/(used in) financing activities</b>	<b>240,862</b>	<b>3,497,272</b>
Effects of exchange rate changes on cash and cash equivalents	(8,936)	-
Net increase/(decrease) in cash and cash equivalents held	(4,132,693)	1,535,764
Cash and cash equivalents at beginning of year	6,376,082	4,840,318
<b>Cash and cash equivalents at end of financial year</b>	<b>9(a) 2,243,389</b>	<b>6,376,082</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

The consolidated 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 31 August 2023.

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 year.

#### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### 2 Summary of Significant Accounting Policies

##### (a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 32 to the financial statements.

##### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

##### (b) Revenue and other income

###### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

###### Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

###### Subscription fees

Subscription fees refer to software provided as a service and is only accessible whilst the customer maintains an active subscription. Subscription fees are a non-refundable revenue stream. Clients subscribe to software services in advance - ranging from monthly, quarterly, half-yearly to annual payments. They are proportionally accrued in arrears, at the end of each month and recognised as revenue over the subscription period. An active subscription entitles the customer to a usage of software services (and cloud based services if available), help desk telephone support, online support and product enhancements as made available.

The performance obligation for subscription fees is the provision of the agreed software, and associated services as noted above, during the contracted subscription period.

For each active subscription contract, subscription fees revenue is recognised over time, on the provision of the service to the customer, which takes place on a constant and continuing basis over the fixed period of time set out in the customer contract.

Where a subscription fee includes an amount in excess of what normally would be charged for an annual subscription, this excess will be recognised over the expected lifespan of the client being five years.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

##### (b) Revenue and other income (continued)

###### Specific revenue streams (continued)

In situations where a subscription is issued to a customer which does not include ongoing support/maintenance, this is classified as a "passive subscription" and the Group recognises all revenue associated with the subscription when access is provided to the customer. Such subscriptions require no further input from the Group to remain functional. Customers are made aware of these terms before the subscription is issued.

###### Other subscription revenue

Other subscription revenue can include, but is not limited to, excess usage fees, additional user accounts, SMS packages and upgrade fees.

Such revenue is recognised over time, on the provision of the service to the customer, which takes place over the fixed period of time set out in the customer contract.

###### Professional services

Treatment of our professional services revenue is dependent on the timing of services provided, the nature of services performed and when benefits are transferred to our customers.

Professional services are split into three distinct categories to allow for identification and recognition:

*Implementation:* These services are associated with bringing the software into use. Such services are not considered to be complex or overly time consuming and where applicable can be performed by a third party. Recognition of the revenue occurs at a point in time, being the delivery of the service to the customer. These services can include (but are not limited to): Software installation, usage training, system testing, deployment (local or cloud server) and configuration.

*Development:* Software provided to clients is done so in a ready to use capacity. Where further development and enhancement is required by the customer, it is done in addition to normal initiation and deployment services. The standard software is available for use during this process and enhancements are provided to the customer as they finish development. Recognition of revenue for these services occurs at a point in time which is the provision of performance obligation(s) which provide a benefit to the customer over and above what they would have received should they have used the unmodified software.

*Other services:* Other services are performed for customers on an "as needed" basis. The scope of such services is usually significantly smaller than other services performed. Recognition of revenue for such services is recognised at a point in time, being the time of completion of the services required by the customer.

###### Statement of financial position balances relating to revenue recognition

###### Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

##### (b) Revenue and other income (continued)

###### Statement of financial position balances relating to revenue recognition (continued)

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Group presents the contract as a contract asset, unless the Group's rights to that amount of consideration are unconditional, in which case the Group recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Group presents the contract as a contract liability.

###### Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

###### Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

##### (c) Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

##### (d) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

##### (e) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.



## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

##### (e) Income Tax (continued)

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

##### (f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the consolidated statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

##### (g) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

##### (g) Financial instruments (continued)

###### Financial assets (continued)

###### Classification

On initial recognition, the Group classifies its financial assets into the following category, those measured at:

- amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

###### Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

###### Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

## 2 Summary of Significant Accounting Policies (continued)

### (g) Financial instruments (continued)

#### Financial assets (continued)

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

#### Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in profit or loss. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

#### Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

#### Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

## 2 Summary of Significant Accounting Policies (continued)

### (h) Leases

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

#### Lessee accounting

Non-lease components included in a lease agreement may be separated and recognised as an expense as incurred.

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured if there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

##### (i) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	13% - 67%
Leasehold improvements	29% - 37%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### (j) Intangibles

##### Internally generated software

Developed products are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Developed products have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project which is at least 10 years.

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred. The carrying value of products under development are reviewed annually when the asset is not yet available for use, or when events or circumstances indicate that the carrying value may be impaired. On commercialisation of these products which is represented by when the asset is available for use, the capitalised costs relating to the project are amortised.

From 1 January 2023, the Group has decided to expense all research and development costs as the criteria for capitalisation as per AASB 138 *Intangible Assets* is not met.

##### Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

##### (k) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is any evidence of impairment for its non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

##### (l) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

##### (m) Employee benefits

###### Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the obligation is settled, inclusive of on-costs.

The Group's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current employee benefits in the consolidated statement of financial position.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

##### (m) Employee benefits (continued)

###### Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yield at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The Group's obligations for long-term employee benefits are presented as non-current employee benefits in its consolidated statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee benefits.

###### Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

##### (n) Equity-settled compensation

Equity-settled compensation benefits are provided to employees via the Employee Share Option Plan, Exempt Employee Share Plan, Equity Incentive Plan and Long Term Incentive Plan. Information relating to these schemes is set out in Note 26.

###### *Employee options*

The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted, this expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

Where rights are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such shares are reversed effective from the date of the forfeiture.

##### (o) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

##### (p) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

##### (q) Foreign currency transactions and balances

###### Transactions and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

###### Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period where the average rate approximates the rate at the date of the transaction; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the consolidated statement of financial position. These differences are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which the operation is disposed.



## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

##### (r) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the result of the Group only. Supplementary information about the parent entity is disclosed in Note 34.

##### (s) Going concern

As at 30 June 2023, the Group has cash reserves of \$2,244,031 (2022: \$6,376,082) and a working capital ratio of 0.66 (current liabilities of \$4,692,748 and current assets of \$3,110,752) (2022: 1.49 - current liabilities of \$4,820,590 and current assets of \$7,171,729) with an excess of current liabilities over current assets of \$1,581,996 (2022: excess of current assets over current liabilities of \$2,351,139).

The current year loss before tax was \$7,699,725 (2022: loss before tax of \$2,009,530). The Group had a net deficiency of assets over liabilities of \$1,619,656 as at 30 June 2023 (2022: net asset of \$6,086,478).

The Directors consider that the Group has sufficient resources to meet all of its obligations as and when they fall due. Therefore, the financial statements have been prepared on a going concern basis, which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business.

In concluding this, management has considered the Group's liquidity position, any risks to the cash flows and funding, and the future outlook. The demand for software in the health sector has been slow to recover over the pandemic period but there have been signs of increased activity in late 2022. Total customer revenue has increased by 19.61% from the previous corresponding period to \$7,818,120 and new contracts have been signed for implementation during 2023. There will be a renewed focus on expanding the professional consulting services revenue which has underperformed over the last 18 months. Management expects that this activity will contribute to an increase in sales and cash flows, thereby providing the resources to enable the Group to pay its debts as they fall due over the long term.

From November 2022, the Directors have taken a number of measures to reduce the Group's operating costs in response to the underperformance of sales activity. In particular, redundancy costs accounted for approximately \$240,000 of the increased employee benefits expense for this reporting period. The Directors are confident that these measures will optimise the Group's cash flow and liquidity position to strengthen its financial position.

The Group continues its activities in the domestic and international markets (Malaysia, Thailand, Vietnam and Singapore). Management anticipates it will leverage this position to increase operating cashflows through the sale of software and services targeted towards the Asia-Pacific markets. This includes sales of new software developed by the Group.

As the Group is an ASX-listed entity, the Group has the ability to raise additional funds by way of capital raising(s), if required, and has a past history of raising capital successfully when required.

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

##### (t) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

##### (t) Goods and services tax (GST) (continued)

Receivables and payables are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

##### (u) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 1 July 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

##### (v) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any material impact on the reported position or performance of the Group.

#### 3 Critical Accounting Estimates and Judgements

The Directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### Key estimates - impairment of intangible assets

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of intangible assets are reassessed using value-in-use calculations which incorporate various key assumptions, including estimated discount rates and growth rates of estimated future cash flows.

With respect to cash flow projections in Australia and overseas, modest growth rates have been factored into valuation models for developed products over the next five years on the basis of management's expectations around the Group's continued ability to capture market share from competitors. Higher growth rates and longer periods of cash flow (up to 10 years) are forecast for under development and newly developed products.

Refer to Note 12(b) for further details.

##### Key estimates - share based payments

Equity-settled share awards are recognised as an expense based on their fair value at date of grant. The fair value of equity-settled share options is estimated through the use of option valuation models – which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life – and is expensed over the vesting period.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 3 Critical Accounting Estimates and Judgements (continued)

##### Key estimates - share based payments (continued)

Some of the inputs used, such as the expected option life, are not market observable and are based on estimates derived from available data, such as employee exercise behaviour. The models utilised, such as the Black-Scholes option pricing model, are intended to value options traded in active markets. The share options issued by the Group, however, have a number of features that make them incomparable to such traded options. Using different input estimates or models could produce different option values, which would result in the recognition of a higher or lower expense. Refer to Note 26 for further details.

##### Key estimates - useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

##### Key judgements - deferred tax assets

Determining income tax provisions involves judgement on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgements as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

##### Key judgements - capitalisation of development costs

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 4 Operating Segments

##### Segment information

##### 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, other than in Singapore, the Group does not conduct material activities outside the Australia geographic area.

##### Basis of accounting for purposes of reporting by operating segments

##### (a) Accounting policies adopted

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

##### (b) Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

##### (c) Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

# Global Health Limited

ABN 75 091 377 892

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 4 Operating Segments (continued)

#### (d) Segment performance

	Australia		Singapore		Elimination		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>								
Revenue from external customers	7,802,776	6,536,493	15,344	-	-	-	7,818,120	6,536,493
Interest revenue	1	138	-	-	-	-	1	138
<b>Total segment revenue</b>	<b>7,802,777</b>	<b>6,536,631</b>	<b>15,344</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,818,121</b>	<b>6,536,631</b>
Depreciation and amortisation	486,182	287,791	1,490	-	-	-	487,672	287,791
Interest expense	14,254	27,673	3,536	-	-	-	17,790	27,673
Impairment of property plant and equipment	3,897,289	-	-	-	-	-	3,897,289	-
Other non-cash segment expenses	9,691,144	8,230,697	1,472,382	-	(48,431)	-	11,115,095	8,230,697
Income tax expense or income	354,864	39,560	-	-	-	-	354,864	39,560
<b>Total segment expenses</b>	<b>14,443,733</b>	<b>8,585,721</b>	<b>1,477,408</b>	<b>-</b>	<b>(48,431)</b>	<b>-</b>	<b>15,872,710</b>	<b>8,585,721</b>
<b>Segment net loss</b>	<b>(6,640,956)</b>	<b>(2,049,090)</b>	<b>(1,462,064)</b>	<b>-</b>	<b>48,431</b>	<b>-</b>	<b>(8,054,589)</b>	<b>(2,049,090)</b>

## Notes to the Financial Statements

For the Year Ended 30 June 2023

## 4 Operating Segments (continued)

## (e) Segment assets

	Australia		Singapore		Elimination		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Segment assets	1,246,231	9,109,450	495,359	10,534	484,633	960,835	2,226,223	10,080,819
<i>Segment asset increases for the period:</i>								
- Capital expenditure	887,402	951,237	6,064	-	-	-	893,466	951,237
<b>Total segment assets</b>	<b>2,133,633</b>	<b>10,060,687</b>	<b>501,423</b>	<b>10,534</b>	<b>484,633</b>	<b>960,835</b>	<b>3,119,689</b>	<b>11,032,056</b>

## (f) Segment liabilities

	Australia		Singapore		Elimination		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Segment liabilities	4,734,979	4,943,095	3,012,453	963,318	(3,008,087)	(960,835)	4,739,345	4,945,578
<b>Total segment liabilities</b>	<b>4,734,979</b>	<b>4,943,095</b>	<b>3,012,453</b>	<b>963,318</b>	<b>(3,008,087)</b>	<b>(960,835)</b>	<b>4,739,345</b>	<b>4,945,578</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 5 Revenue from Contracts with Customers

##### *Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	2023 \$	2022 \$
<i>Major product lines:</i>		
- Recurring software subscriptions	4,526,409	4,355,710
- Expansion revenue and additional usage fees	1,207,552	830,512
- Professional services rendered	1,428,393	694,777
- Other product revenue	655,766	655,494
<b>Total revenue</b>	<b>7,818,120</b>	<b>6,536,493</b>
<i>Geographical regions:</i>		
- Australia	7,802,776	6,536,493
- Singapore	15,344	-
<b>Total revenue</b>	<b>7,818,120</b>	<b>6,536,493</b>
<i>Timing of revenue recognition:</i>		
- Point in time	2,477,103	1,726,993
- Over time	5,341,017	4,809,500
<b>Total revenue</b>	<b>7,818,120</b>	<b>6,536,493</b>

#### 6 Finance Income and Expenses

##### (a) Finance income

Interest income:

- Assets measured at amortised cost

**Total finance income**

2023 \$	2022 \$
1	138
<b>1</b>	<b>138</b>

##### (b) Finance expenses

Interest expense on lease liability

Net foreign currency loss on financial assets and liabilities

Other finance expenses

**Total finance expenses**

3,897	136
55,578	5,798
13,893	27,537
<b>73,368</b>	<b>33,471</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 7 Expenses

The result for the year includes the following specific expenses:

	2023	2022
	\$	\$
<i>Employee benefits expense excluding superannuation:</i>		
Employee benefits expense excluding superannuation net of capitalised development costs	6,357,354	4,738,689
<i>Superannuation expense:</i>		
Defined contribution superannuation expense	513,874	492,293
<i>Share-based payments expense:</i>		
- Share-based payments expense	18,616	30,518

#### 8 Income Tax Expense

##### (a) The major components of tax expense (income) comprise:

	2023	2022
	\$	\$
<i>Deferred tax - origination and reversal of temporary differences:</i>		
- Decrease/(increase) in net deferred tax assets	354,864	39,560
<b>Total income tax expense/(benefit)</b>	<b>354,864</b>	<b>39,560</b>

##### (b) Reconciliation of income tax to accounting result:

Loss before income tax	(7,699,725)	(2,009,530)
Statutory tax rate	25.00 %	25.00 %
Prima facie tax at the statutory rate	(1,924,931)	(502,383)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
- Other expenses (non-deductible)	1,135,299	79,219
- Entertainment (non-deductible)	2,864	1,870
- Capital raising costs	(50,237)	(50,237)
- Deferred tax balances derecognised	368,855	-
- Difference in overseas tax rate	117,016	-
- Tax losses not brought to account	705,998	511,091
<b>Total income tax expense/(benefit)</b>	<b>354,864</b>	<b>39,560</b>

##### (c) Tax losses not recognised

Unused tax losses for which no deferred tax asset has been recognised	8,629,201	4,286,446
Potential tax benefit @ 25% (2022: 25%)	1,956,228	1,071,612

The above potential tax benefit for tax losses has not been recognised in the consolidated statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.



## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 9 Cash and Cash Equivalents

	Note	2023 \$	2022 \$
Cash on hand		601	601
Cash at bank		2,243,430	6,375,481
<b>Total cash and cash equivalents</b>	9(a)	<b>2,244,031</b>	<b>6,376,082</b>

#### (a) Reconciliation of cash

Cash and cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

Cash and cash equivalents	9	2,244,031	6,376,082
Bank overdrafts	18	(642)	-
<b>Balance as per consolidated statement of cash flows</b>		<b>2,243,389</b>	<b>6,376,082</b>

#### 10 Trade and Other Receivables

	Note	2023 \$	2022 \$
CURRENT			
Trade receivables		677,113	508,809
Less: Loss allowance	10(a)	(51,488)	(16,084)
		<b>625,625</b>	<b>492,725</b>
Employee loans		16,352	24,688
Other receivables		10,805	2,596
<b>Total current trade and other receivables</b>		<b>652,782</b>	<b>520,009</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### (a) Impairment of receivables

The Group has recognised a loss of \$35,404 (2022: gain of \$8,863) in profit or loss in respect of movements in loss allowance for the year ended 30 June 2023. Further \$NIL has been written off as bad debts during the year (2022: \$NIL).

The ageing of the receivables and loss allowance provided for above are as follows:

30 June 2023	Within Maturity (0-30 days)	31-60 days	61-90 days	90-120 days	>120 days	Total
Expected loss rate (%)	6.37	8.87	40.79	28.41	11.48	
Gross carrying amount (\$)	535,838	122,179	9,838	8,535	723	677,113
ECL provision (\$)	(34,130)	(10,837)	(4,013)	(2,425)	(83)	(51,488)

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 10 Trade and Other Receivables (continued)

##### (a) Impairment of receivables (continued)

30 June 2022	Within Maturity (0-30 days)	31-60 days	61-90 days	90-120 days	>120 days	Total
Expected loss rate (%)	2.85	8.87	40.79	28.41	11.44	
Gross carrying amount (\$)	496,677	3,135	890	2,119	5,988	508,809
ECL provision (\$)	(14,156)	(278)	(363)	(602)	(685)	(16,084)

##### (b) Reconciliation of changes in the provision for impairment of receivables is as follows:

	2023	2022
	\$	\$
Balance at beginning of the year	16,084	24,947
Additional loss allowances recognised	35,404	-
Unused amounts reversed	-	(8,863)
<b>Balance at end of the year</b>	<b>51,488</b>	<b>16,084</b>

#### 11 Property, plant and equipment

##### Plant and equipment

	2023	2022
	\$	\$
At cost	213,290	210,045
Accumulated depreciation	(204,462)	(201,004)
<b>Total plant and equipment</b>	<b>8,828</b>	<b>9,041</b>
<b>Total property, plant and equipment</b>	<b>8,828</b>	<b>9,041</b>

##### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current and previous financial year:

	Plant and Equipment	Total
	\$	\$
<b>Year ended 30 June 2023</b>		
Balance at the beginning of year	9,041	9,041
Additions	9,574	9,574
Disposals	(4,866)	(4,866)
Depreciation expense	(4,887)	(4,887)
Foreign exchange movements	(34)	(34)
<b>Balance at the end of the year</b>	<b>8,828</b>	<b>8,828</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 11 Property, plant and equipment (continued)

##### (a) Movements in carrying amounts of property, plant and equipment (continued)

	Plant and Equipment \$	Total \$
<b>Year ended 30 June 2022</b>		
Balance at the beginning of year	5,281	5,281
Additions	7,660	7,660
Disposals	(187)	(187)
Depreciation expense	(3,713)	(3,713)
<b>Balance at the end of the year</b>	<b>9,041</b>	<b>9,041</b>

#### 12 Intangible Assets

	2023 \$	2022 \$
<b>Internally generated software</b>		
Cost *	8,767,084	7,883,192
Accumulated amortisation and impairment	(8,767,084)	(4,387,677)
<b>Net carrying value</b>	<b>-</b>	<b>3,495,515</b>
<b>Total intangibles</b>	<b>-</b>	<b>3,495,515</b>

\* Internally generated software 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 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 and previous financial year:

	Internally generated software \$	Total \$
<b>Year ended 30 June 2023</b>		
Balance at the beginning of the year	3,495,515	3,495,515
Additions	883,892	883,892
Amortisation expense	(482,118)	(482,118)
Impairment loss (Note 12(c))	(3,897,289)	(3,897,289)
R&D tax offset allocated	-	-
<b>Closing value at 30 June 2023</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 12 Intangible Assets (continued)

##### (a) Movements in carrying amounts of intangible assets (continued)

	Internally generated software \$	Total \$
<b>Year ended 30 June 2022</b>		
Balance at the beginning of the year	2,959,823	2,959,823
Additions	943,577	943,577
Amortisation expense	(281,413)	(281,413)
R&D tax offset allocated	(126,472)	(126,472)
<b>Closing value at 30 June 2022</b>	<u>3,495,515</u>	<u>3,495,515</u>

##### (b) Impairment testing of intangible assets

Irrespective of whether there is any indication of impairment, the Group will test an intangible asset with an indefinite useful life and 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 other 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 30 June 2023, impairment indicators were identified which triggered the performance of a detailed impairment assessment on the following basis:

The recoverable amount of each cash-generating unit above 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 22.83% (2022: 17.25%). 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) - 3.5% to 7% growth (2022: 5% to 39%)

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.

##### (c) Impairment of intangible assets

Management completed an impairment assessment at 30 June 2023 and concluded that, an impairment charge totalling \$3,897,289 (2022: \$NIL) was required to be recognised for the year ended 30 June 2023.

The recoverable amounts of the impacted product CGUs were less than their carrying values. This has largely resulted from the aftermath of COVID-19 on sales velocity and related allowances required to be made in respect of revenue projections in the past 3 years, increases in interest rates resulting in increases in discount rates and increases in inflation rates.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 13 Tax assets and liabilities

##### Net Deferred Tax Assets

	2023	2022
	\$	\$
Deferred tax assets	-	414,357
Set-off of deferred tax liabilities pursuant to set-off provisions	-	(59,493)
<b>Net deferred tax assets</b>	<b>-</b>	<b>354,864</b>

##### Deferred tax assets

	Opening Balance	Charged to P&L	Changes in Tax Rate	Closing Balance
	\$	\$	\$	\$
Leases	1,144	(962)	-	182
Provisions - employee benefits	211,769	35,886	-	247,655
Loss allowance	6,237	(2,216)	-	4,021
Capital raising costs	143,608	16,719	-	160,327
Accruals	59,730	(57,558)	-	2,172

##### Balance at 30 June 2022

Leases	182	(182)	-	-
Provisions - employee benefits	247,655	(247,655)	-	-
Loss allowance	4,021	(4,021)	-	-
Capital raising costs	160,327	(160,327)	-	-
Accruals	2,172	(2,172)	-	-

##### Balance at 30 June 2023

Leases	414,357	(414,357)	-	-
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##### Deferred tax liabilities

Prepayments	27,232	32,094	-	59,326
Right-of-use assets	833	(666)	-	167

##### Balance at 30 June 2022

Prepayments	59,326	(59,326)	-	-
Right-of-use assets	167	(167)	-	-

##### Balance at 30 June 2023

Prepayments	59,493	(59,493)	-	-
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Net deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit.

As a result of full impairment of the intangible assets in the current year, management has decided that it would be prudent not to recognise net deferred tax assets as at 30 June 2023 due to the uncertainty of future profitability at this stage to be able to utilise the tax losses.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 14 Leases

##### The Group as a lessee

The Group has leases over its office equipment.

Information relating to the leases in place and associated balances and transactions are provided below.

##### Terms and conditions of leases

##### Office equipment

The Group has an agreement for the lease of a photocopier for a term of 5 years commencing 27 September 2017.

##### Right-of-use assets

	Office Equipment \$	Total \$
<b>Year ended 30 June 2023</b>		
Balance at beginning of the year	667	667
Depreciation expense	(667)	(667)
<b>Balance at end of year</b>	<u>-</u>	<u>-</u>
<b>Year ended 30 June 2022</b>		
Balance at beginning of the year	3,332	3,332
Depreciation expense	(2,665)	(2,665)
<b>Balance at end of year</b>	<u>667</u>	<u>667</u>

##### Lease liabilities

	2023 \$	2022 \$
<b>CURRENT</b>		
Lease liabilities	-	727
<b>Total current lease liabilities</b>	<u>-</u>	<u>727</u>

##### Consolidated Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income relating to leases where the Group is a lessee are shown below:

Interest expense on lease liabilities	(3,897)	(136)
Depreciation of right-of-use assets	(667)	(2,665)
	<u>(4,564)</u>	<u>(2,801)</u>

##### Consolidated Statement of Cash Flows

Total cash outflow for leases	<u>(735)</u>	<u>(2,940)</u>
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## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 15 Other Assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	124,296	237,305
Security deposit	38,739	14,154
<b>Total current other assets</b>	<b>163,035</b>	<b>251,459</b>

#### 16 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	625,416	579,400
Sundry payables and accrued expenses	695,822	329,701
<b>Total current trade and other payables</b>	<b>1,321,238</b>	<b>909,101</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

#### 17 Contract Liabilities

	2023	2022
	\$	\$
CURRENT		
Contract liabilities	2,482,137	2,941,910
<b>Total current contract liabilities</b>	<b>2,482,137</b>	<b>2,941,910</b>
NON-CURRENT		
Contract liabilities	15,227	76,136
<b>Total non-current contract liabilities</b>	<b>15,227</b>	<b>76,136</b>

Contract liabilities comprises annual licence and maintenance in advance fees for the right to use our software, minor fixes, rights to updated versions and limited held line support. These are invoiced up to 12 months in advance. The revenue is recognised monthly as the services are provided to clients. Also included in non-current contract liabilities are amounts related to initial once-off licence fees which are recognised monthly over the life of the respective contracts.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 17 Contract Liabilities (continued)

##### Reconciliation of contract liabilities

The following table shows the value of revenue recognised during the year ended 30 June 2023 that relates to contract liabilities recognised at the previous year end date:

	2023 \$	2022 \$
<b>Revenue recognised that was included in the contract liability balance at the beginning of the year</b>		
Annual licence and maintenance in advance fees	3,018,046	2,561,272
Less: Balance of initial licence fees not yet recognised	(76,136)	(142,936)
	<u>2,941,910</u>	<u>2,418,336</u>

#### 18 Borrowings

	Note	2023 \$	2022 \$
<b>CURRENT</b>			
<i>Unsecured liabilities:</i>			
Insurance premium funding	18(a)	44,300	-
		<u>44,300</u>	<u>-</u>
<i>Secured liabilities:</i>			
Bank overdraft	9(a)	642	-
Other loans and borrowings	18(a)	-	141,106
		<u>642</u>	<u>141,106</u>
<b>Total current borrowings</b>		<u>44,942</u>	<u>141,106</u>

##### (a) Other loans and borrowings

*For the year ended 30 June 2023:*

Insurance premium funding liability at an interest of 6.4073% per annum was taken up during the year ended 30 June 2023. The contract matures on 31 December 2023.

*For the year ended 30 June 2022:*

Interest bearing hire purchase liabilities were provided to the Group on terms of 5 years and an average effective interest rate of 8.55% per annum.

In relation to the above loan, the lenders have liens over approximately \$70,000 of office equipment which can be claimed in the event of default.

Refer to Note 27 for further information on financial instruments.



## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 19 Employee Benefits

	2023 \$	2022 \$
CURRENT		
Long service leave	497,138	440,248
Provision for employee benefits	347,293	387,498
<b>Total current employee benefits</b>	<b>844,431</b>	<b>827,746</b>
NON-CURRENT		
Long service leave	31,370	48,852
<b>Total non-current employee benefits</b>	<b>31,370</b>	<b>48,852</b>

#### 20 Issued Capital

	2023 \$	2022 \$
58,003,381 (2022: 56,649,767) fully paid Ordinary shares	28,720,391	28,325,407
Share issue costs	(1,032,621)	(1,032,621)
<b>Total issued capital</b>	<b>27,687,770</b>	<b>27,292,786</b>

##### (a) Ordinary shares

	2023 No.	2022 No.
At the beginning of the reporting period	56,649,767	49,528,085
Shares issued during the year		
- 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	1,353,614	82,042
<b>At the end of the reporting period</b>	<b>58,003,381</b>	<b>56,649,767</b>

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 Year Ended 30 June 2023

#### 20 Issued Capital (continued)

##### (b) Capital Management

The key objectives of the Group when managing capital is to safeguard its ability to continue as a going concern, provide returns for shareholders and benefits to stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Group defines capital as its equity and net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The Group manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include maintaining a diversified debt portfolio, the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

There has been no change to capital risk management policies during the year.

#### 21 Reserves

	2023 \$	2022 \$
<b>Foreign currency translation reserve</b>		
Opening balance	24,234	24,234
Gain/(loss) on foreign currency translation	(8,564)	-
<b>Closing balance</b>	<b>15,670</b>	<b>24,234</b>
<b>Option reserve</b>		
Opening balance	2,111,343	1,034,030
Share based payment expense	18,616	30,518
Options issued as part of a placement	-	697,281
Options issued to joint lead managers	-	432,932
Lapsed/forfeited employee share options	(108,279)	(79,289)
Exercised options	(56,581)	(4,129)
<b>Closing balance</b>	<b>1,965,099</b>	<b>2,111,343</b>
<b>Total reserves</b>	<b>1,980,769</b>	<b>2,135,577</b>

##### (a) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

##### (b) Share option reserve

This reserve records the cumulative value of employee or other services received for the issue of share options. When the option is exercised the amount in the share option reserve is transferred to share capital.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 22 Accumulated Losses

	2023	2022
	\$	\$
Accumulated losses at the beginning of the financial year	(23,341,961)	(21,372,160)
Net profit/(loss) for the year	(8,054,589)	(2,049,090)
Lapsed employee share options	108,279	79,289
<b>Accumulated losses at end of the financial year</b>	<b>(31,288,271)</b>	<b>(23,341,961)</b>

#### 23 Non-Controlling Interest

The Company has a 93.8% (2022: 93.8%) interest in the subsidiary, Working Systems Solutions (Malaysia) Sdn Bhd. Retained earnings attributable to the non-controlling interest are as follows:

	2023	2022
	\$	\$
Retained profits	76	76
<b>Total non-controlling interest</b>	<b>76</b>	<b>76</b>

#### 24 Earnings per Share

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

	2023	2022
	\$	\$
Net profit/(loss) for the year attributable to the owners of the parent entity	(8,054,589)	(2,049,090)
Earnings used to calculate basic EPS from continuing operations	(8,054,589)	(2,049,090)
<b>Earnings used in the calculation of dilutive EPS from continuing operations</b>	<b>(8,054,589)</b>	<b>(2,049,090)</b>

(b) Earnings used to calculate overall earnings per share  
**Earnings used to calculate overall earnings per share**

	(8,054,589)	(2,049,090)
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## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 24 Earnings per Share (continued)

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

	2023 No.	2022 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	<b>57,516,734</b>	55,998,823
<b>Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS</b>	<b>57,516,734</b>	55,998,823

#### 25 Cash Flow Information

##### Reconciliation of result for the year to cashflows from operating activities

	2023 \$	2022 \$
Net loss for the year	<b>(8,054,589)</b>	(2,049,090)
Cash flows excluded from profit attributable to operating activities		
- interest on lease liability	7	136
Non-cash flows in profit:		
- amortisation	<b>482,118</b>	281,413
- depreciation	<b>5,554</b>	6,378
- impairment of property, plant and equipment	<b>3,897,289</b>	-
- net loss on disposal of property, plant and equipment	-	(168)
- expense recharge	<b>(15,344)</b>	-
- share based payment expense	<b>18,616</b>	30,518
- loss on sale/write-off of non-current assets	<b>3,324</b>	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	<b>(132,773)</b>	30,527
- (increase)/decrease in other assets	<b>88,424</b>	7,429
- (increase)/decrease in net deferred tax asset	<b>354,864</b>	39,559
- increase/(decrease) in contract liabilities	<b>(520,682)</b>	456,774
- increase/(decrease) in trade and other payables	<b>412,138</b>	(118,030)
- increase/(decrease) in provisions	-	(1,044)
- increase/(decrease) in employee benefits	<b>(797)</b>	133,018
<b>Net cash provided by/(used in) operating activities</b>	<b>(3,461,851)</b>	(1,182,580)

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 26 Share-Based Payments

During the year ended 30 June 2021, the board implemented a new Short Term Incentive Plan (STI Plan) and Long Term Incentive Plan (LTI Plan) following advice received from an independent remuneration expert. The STI Plan entitles participating employees to cash payments if agreed key performance indicators are met. Under the LTI Plan, participating employees receive rights to receive shares in the future if certain vesting hurdles and performance criteria are met over periods of three to five years.

The LTI Plan was implemented following approval by shareholders of the new Equity Incentive Plan at the Annual General Meeting in 2020. The Group also has two legacy plans: the Employee Share Option Plan (ESOP) and the Exempt Employee Share Plan (EESP), which are described below and under which options have been issued to employees.

Details of the plans are outlined below.

##### *Employee Share Option Plan*

Under the Employee Share Option Plan (ESOP), the Company may grant options over shares to key executives, Directors and other employees determined by the Directors to enable them to participate in the future growth and profitability of the Company. The intent is to provide an incentive for performance, and reward for their contributions and to attract and retain personnel. The options are granted for no consideration. The exercise price of options is determined by the Directors, having regard to the weighted average market price of the Company's shares prior to the date of grant of the option. Options vest in accordance with the Directors' determination, and generally one-third vest each year over three years from the grant date, and options have an expiry date of five years from the grant date.

Options granted under the ESOP are not quoted on the Australian Securities Exchange ("ASX"). They are granted under the terms and conditions of the Plan approved by shareholders, which are available on the Company's website. Should an employee cease employment before the completion of two years after the issue of any employee option, the option issued automatically lapses, except where cessation is due to death or total permanent disability, retirement, redundancy or any other reason, based on which the Directors believe is fair and reasonable to warrant the employee maintaining their right to exercise the option, in which case they will have six (6) months to exercise the options.

##### *Exempt Employee Share Plan*

Under the Exempt Employee Share Plan (EESP), shares may be issued to employees for no cash consideration. All Directors, officers or employees who are from time to time engaged in full or part time work for the Company are eligible to participate in the EESP. The terms of the EESP are available on the Company's website.

Under the plan, eligible employees may be granted up to \$1,000 worth of fully paid ordinary shares in the Company for no cash consideration. The market value of the shares will be measured as the market price quoted for buyers of the Company shares at the close of trading on the day immediately preceding the date of the offer by the Directors as published by the ASX.

Offers under the plan are at the discretion of the Company and the shares cannot be transferred or assigned by the holder within the period of three years from the date of issue or transfer to the holder unless the holder ceases employment with the Company earlier than that date except that the holder may at any time transfer all or any of their shares to their spouse or to a Company in which the majority of the issued shares are beneficially owned by them or to any trust that the holder is a beneficiary of.

##### *Equity Incentive Plan*

During the year ended 30 June 2021, the Company adopted the new Global Health Limited Equity Incentive Plan (EIP) which was approved by shareholders at the Annual General Meeting held on 30 November 2020. The EIP is designed to attract, motivate and retain key employees, to provide outstanding and ongoing commitment and effort to the Group.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 26 Share-Based Payments (continued)

This plan allows the Board, at its absolute discretion, to make offers to eligible employees to acquire securities in the Company and to otherwise incentivise employees. The offers may comprise any one or more of: rights; options; and restricted shares. At the time of making an offer, the Board must have reasonable grounds to believe that the total number of shares (or in respect of rights or options, the total number of shares which would be issued if those rights or options were exercised) will not exceed 5% of the total number of shares on issue when aggregated with the number of shares issued as a result of offers made at any time during the previous 3 year period under the Plan or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

The options and rights issued under the EIP are not quoted on the ASX. Application will be made to ASX for official quotation of any shares issued under the plan to the extent required by the ASX Listing Rules.

The Board may determine that the vesting of a right or exercise of an option will be satisfied by the Company making a cash payment in lieu of an allocation of shares. The Board may determine that some or all of the participant's rights or options will be settled in this way.

In respect of restricted shares, unless the Board determines otherwise, no payment is required for the grant of a restricted share, and it only ceases to be a restricted share (i.e. vests) where the vesting period and each other relevant condition (including all vesting conditions) advised to the participant by the Board have been satisfied or otherwise waived by the Board and the Company notifies the participant that the restrictions in respect of the restricted share have ceased or no longer apply.

#### *Long Term Incentive Plan*

Details of the LTI plans in place are as follows:

There were no new LTIs were granted in the year ended 30 June 2023.

In respect of the year ended 30 June 2022, participation in the LTI entitled the eligible employees to 750,000 rights to acquire fully paid ordinary shares in the Company, subject to the achievement of vesting hurdles and agreed performance criteria over the period from 1 July 2021 to 30 June 2026. If the vesting hurdles and performance criteria are met over the period, some or all of the rights will vest on 30 June 2026. If the eligible employee remains employed by the Group, the vested rights will be exercisable until their expiry on 30 June 2029. In the event where employment and/or directorship with the Group is terminated due to death, permanent disability or retirement, or in any other circumstances determined by the Board to be a "good leaver" any vested rights will be retained by the participant and be entitled to exercise them until the expiry date. Each vested right will entitle the eligible employee to receive one share in the Company at no cost. These 750,000 performance rights were forfeited during the year ended 30 June 2023, subsequent to the eligible employee's resignation.

The rights will constitute the long term incentive component of the eligible employee's remuneration for the period 1 July 2021 to 30 June 2026.

Participation in the LTI award in each year does not guarantee participation in future years.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 26 Share-Based Payments (continued)

A summary of the Company options and rights granted under the ESOP and EIP are as follows:

2023 Grant Date	Expiry Date	Exercise price	Start of the year	Granted during the year	Exercised during the year	Expired/ Forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year
12 December 2019	11 December 2024	0.25	830,000	-	-	(50,000)	780,000	780,000
<i>Performance Rights</i>								
15 March 2021	30 June 2026	-	736,712	-	-	-	736,712	-
01 October 2021	30 June 2029	-	750,000	-	-	(750,000)	-	-
			<u>2,316,712</u>	<u>-</u>	<u>-</u>	<u>(800,000)</u>	<u>1,516,712</u>	<u>780,000</u>

2022 Grant Date	Expiry Date	Exercise price	Start of the year	Granted during the year	Exercised during the year	Expired/ Forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year
<i>Options</i>								
19 December 2016	30 November 2021	0.75	600,000	-	-	(600,000)	-	-
12 December 2019	11 December 2024	0.25	945,000	-	(40,000)	(75,000)	830,000	553,333
<i>Performance Rights</i>								
15 March 2021	30 June 2026	-	900,000	-	-	(163,288)	736,712	-
01 October 2021	30 June 2029	-	-	750,000	-	-	750,000	-
			<u>2,445,000</u>	<u>750,000</u>	<u>(40,000)</u>	<u>(838,288)</u>	<u>2,316,712</u>	<u>553,333</u>

The weighted average remaining contractual life of options outstanding at year end was 1.45 years (2022: 2.45). The weighted average exercise price of outstanding shares at the end of the reporting period was \$0.25 (2022: \$0.25).

The weighted average remaining contractual life of performance rights outstanding at year end was 3.00 years (2022: 5.52).

During the year, NIL shares were granted under the EESP (2022: NIL).

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 26 Share-Based Payments (continued)

There were no performance rights granted during the year ended 30 June 2023.

There were no options granted in the years ended 30 June 2023 and 30 June 2022 under the ESOP.

The share price at 30 June 2023 was \$0.135.

#### 27 Financial Risk Management

The Group's financial instruments consist primarily of cash and cash equivalents, trade receivables, trade payables and borrowings. The Group does not have significant risk exposure to financial instruments and as such risk exposures are generally managed as part of the Group's overall strategic and operational risk management strategies. Consequently, there is currently no specific risk mitigating techniques employed. However, as the Group expands both domestically and internationally, management continues to monitor its exposure and will implement suitable policies when deemed necessary.

The financial instruments held by the Group are as follows:

	Note	2023 \$	2022 \$
<b>Financial assets</b>			
<i>Held at amortised cost</i>			
Cash and cash equivalents	9	2,244,031	6,376,082
Trade and other receivables	10	703,686	544,188
<b>Total financial assets</b>		<b>2,947,717</b>	<b>6,920,270</b>
<b>Financial liabilities</b>			
<i>Financial liabilities measured at amortised cost</i>			
Trade and other payables	16	1,321,238	909,101
Borrowings	18	44,942	141,106
Lease liabilities	14	-	727
<b>Total financial liabilities</b>		<b>1,366,180</b>	<b>1,050,934</b>

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and deposits, trade receivables and loans receivable as well as from the parent's potential obligations under the indemnity guarantee provided to banks. The risk is largely managed through a policy of only dealing with creditworthy counterparties. Periodic assessments of debtor balances are undertaken and provisions for impairment are recognised where appropriate.

Maximum exposure to credit risk without taking account of any collateral held or other credit enhancements arising from the Group's recognised financial assets is considered to be equivalent to their carrying values at reporting date. Maximum exposures arising from the indemnity guarantee are as disclosed at Note 31 Contingencies and Guarantees. The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.



## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 27 Financial Risk Management (continued)

##### Credit risk (continued)

The majority of customers have long standing business relationships with the Group and their credit quality with respect to trade receivables is assessed as high.

All cash and cash equivalents are held with large reputable financial institutions within Australia, Malaysia and Singapore and therefore credit risk is considered low.

##### Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

Liquidity risk is managed through monitoring current funds available, undrawn facilities and anticipated recovery of receivables and comparing with future funding requirements contained in management budgets and forecasts. In this regard, the timing of expected settlement of liabilities is also analysed so as to minimise risk with respect to obligations becoming past due. This is consistent with the prior year.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated statement of financial position due to the effect of discounting.

## Notes to the Financial Statements

For the Year Ended 30 June 2023

## 27 Financial Risk Management (continued)

The table below reflects the undiscounted contractual maturity analysis for financial liabilities:

## Financial liability maturity analysis - Non-derivative

	Weighted average		Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	Interest rate									
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>										
<i>Non-interest bearing</i>										
Trade and other payables	-	-	1,321,238	909,101	-	-	-	-	1,321,238	909,101
<i>Interest-bearing - fixed rate</i>										
Borrowings	6.41	8.55	44,942	141,106	-	-	-	-	44,942	141,106
Lease liabilities	6.00	6.00	-	735	-	-	-	-	-	735
<b>Total contractual outflows</b>			<b>1,366,180</b>	<b>1,050,942</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,366,180</b>	<b>1,050,942</b>

The timing of expected outflows is not expected to be materially different from contractual cashflows.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 27 Financial Risk Management (continued)

##### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

##### (i) Foreign exchange risk

The Group controls subsidiaries in Malaysia and Singapore. The Group is therefore exposed to foreign exchange risk arising from exposure to currencies of these respective countries. Such risk arises from future transactions and assets and liabilities that are denominated in functional currencies other than the Australian dollar. Management does not engage in an active program of hedging exposure to foreign currencies.

At present, the Group's foreign currency exposure is not considered to be material.

##### (ii) Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. Based on the current portfolio of borrowings, the Group is not exposed to any significant interest rate risk.

##### (iii) Price risk

The Group is not exposed to any significant price risk.

##### Fair value measurement

The carrying value of the Group's assets and liabilities approximate their fair value.

#### 28 Key Management Personnel Remuneration

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity are considered key management personnel.

The names of Directors who have held office during the financial year are outlined in the Directors' Report.

##### *Other key management personnel*

The following persons are included as other key management personnel:

- Mr M Davies (Chief Executive Officer) - resigned 17 November 2022
- Mr S Cronin (Chief Operating Officer) - resigned 21 December 2022
- Mr D Groenveld (Chief Technology Officer)
- Mr K Cherian (Chief Strategy Officer)

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 28 Key Management Personnel Remuneration (continued)

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the KMP for the years ended 30 June 2023 and 30 June 2022.

Key management personnel remuneration included within employee expenses for the year is shown below:

	2023	2022
	\$	\$
Short-term employee benefits	1,362,841	1,504,255
Long-term benefits	11,481	17,039
Post-employment benefits	114,437	130,995
Termination benefits	215,522	-
Share-based payments	15,246	25,758
<b>Total key management personnel remuneration</b>	<b>1,719,527</b>	<b>1,678,047</b>

#### 29 Related Parties

##### (a) The Group's main related parties are as follows:

Global Health Limited is the parent entity.

Disclosures relating to key management personnel are set out in Note 28 and the remuneration report included in the Directors' report.

Interests in subsidiaries are set out in Note 32 and Interests in associates are set out in Note 33.

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

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Ms Karen Corry, a director of the Group, is a Non-Executive Director of Peninsula Health, which is a customer of the Group. During the year ended 30 June 2023, the Group provided software licensing and professional services to Peninsula Health which amounted to \$589,004 (2022: \$648,734). As at 30 June 2023, Peninsula Health has an amount due to the Group of \$319,576 (2022: \$201,075).

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 29 Related Parties (continued)

##### (c) Amounts payable to related parties

The following balance is outstanding at the reporting date in relation amounts payable to related parties:

	Opening balance \$	Closing balance \$
<b>Amounts payable to KMP *</b>		
2023	-	-
2022	75,390	-
<b>Loans to associates **</b>		
2023	<b>24,179</b>	<b>50,904</b>
2022	-	24,179

\* This relates to wages in arrears payable to the Managing Director, Mathew Cherian. This amount is interest-free and unsecured. This has been fully paid during the year ended 30 June 2022.

\*\* Loans to associates are unsecured, interest free and has no fixed repayment terms.

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

#### 30 Auditor's Remuneration

	2023 \$	2022 \$
Remuneration of the auditor, HLB Mann Judd, for:		
- auditing and reviewing the financial statements	<b>75,000</b>	66,450
<b>Total auditor's remuneration</b>	<b>75,000</b>	66,450

#### 31 Contingencies and Guarantees

##### Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2023 (30 June 2022: None).

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 32 Interests in Subsidiaries

##### Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) <sup>*</sup> 2023	Percentage Owned (%) <sup>*</sup> 2022
<b>Subsidiaries:</b>			
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.

\*\*These companies are dormant as at 30 June 2023.

#### 33 Interests in Associates

	Principal place of business / Country of Incorporation	Percentage Owned (%) <sup>*</sup> 2023	Percentage Owned (%) <sup>*</sup> 2022
<b>Associates:</b>			
Trudokta Pty Ltd	Australia	33	33
Asta Swisstec Health Pty Ltd	Australia	-	20

\*The percentage of ownership interest held is equivalent to the percentage voting rights for all associates.

##### Trudokta Pty Ltd

Global Health (Australia) Pte Ltd ("GLH SG"), a wholly owned subsidiary of Global Health Limited, acquired 33% equity in Trudokta Pty Ltd ("Trudokta") in May 2022.

GLH SG joined with several parties to investigate the opportunity to provide telehealth services in Papua New Guinea through its partnership with Trudokta. It was subsequently decided not to proceed due to the lack of a commercially viable business model.

Trudokta has remained dormant during the year ended 30 June 2023.

##### Asta Swisstec Health Pty Ltd

In April 2022, the Group joined Asta Swisstec Health Pty Ltd ("ASH") as an equity partner to provide health systems and services for remote and under-served regions.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 33 Interests in Associates (continued)

##### 33 Interests in Associates (continued)

This strategic partnership will allow the Group, together with ASH to fulfill the growing demands and the changes in healthcare services culture that have occurred since the COVID-19 pandemic, particularly for:

- Providing patients access to remote monitoring and virtual care services that can help relieve ongoing pressure to hospitals and healthcare centres;
- Allowing clinics and doctors to be Telehealth ready and gain better access to connected care services; and
- Supporting the digital ecosystem for the Deployable Healthcare Module (DHM) project out of the Northern Territory as a footprint into regional Australia and surrounding countries to provide much needed healthcare services to 400 million people in under-served communities across regional Australia and Southeast Asia.

ASH has remained dormant during the year ended 30 June 2023 and the Group has ended its association with ASH during the year.

##### Associates

All associates have the same year end as the parent entity.

There are no significant restrictions on the ability of associates to transfer funds to the Group in the form of cash dividends or to repay loans or advances made by the entity.

#### 34 Parent entity

The following information has been extracted from the books and records of the parent, Global Health Limited and has been prepared in accordance with Australian Accounting Standards.

The financial information for the parent entity, Global Health Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

##### Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the consolidated financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

##### Tax consolidation legislation

Global Health Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group.

Each entity in the tax consolidated group accounts for their own current and deferred tax amounts. These tax amounts are measured using the 'stand-alone taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 34 Parent entity (continued)

The tax consolidated group has entered into a tax funding agreement whereby each entity within the group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding agreement are recognised as either a contribution by, or distribution to the head entity.

	2023	2022
	\$	\$
<b>Statement of Financial Position</b>		
<b>Assets</b>		
Current assets	4,717,018	7,171,729
Non-current assets	6,070	3,996,038
<b>Total Assets</b>	<b>4,723,088</b>	<b>11,167,767</b>
<b>Liabilities</b>		
Current liabilities	4,678,638	4,810,848
Non-current liabilities	46,598	124,989
<b>Total Liabilities</b>	<b>4,725,236</b>	<b>4,935,837</b>
<b>Equity</b>		
Issued capital	27,687,770	27,292,786
Accumulated losses	(29,679,327)	(23,196,509)
Reserves	1,989,409	2,135,653
<b>Total Equity</b>	<b>(2,148)</b>	<b>6,231,930</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
Net profit/(loss) for the year	(6,636,300)	(1,913,378)
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(6,636,300)</b>	<b>(1,913,378)</b>

#### Guarantees

The parent entity has not entered into a Deed of Cross-Guarantee with the effect that the Company guarantees debts in respect of its subsidiaries as at 30 June 2023 or 30 June 2022.

#### Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2023 or 30 June 2022, except as stated elsewhere in these financial statements.

#### Contractual commitments

The parent entity did not have any commitments as at 30 June 2023 or 30 June 2022.



## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 35 Events Occurring After the Reporting Date

The consolidated financial report was authorised for issue on 31 August 2023 by the board of Directors.

A 5-year contract was signed on 3 July 2023 to deploy the Group's MasterCare portfolio of hospital applications at the new Weststate Private Hospital in Townsville, North Queensland, which is scheduled to open in the first half of 2024. The value of the first 5-year contract is \$2m. There are options for a further 2 terms of 5 years after the expiry of the initial 5-year term.

46,154 ordinary shares were issued on 7 July 2023 to 2 employees as a one-off award in recognition of their significant contributions to the performance of the Group in the past 6 months.

8,171,017 options with an exercise price of \$0.8325 has expired on 3 August 2023.

No matters or circumstances have arisen since the end of the financial 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.

#### 36 Statutory Information

The registered office and principal place of business of the Company is:

Global Health Limited  
Level 2, 696 Bourke Street  
Melbourne Victoria 3000

## Directors' Declaration

The Directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2023 are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the consolidated financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position and performance of the consolidated group;
2. the Chief Executive Officer and Chief Finance Officer have given the declarations required by Section 295A that:
  - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
  - b. the consolidated financial statements and notes for the financial year comply with the Accounting Standards; and
  - c. the consolidated financial statements and notes for the financial year give a true and fair view.
3. 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, pursuant to section 295(5)(a) of the *Corporations Act 2001*.



Non-Executive Chairman: .....  
Grant Smith

Dated this 31st day of August 2023

## Independent Auditor's Report to the Members of Global Health Limited

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### Opinion

We have audited the financial report of Global Health Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration for the Group.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Regarding Going Concern

We draw attention to Note 2 (s) *Going Concern* in the financial report, which indicates that the Group incurred a loss before tax of \$7,699,725 (2022: loss before tax of \$2,009,530) for the year ended 30 June 2023 and, as of that date, had a net deficiency of assets over liabilities of \$1,619,656 (30 June 2022: net asset of \$6,086,478) and its current liabilities exceed its current assets by \$1,581,996 (30 June 2022: current assets exceeded current liabilities by \$2,351,139). As stated in Note 2 (s) *Going Concern*, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section above, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<b>Carrying value of intangible assets</b> Note 12	
<p>As outlined in Note 12 to the financial statements, the Group recognised an impairment loss of \$3,897,289 in respect of its intangible assets for the year ended 30 June 2023. These intangible assets are assessed for impairment at the cash generating unit ("CGU") level using a value in use model prepared in accordance with the requirements of AASB 136 <i>Impairment of Assets</i> ("AASB 136").</p> <p>The assessment of the carrying value of intangible assets is considered a key audit matter due to the following factors:</p> <ul style="list-style-type: none"> <li>▪ prior to impairment, the intangible assets represented a significant proportion of the Group's total assets;</li> <li>▪ impairment testing involves complex modelling which requires the Group to exercise significant judgment including the use of forward-looking assumptions;</li> <li>▪ estimating future cash flows requires a significant degree of judgment, especially in respect of products under development which are in an early stage of maturity; and</li> <li>▪ the assumptions used in the Group's value in use calculations, including future cash flows, discount rates and growth rates, are subjective in nature.</li> </ul>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>▪ obtaining the Group's impairment model, as approved by the Board of Directors and checking the mathematical accuracy of formulae and calculations;</li> <li>▪ assessing the appropriateness of the impairment model and impairment testing approach applied by the Group against the requirements of AASB 136;</li> <li>▪ challenging the appropriateness of cash flow forecasts, discount rates, growth rates and other key assumptions adopted by the Group;</li> <li>▪ assessing the historical accuracy of past forecasts prepared by the Group by comparing against actual results achieved;</li> <li>▪ performing sensitivity analysis over key assumptions adopted by the Group, including in respect of discount rates and growth rates; and</li> <li>▪ assessing the appropriateness of financial statement disclosures against the requirements of AASB 136 and AASB 138.</li> </ul>
<b>Revenue recognition</b> Notes 2(b), 5 and 17	
<p>The Group recognised revenue from contracts with customers totalling \$7,818,120 for the year ended 30 June 2023, and had total contract liabilities of \$2,497,364 as at that date.</p> <p>Revenue recognition is considered a key audit matter due to the following factors:</p> <ul style="list-style-type: none"> <li>▪ revenue and associated contract liabilities are of significance to the Group's financial position and performance; and</li> <li>▪ revenue recognition for the Group's products and</li> </ul>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>▪ obtaining an understanding of the Group's processes in respect of revenue recognition for the different products and services offered, including reviewing key terms and conditions of sale;</li> <li>▪ performing substantive testing, on a sample basis, of selected revenue transactions and contract liabilities, and of credit notes issued post 30 June 2023;</li> </ul>

services involves a degree of complexity and judgment in the application of AASB 15 *Revenue from Contracts with Customers* ("AASB 15").

- reviewing adopted revenue recognition against the requirements of AASB 15; and
- assessing the adequacy of financial statement disclosures against the requirements of AASB 15.

### Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **REPORT ON THE REMUNERATION REPORT**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 10 to 19 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Global Health Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

**HLB Mann Judd**  
**Chartered Accountants**

Melbourne  
31 August 2023



**Michael Gummery**  
**Partner**

## Additional Information for Listed Public Companies

### For the Year Ended 30 June 2023

#### ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 22 August 2023.

#### Substantial shareholders

The number of substantial shareholders and their associates are set out below:

Shareholders	Number of shares
Mathew Cherian	24,176,619
J P Morgan Nominees Australia Pty Limited	8,490,802

#### Voting rights

##### Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

##### Options

No voting rights.

#### Distribution of equity security holders

Holding	Ordinary shares	
	Shares	Options
1 - 1,000	68	-
1,001 - 5,000	169	-
5,001 - 10,000	84	-
10,001 - 100,000	167	4
100,001 and over	46	3
	<hr/> 534	<hr/> 7

There were 174 holders of less than a marketable parcel of ordinary shares.



## Additional Information for Listed Public Companies

For the Year Ended 30 June 2023

### Twenty largest shareholders

	Ordinary shares	
	Number held	% of issued shares
Micron Holdings Pty Ltd (Cherian Family A/C)	17,370,324	29.92
J P Morgan Nominees Australia Pty Limited	8,490,802	14.63
Micron Holdings Pty Ltd (Micron Holdings Super A/C)	5,388,795	9.28
Mr Paul McLaren	2,027,745	3.49
Sandhurst Trustees Ltd (Collins St Value Fund A/C)	1,801,802	3.10
Mrs Elizabeth May Priscilla Thomas	1,728,378	2.98
Connaught Consultants (Finance) Pty Ltd (Super Fund A/C)	1,206,236	2.08
Alumootil Mathew Cherian	1,017,500	1.75
Dr Russell Kay Hancock	1,000,000	1.72
Ms Serene Lim & Mr Nicholas Russell Ward (Serene Lim Superfund A/C)	860,000	1.48
Triglobal Management Limited	700,000	1.21
Emerald Shares Pty Limited (Emerald Unit A/C)	650,000	1.12
Mr Brendan Thomas Birthistle	582,861	1.00
Dr Serene Lim (Serene Lim Family A/C)	525,000	0.90
Chris Bell Investments Pty Ltd (The Chris Bell S/F A/C)	500,000	0.86
Dr David Leroy Boyles	500,000	0.86
Annex Partners Pty Ltd	500,000	0.86
Roxanne Investments Pty Ltd	424,481	0.73
Micron Holdings Pty Ltd (Micron Holdings P/L S/F)	400,000	0.69
Dadiaso Holdings Pty Ltd (The David Shein Inv A/C)	350,000	0.60
P Partnership Pacific Services Pty Limited (P P Pacific Super Fund A/C)	350,000	0.60
Asket Pty Ltd (S L Pynt Super Fund A/C)	316,240	0.54
Damon Groenveld	304,000	0.52
	<b>46,994,164</b>	<b>80.92</b>

### Unissued equity securities

Options issued: 780,000 unlisted options issued to 7 holders.

### Securities exchange

The Company is listed on the Australian Securities Exchange.