



Craneware plc

Interim Report & Accounts H1 2025

the
craneware
group®



Craneware plc
 (“Craneware” or the “Company” or the “Group”)

FY25 Interim Results

Record interim financial results, with a return to double-digit growth rates

11 March 2025 - Craneware (AIM: CRW.L), a leader in healthcare financial performance solutions, is pleased to announce its unaudited results for the six months ended 31 December 2024 (H1 FY25).

Financial Highlights (US dollars)

	H1 FY25	H1 FY24	Change
Group revenue	\$100.0m	\$91.2m	+10%
Adjusted EBITDA ²	\$30.3m	\$27.5m	+10%
Adjusted Profit before tax ³	\$20.6m	\$17.0m	+21%
Statutory Profit before tax	\$10.1m	\$5.9m	+71%
Adjusted Basic EPS	50.6 cents	42.8 cents	+18%
Basic EPS	20.7 cents	11.6 cents	+78%
Annual Recurring Revenue ¹	\$177.3m	\$171.4m	+3%
Operating cash conversion ⁴	110%	91%	+19pps
Total cash and cash equivalents	\$72.2m	\$63.9m	+13%
Total bank debt	\$31.6m	\$59.2m	-47%
Interim dividend	13.5 pence	13.0 pence	+4%

¹ Annual Recurring Revenue includes the annual value of licence and related recurring revenues including transaction revenues as at 31 December 2024 that are subject to underlying contracts and where revenue is being recognised at the reporting date

² Adjusted EBITDA refers to earnings before interest, tax, depreciation, amortisation, share based payments and acquisition and integration related costs

³ Adjusted profit before tax refers to profit before tax, amortisation of acquired intangibles and acquisition and integration related costs

⁴ Operating Cash Conversion is cash generated from operations for the rolling 12 month period, adjusted to exclude cash payments for exceptional items and movements in cash held on behalf of customers, divided by adjusted EBITDA for the same 12 month period

Highlights

- Strong financial performance, delivering record interim Group revenue and Adjusted EBITDA, with a return to double-digit growth rates
- 18% growth in adjusted basic EPS and increased operating cash conversion resulted in Group cash reserves growing to \$72.2m (H1 FY24: \$63.9m) and a reduction in bank debt to \$31.6m (H1 FY24: \$59.2m), in addition to funding dividends
- Future growth remains underpinned by high levels of ARR and strong customer retention at above 90% across all measures
- Continued expansion and cross-sales to all hospital strata, with Net Revenue Retention (“NRR”) greater than 100%
- First major customer contract executed via the Azure Marketplace, as part of the previously announced alliance with Microsoft
- Continued investment in R&D and innovation to capitalise on growing market opportunity
- Development of AI enhancements to existing offerings in conjunction with Microsoft, including the launch post period end of Trisus[®] Assist, an AI-powered personal assistant providing workflow help, healthcare coding research and persona-based compliance prompt engineering
- Further strengthening of the Board through the appointment of two experienced US healthcare executives as Non-Executive Directors
- Trisus[®] Chargemaster ranked first in the “2025 Best In KLAS Awards: Software & Services” for the 14th time, underlining Craneware’s long-standing position as a healthcare technology industry leader

Current Trading and Outlook

- Positive trading has continued into the second half of the year

- The Board remains confident in its outlook for FY25 and expects to deliver results for the year ending 30 June 2025 in line with current market expectations
- Longer-term, the Board continues to see considerable opportunity, reflecting Craneware’s strong market positioning and the significant size of the overall market, providing the potential for further growth acceleration, in line with the Company’s ambitions

Keith Neilson, CEO of Craneware plc, commented,

“We are pleased to have delivered record interim financial results, reflecting the successful execution of our growth strategy. Our trusted position at the heart of the US healthcare market is translating into double digit growth rates, as we support our customers in the transformation of their operations and finance through our software and data driven insights.

“Following the US election, hospitals are now expecting a period where they can focus on their fundamentals and make investments to drive strategic growth, which we anticipate will provide a sustained demand environment for our offerings.

“The continued expansion of our Trisus platform, increasing engagement from major players within the US healthcare market and strong financial foundations mean we are well placed to execute on our ambitious growth strategy, as we support our customers in transforming the business of healthcare.”

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About The Craneware Group

For over 25 years, The Craneware Group (AIM:CRW.L) has been a leader in healthcare financial and operational transformation, delivering cutting-edge technologies that drive measurable impact. Our Trisus® cloud ecosystem unifies data, revenue intelligence, margin intelligence, and advanced analytics, enabling healthcare organizations to optimize performance, improve financial sustainability, and drive strategic growth.

As a trusted Microsoft partner, we provide future-ready solutions—including the Best in KLAS Trisus Chargemaster—that simplify the complexities of healthcare finance and operations. What sets us apart is our unique combination of deep healthcare expertise and engineering excellence, positioning us as a strategic partner rather than just a technology provider.

The Craneware Group empowers healthcare organizations to achieve sustainable financial success while delivering better outcomes for the communities they serve—today and in the future. Together, we are transforming the business of healthcare.

Learn more at www.thecranewaregroup.com

Business Review: A return to double digit growth

We are pleased with these record interim financial results, reflecting the successful execution of our growth strategy. Our trusted position at the heart of the US healthcare market is translating into double-digit growth rates, as we support our customers in the transformation of their operations and finance through our software and data driven insights.

Group revenue exceeded \$100m in the first half for the first time, growing 10%, driven mainly by expansion with existing customers, and new customer wins. We have maintained our robust EBITDA margins and strict financial discipline, using our strong cash generation to invest into our expanding product portfolio, reduce debt and interest costs, and increase our dividend whilst retaining healthy total cash reserves.

The opportunity ahead of us is considerable and growing. For over 25 years, The Craneware Group has turned data into actionable insights, to support sustained operational and financial success for our customers. The strong Return on Investment that our solutions deliver has facilitated steady customer growth, and we are proud to count approximately 40% of all US hospitals and associated pharmacies as customers. However, our ambition is to be ubiquitous in all US hospitals, and we will do this through sustained innovation, combining our healthcare expertise, wealth of independent healthcare data and engineering excellence to develop solutions that enhance our customers' business performance.

The first half of the year has seen a considerable step forward in this regard. Our teams are working alongside Microsoft in the area of AI innovation, and joint marketing initiatives around these enhanced offerings have now commenced. Meanwhile we have strengthened our relationship with Oracle, completing the integration of our Oracle and Azure-based technology stacks, providing the ability for greater data flow and analysis, which will in turn support ongoing product innovation.

The strength of our offerings, our deep healthcare specialism and data, breadth of customer base and growing partnerships, provide us with confidence in the continued successful execution of our growth strategy.

A positive sales performance

Following the election, US hospitals are now expecting a period where they can focus on fundamentals and make investments to drive strategic growth, providing a sustained demand environment for our offerings.

The period has seen a particularly strong cross-sale performance, with Business of Pharmacy leading the way and generating significant expansion sales to our existing customers. With record expansion sales of 98% of our total 'new' sales (H1 FY24: 78%), we continue to benefit from the investments made into our cloud platform and the increased upsell ability it provides.

Customer wins and expansions secured in H1 include:

- Southwest Health System – 4 year contract with 6 figure Total Contract Value (TCV) for Trisus Business of Pharmacy Optimization Suite, to improve their 340B benefits program in support for their community focused projects and our pharmacy analytics solutions to optimize their financial management of their medications.
- Midsize Midwest Health System - 5 year contract for a 7-figure TCV, opting to convert their 340B Program from a competitor to The Craneware Group to overcome the current obstacles faced with pharmaceutical manufacturer restrictions and the negative impact on their 340B Benefit threatening their ability to appropriately support their patient population.
- A number of Trisus Pricing Integrity Optimization Suite expansion sales, outside of the customers' renewal times, due to increasing pressures to manage their pricing strategy and ensure that they have strategic and defensible pricing to support the CMS pricing transparency mandates.

- A large 100+ Health System in the West expanded our Trisus Chargemaster Solution to a recently merged smaller Health System and extended their agreement for 5 additional years, resulting in a 7 figure TCV.

Customer retention remained high at over 90% across all metrics (hospital numbers, customer numbers and number of products), which we continue to believe represents market leading levels which drove an NRR of greater than 100%.

This positive sales performance and ongoing high customer retention provides a strong basis to build momentum as we enter the second half of the year.

A considerable opportunity ahead and positive market backdrop

With over \$177m in ARR, derived from approximately 2,000 hospitals and associated pharmacies, we have a strong platform for future growth. We will continue to expand the offerings on our Trisus platform, both through in-house innovation and partnership opportunities, aiming to grow our addressable market and increase share of customer wallet.

We see three categories of potential growth catalysts:

- In the near term, we expect to see continued expansion with existing customers as they adopt an increasing number of solutions from within our Optimization Suites. This represents a significant revenue opportunity of approximately 7.5x current revenue run rate;
- In the medium term, we believe our Microsoft Alliance has the ability to increase our rate of penetration into the wider market, accelerating our rate of new customer acquisitions through further endorsing the quality of our solutions and providing access to a wider range of CIOs; and
- In the longer term, we see the Trisus platform evolving into the ubiquitous 4th pillar of software within a hospital, consisting of an ecosystem of solutions powered by Trisus data, providing healthcare providers with the insight required to maintain outstanding financial and operational performance.

Ongoing platform and product enhancements support expansion opportunity

The continual improvement of our existing offerings is an ongoing process. Combinations of new technology and their novel applications give speed, productivity and efficiency gains that benefit the ease of use of our offerings by our customers.

We were pleased to once again rank number one in the highly renowned "Best in KLAS" awards in February for our flagship Trisus Chargemaster solution, demonstrating our continued leadership within revenue cycle management.

As part of our Data Foundations programme of work, we are utilising the advances in AI and ML data processing to increase the interoperability and connectivity of our applications, while making the platform's back-end processes more efficient and effective. This work has now enabled the full integration of our Revenue Integrity and 340B related software technology stacks, via the Oracle Database@Azure, which centralises data in Trisus whilst leveraging the processing power of Oracle, reducing latency and improving data integration across products and services, thereby making our offerings even more attractive to customers as the speed and depth of insights available is increased.

The depth of our product offering continues to expand through mining of the proprietary and regulatory data that we collect, identifying new ways that data can illuminate and support decision making within the hospital provider environment. We now have data sets covering more than 200 million patient encounters, providing incredibly valuable insights for our customers.

Microsoft Alliance provides product innovation opportunities and expanded market reach

We are seeing increased engagement from other industry participants, such as Microsoft and Oracle, as part of their strategic focus on the healthcare market. The first half of the year has seen exciting innovation in conjunction with both parties across our Trisus platform and its applications, and we look forward to benefitting from these collaborations in future periods in the form of increased marketing activities, accelerated product development and streamlined new customer acquisitions.

As part of the alliance with Microsoft announced in July 2024, the first three Trisus solutions are now live on the Microsoft Azure Marketplace. We were delighted to execute the first major customer contract via the Marketplace in H1, with additional opportunities in progress and the first joint go-to-market initiatives now commencing.

Launch of Trisus® Assist

The Alliance will also see the delivery of differentiated offerings and increased value to customers through the application of industry leading data analytics, AI, and modern platform technology within Trisus to provide improved predictive analysis and the ability to uncover greater actionable insights for our customers. We attended the leading industry event, HIMSS, earlier this month, in conjunction with Microsoft, where we had the opportunity to jointly showcase the innovation taking place across our offerings, including the launch of Trisus® Assist, a groundbreaking AI-powered personal assistant, initially available within Trisus® Chargemaster — designed to revolutionise how healthcare finance, administration and operational teams research and navigate complex healthcare operational issues and generate greater efficiencies.

Our AI-driven solution eliminates inefficiency by:

- Providing persona-based workflow help and compliance prompt engineering
- Combining the latest large language model generative AI technology with the Group's extensive and unique 200 million patient journeys, creating proprietary customised GPTs
- Instantly analysing thousands of pages of Centers for Medicare & Medicaid Services (CMS) guidance, which explains how federal laws are implemented for healthcare programs, including regulations, rulings, and other policy statements, to provide accurate, succinct responses in fractions of a second
- Delivering authoritative answers with source citations, ensuring confidence in compliance decisions
- Reducing research time from hours to seconds, freeing up teams to focus on strategic priorities

Platform continues to deliver

Our growing Partner and Platform programme further enables us to leverage the strength of our data and platform to generate additional, highly scalable, revenue streams, aiming to bring additional benefits to our customers. These programmes will include our ability to leverage third parties, including through hosting third party applications on the Trisus platform.

Initially, we consider these to be non-recurring revenue, but over time we expect much of this revenue to become recurring. In the period, we have been able to transition the early adopters into a recurring revenue model, adding to our ARR, and there is a building pipeline of additional programme opportunities, which are being rigorously assessed prior to launch.

M&A provides potential for strategy acceleration

While organic growth across our portfolio remains the priority, we continue to evaluate the market for suitable M&A opportunities and strategically aligned companies that will accelerate our growth strategy. We maintain the same four key acquisition criteria of which target companies must fit into at least one, being: the addition of relevant data sets; the extension of the customer base; the expansion of expertise; and the addition of applications suitable for the US hospital market. We view our platform partnering

programme as a potential source of future M&A activity, provided this would deliver mutual benefits to all parties.

Strengthening of the Board of Directors

We were pleased to appoint Tamra Minnier in November 2024 and Susan Nelson in January 2025 as Non-Executive Directors. Both bring a wealth of experience in the US healthcare market, holding leadership roles within major US integrated healthcare systems, and will provide invaluable guidance, alongside existing Board Directors, on the continued evolution of our product offerings.

Financial Review

In our January trading statement, we confirmed the Group's return to double digit growth for the six months ended 31 December 2024, for both revenue and EBITDA. This pleasing result coincided with a milestone for the Group, reporting \$100m of Revenue in an individual six-month period for the first time. With revenue growing to \$100.0m (H1 FY24: \$91.2m) and a corresponding 10% increase in Adjusted EBITDA to \$30.3m (H1 FY24: \$27.5m), the Group is now focused on sustaining these growth rates for the full year and using them as a "springboard" to further success. These results are a combination of the Group's strategic investments in the Trisus platform, and the considerable efforts of our employees, combined with the improving US Healthcare market landscape, as US hospitals plan for their future and look for the right strategic partners to help them achieve their aims.

We have explained in our prior year's report that a big focus of our capital allocation decisions would be de-leveraging the balance sheet because of the macro interest rate environment and the impact this was having on our results, primarily to Adjusted EPS. Whilst retaining access to the overall Revolving Credit Facility (RCF) of up to \$100m, we have actively reduced our RCF draw to \$20m. This, combined with ongoing payments of \$2m per quarter against our term loan, has resulted in a reduction in overall bank debt to \$31.6m (H1 FY24: \$59.2m). Equally significantly, the reduced net interest charge has contributed to an Adjusted EPS increase of 18%, over the corresponding period in the prior year, to 50.6 cents per share (H1 FY24: 42.8 cents per share), and an increase on an unadjusted basis of 78% from 11.6 cents per share to 20.7 cents per share.

Whilst it is clear that macroeconomic challenges remain, it is pleasing to report that the strength of the Group's balance sheet, levels of cash conversion combined with our end market continuing to improve, means we are well positioned and financially able to navigate these.

Investment in R&D

We continue to believe the digitalisation of healthcare and the improvement of processes using data insights will provide the foundation for value-based care and enable the transformation of the business of healthcare. Our enlarged portfolio of products means we can do even more to support our customers in their strategic needs. This, combined with our independent position in the market, means we are uniquely placed to support all US healthcare providers. The real financial returns our solutions deliver and the certainty for our customers that the Group acts solely for their benefit allow us to be a true strategic partner to US Hospitals. It is therefore essential we continue to build on this position and make the right investments in our future as we develop further ways of supporting our customers.

We have continued to invest in R&D, increasing spend in the period by 5% to \$26.3m (H1 FY24: \$25.0m). The amount of this investment capitalised in the period, being \$7.1m (H1 FY24: \$7.9m), has reduced in percentage terms to approximately 27% of the total investment, this is reflective of the strong controls over the amounts we invest and capitalise in relation R&D spend. The mix of "stages" of R&D projects has seen a number of prior year projects being completed with a corresponding end of capitalisation for their costs. This, combined with new Proof of Concepts (including those with Microsoft under our strategic alliance) being at a "pre-capitalisation" stage, has lowered the levels of capitalised R&D expenditure in the period. The balance of the R&D spend of \$19.2m (H1 FY24: \$17.1m) has been expensed as incurred. We continue to ensure that any costs that have been capitalised will bring future economic benefit to the Group, by monitoring the value of contracts sold for these new products once launched, comparing these against the costs that have been invested.

Cash Reserves

As a group, we continue to deliver excellent operating cash conversion. This increased our cash reserves, which at the period end were \$72.2m (H1 FY24: \$63.9m) and reduced our bank debt to \$31.6m (H1 FY24: \$59.2m). We maintain an undrawn RCF of \$80m.

From these cash reserves, we have returned \$7.1m to our shareholders through dividends as well as the \$26.3m investment we have made in R&D in the period. Our business model is highly cash generative, and we continue to deliver significant levels of operating cash conversion, in the last 12 months we achieved over 100% cash conversion.

Underlying Business Model and Professional Services

The software contracts we sign with our hospital customers provide a licence for the customer to access specified products throughout their licence period. At the end of an existing licence period, or at a mutually agreed earlier date, we look to renew these contracts with our customers.

In addition to the core licences, our 340B hospital customers can add further licences to provide 340B coverage to eligible patients who, rather than return to the hospital for their prescriptions, have these filled at local contract pharmacies or mail order specialised pharmacies. These further licences often include transactional based licence fees and other services. These transactional services, whilst highly dependable, will see some variation month to month dependent on volume of transactions.

Under the Group's business model, we recognise software licence revenue and any minimum payments due from our 'other long term' contracts evenly over the life of the underlying contract term. Transactional services are recognised as we provide the service, and we are contractually able to invoice the customer.

In addition to the licence revenues recognised in any year, we derive revenue from providing services to our customers. Where these services are provided over an extended contract period, usually alongside the multi-year software licence as part of one our Trisus Optimization Suites, or where they relate to a complex implementation integral to the use of the software, the revenue is recognised evenly over the life of the underlying contract or project term.

The combination of these two software revenue models plus our recurring professional services represent the recurring platform revenues of the business, which for the current period have increased to \$87.9m (H1 FY24: \$81.5m).

Shorter professional or consulting services engagements are also provided, usually taking less than one year to complete. These revenues are usually recognised as we deliver the service to the customer, on a percentage of completion basis.

We continue to look for new and innovative ways to leverage the Trisus platform and the significant data assets within it. Our Platform partnership programme aims to deliver meaningful benefit to our customers and derive new revenue opportunities and additional business models for the Group. These revenues are recognised at the point we are able to invoice our customers. As initially, it is often too early to establish a pattern of what would become recurring, they are shown separately as "Platform Revenues – non-recurring". Over time we expect much of this revenue to become recurring and as such will be reported within Software licence or Transactional revenue, as appropriate.

Annual Recurring Revenue

By renewing our underlying contracts, and ensuring we continue to deliver the transactional services to our customers we sustain a highly visible recurring revenue base, which means sales bookings of new products to existing customers or sales bookings to new hospital customers add to this recurring revenue.

Our ARR metric identifies and demonstrates the Group's continued high levels of contracted revenue visibility. It is defined as the annual value of licence and recurring revenues including transaction revenues as at 31 December 2024 that are subject to underlying contracts and where revenue is being

recognised at the reporting date. We also report our Net Recurring Revenue metric which identifies the contribution from our existing customer base, and in the period was over 100%. The Group's ARR at 31 December 2024 was \$177.3m (H1 FY24: \$171.4m). We expect further growth in this metric, including as additional revenues generated from our partnership contracts are identified as recurring.

Functional Currency

We continue to report the results (and hold the cash reserves) of the Group in US Dollars, whilst having approximately 20% percent of our costs, mainly in respect of our UK employees and UK purchases, denominated in Sterling. The average exchange rate for the Company during the reporting period was \$1.29/£1 which compares to \$1.25/£1 in the corresponding period last year. The exchange rate at the Balance Sheet date was \$1.25/£1 (H1 FY24: \$1.27/£1).

Dividend

The Board has declared an interim dividend of 13.5p (16.87 cents) per ordinary share, payable on 17 April 2025 to those shareholders on the register as at 21 March 2025 (FY24 Interim dividend 13.0p). The ex-dividend date is 20 March 2025.

The interim dividend of 13.5p per share is capable of being paid in US dollars subject to a shareholder having registered to receive their dividend in US dollars under the Company's Dividend Currency Election, or who has registered to do so by the close of business on 21 March 2025. The exact amount to be paid will be calculated by reference to the exchange rate to be announced on 21 March 2025. The interim dividend referred to above in US dollars of 16.87 cents is given as an example only using the Balance Sheet date exchange rate of \$1.25/£1 and may differ from that finally announced.

Continued positive trading and outlook

Positive trading has continued into the second half of the year and the Board remains confident in achieving results for the year to 30 June 2025 in line with current market expectations.

Longer-term, the Board continues to see considerable opportunity, reflecting Craneware's strong market positioning, expanding Trisus platform, and the significant size of the overall market, providing the potential for further growth acceleration, in line with the Group's ambitions.

The strength of the Group's balance sheet, high levels of recurring revenue and strong cash generation provide Craneware with the solid financial foundations required to execute on this opportunity, as we support our customers in transforming the business of healthcare.

Keith Neilson
CEO Craneware plc
10 March 2025

Craig Preston
CFO Craneware plc
10 March 2025

Consolidated Statement of Comprehensive Income

	Notes	unaudited H1 2025 \$'000	unaudited H1 2024 \$'000	audited FY 2024 \$'000
Revenue from contracts with customers	1	100,045	91,214	189,268
Cost of sales		(13,159)	(13,155)	(27,072)
Gross profit		86,886	78,059	162,196
Other income		-	1	(398)
Operating expenses		(74,871)	(69,066)	(140,953)
Net impairment charge on financial and contract assets		(1,091)	(648)	(1,111)
Operating profit		10,924	8,346	19,734
Analysed as:				
Adjusted EBITDA ¹		30,266	27,517	58,279
Share-based payments		(2,601)	(2,211)	(4,487)
Depreciation of property, plant and equipment		(1,420)	(1,672)	(3,293)
Amortisation of intangible assets - other		(4,861)	(4,230)	(9,169)
Amortisation of intangible assets – acquired intangibles		(10,460)	(10,460)	(20,921)
Exceptional costs ²		-	(598)	(675)
Finance income		696	362	1,143
Finance expense		(1,515)	(2,785)	(5,130)
Profit before taxation		10,105	5,923	15,747
Tax on profit on ordinary activities		(2,869)	(1,859)	(4,044)
Profit for the period attributable to owners of the parent		7,236	4,064	11,703
Total comprehensive income attributable to owners of the parent		7,236	4,064	11,703

¹See note 15 for explanation of Alternative Performance Measures.

²Exceptional items relate to integration costs associated with the purchase of Sentry Data Systems, Inc

Earnings per share for the period attributable to equity holders

- Basic (\$ per share)	2	0.207	0.116	0.335
- Adjusted Basic (\$ per share) ¹	2	0.506	0.428	0.948
- Diluted (\$ per share)	2	0.205	0.115	0.332
- Adjusted Diluted (\$ per share) ¹	2	0.502	0.425	0.939

Consolidated Statement of Changes in Equity

	Share Capital \$'000	Share Premium \$'000	Treasury Shares \$'000	Capital Redemption Reserve \$'000	Merger Reserve \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total \$'000
At 1 July 2023	659	97,204	(3,737)	9	186,981	6,840	39,885	327,841
<u>Total comprehensive income</u>								
– profit for the period	-	-	-	-	-	-	4,064	4,064
<u>Transactions with owners:</u>								
Share-based payments	-	-	-	-	-	2,062	-	2,062
Purchase of own shares through EBT	-	-	-	-	-	-	(534)	(534)
Purchase of own shares through share buyback	-	-	(1,191)	-	-	-	-	(1,191)
Impact of share options and awards exercised/lapsed	-	-	1,279	-	-	-	(2,174)	(895)
Dividends	-	-	-	-	-	-	(7,046)	(7,046)
At 31 December 2023	659	97,204	(3,649)	9	186,981	8,902	34,195	324,301
<u>Total comprehensive income</u>								
– profit for the period	-	-	-	-	-	-	7,639	7,639
<u>Transactions with owners:</u>								
Share-based payments	-	-	-	-	-	2,065	-	2,065
Purchase of own shares through EBT	-	-	-	-	-	-	(329)	(329)
Purchase of own shares through share buyback	-	-	(1,244)	-	-	-	-	(1,244)
Deferred tax taken directly to equity	-	-	-	-	-	-	1,893	1,893
Impact of share options and awards exercised/lapsed	-	-	401	-	-	(2,077)	1,695	19
Dividends	-	-	-	-	-	-	(5,752)	(5,752)
At 30 June 2024	659	97,204	(4,492)	9	186,981	8,890	39,341	328,592
<u>Total comprehensive income</u>								
– profit for the period	-	-	-	-	-	-	7,236	7,236
<u>Transactions with owners:</u>								
Share-based payments	-	-	-	-	-	2,636	-	2,636
Purchase of own shares through EBT	-	-	-	-	-	-	(76)	(76)
Impact of share options and awards exercised/lapsed	-	-	1,666	-	-	(2,903)	(932)	(2,169)
Dividends	-	-	-	-	-	-	(7,100)	(7,100)
At 31 December 2024	659	97,204	(2,826)	9	186,981	8,623	38,469	329,119

Consolidated Balance Sheet as at 31 December 2024

	Notes	unaudited H1 2025 \$'000	unaudited H1 2024 \$'000	audited FY2024 \$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, plant and equipment		7,514	7,421	8,592
Intangible assets – goodwill	3	235,236	235,236	235,236
Intangible assets – acquired intangibles	3	134,946	155,867	145,406
Intangible assets – other	3	59,076	53,932	56,827
Trade and other receivables	4	3,147	2,530	3,634
Deferred Tax		-	-	733
		439,919	454,986	450,428
<u>Current Assets</u>				
Trade and other receivables	4	53,879	55,456	58,638
Cash and cash equivalents		72,160	63,895	34,589
		126,039	119,351	93,227
Total Assets		565,958	574,337	543,655
EQUITY AND LIABILITIES				
<u>Non-Current Liabilities</u>				
Borrowings	6	23,568	51,210	27,372
Deferred income		-	1,917	958
Leased property		3,421	1,874	3,823
Deferred tax		32,708	41,337	33,441
Other provisions		482	187	708
		60,179	96,525	66,302
<u>Current Liabilities</u>				
Borrowings	6	8,000	8,000	8,000
Deferred income		60,426	61,404	65,859
Amounts held on behalf of customers		88,069	68,502	53,390
Tax payable		-	601	4,278
Trade and other payables	5	20,165	15,004	17,234
		176,660	153,511	148,761
Total Liabilities		236,839	250,036	215,063
<u>Equity</u>				
Share capital	7	659	659	659
Share premium account		97,204	97,204	97,204
Treasury shares		(2,826)	(3,649)	(4,492)
Capital redemption reserve		9	9	9
Merger reserve		186,981	186,981	186,981
Other reserves		8,623	8,902	8,890
Retained earnings		38,469	34,195	39,341
Total Equity		329,119	324,301	328,592
Total Equity and Liabilities		565,958	574,337	543,655

Consolidated Statement of Cash Flows

	Notes	unaudited H1 2025 \$'000	unaudited H1 2024 \$'000	audited FY 2024 \$'000
<u>Cash flows from operating activities</u>				
Cash generated from operations	8	65,776	33,395	53,703
Tax paid		(8,538)	(3,822)	(11,841)
Net cash generated from operating activities		57,238	29,573	41,862
<u>Cash flows from investing activities</u>				
Purchase of property, plant and equipment		(347)	(625)	(1,191)
Capitalised intangible assets		(7,111)	(7,931)	(15,766)
Interest received		696	252	1,143
Net cash used in investing activities		(6,762)	(8,304)	(15,814)
<u>Cash flows from financing activities</u>				
Dividends paid to company shareholders		(7,100)	(7,046)	(12,798)
Proceeds from issuance of treasury shares		5	240	276
Repayment of borrowings		(4,000)	(24,000)	(48,000)
Interest on borrowings		(1,228)	(2,525)	(4,624)
Purchase of own shares by EBT		(76)	(534)	(863)
Share buyback programme		-	(1,292)	(2,485)
Payment of lease liabilities		(506)	(754)	(1,502)
Net cash used in financing activities		(12,905)	(35,911)	(69,996)
Net increase/ (decrease) in cash and cash equivalents		37,571	(14,642)	(43,948)
Cash and cash equivalents at the start of the period		34,589	78,537	78,537
Cash and cash equivalents at the end of the period	9	72,160	63,895	34,589

Notes to the Financial Statements

1. Revenue from contracts with customers

The chief operating decision maker has been identified as the Board of Directors. The Group revenue is derived almost entirely from the sale of software licences, professional services (including installation) and transactional fees to hospitals and affiliated pharmacies within the United States of America. Consequently, the Board has determined that the Group supplies only one geographical market place and as such revenue is presented in line with management information without the need for additional segmental analysis. All of the Group's assets are located in the United States of America with the exception of the Parent Company's, the net assets of which are located in the United Kingdom.

	unaudited H1 2025	unaudited H1 2024	audited FY 2024
	\$'000	\$'000	\$'000
Software licencing	67,763	69,991	138,687
Professional services - recurring	2,865	1,221	4,907
Transactional revenue	17,314	10,283	24,708
Contracted recurring revenue	87,942	81,495	168,302
Professional services – non-recurring	4,973	4,121	7,174
Platform revenues – non-recurring	7,130	5,598	13,792
Total revenue	100,045	91,214	189,268

Software licensing and professional services are recognised over time. Transactional fees and other revenue are recognised at a point in time.

2. Earnings per Share

The calculation of basic and diluted earnings per share is based on the following data:

Weighted average number of shares

	unaudited H1 2025	unaudited H1 2024	audited FY 2024
	No. of Shares	No. of Shares	No. of Shares
	000s	000s	000s
Weighted average number of Ordinary Shares for the purpose of basic earnings per share (excluding own shares held)	34,981	34,962	34,957
Effect of dilutive potential Ordinary Shares: share options and LTIPs	304	252	335
Weighted average number of Ordinary Shares for the purpose of diluted earnings per share	35,285	35,214	35,292

The Group has one category of dilutive potential Ordinary shares, being those granted to Directors and employees under the share schemes.

Shares held by the Employee Benefit Trust and Treasury Shares held directly by the Company are excluded from the weighted average number of Ordinary shares for the purposes of basic earnings per share.

Profit for period

	unaudited H1 2025 \$000's	unaudited H1 2024 \$'000s	audited FY 2024 \$000's
Profit for the period attributable to equity holders of the parent	7,236	4,064	11,703
Acquisition integration costs (tax adjusted)	-	449	507
Amortisation of acquired intangibles (tax adjusted)	10,460	10,460	20,921
Adjusted profit for the period attributable to equity holders of the parent	17,696	14,973	33,131

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares in issue during the period.

For diluted earnings per share, the weighted average number of Ordinary shares calculated above is adjusted to assume conversion of all dilutive potential Ordinary shares.

Earnings per share

	unaudited H1 2025 cents	unaudited H1 2024 cents	audited FY 2024 cents
Basic EPS	20.7	11.6	33.5
Diluted EPS	20.5	11.5	33.2
Adjusted basic EPS	50.6	42.8	94.8
Adjusted diluted EPS	50.2	42.5	93.9

3. Intangible assets

	Goodwill \$'000	Customer Relationships \$'000	Proprietary Software \$'000	Trademarks \$'000	Development Costs \$'000	Computer Software \$'000	Total \$'000
Cost							
At 1 July 2024	235,486	153,964	52,724	5,000	86,817	4,246	538,237
Additions	-	-	-	-	7,152	-	7,152
Disposals	-	(2,964)	(1,221)	-	(2,294)	-	(6,479)
At 31 December 2024	235,486	151,000	51,503	5,000	91,675	4,246	538,910
Accumulated amortisation and impairment							
At 1 July 2024	250	32,839	31,794	1,649	30,145	4,091	100,768
Charge for the period	-	5,032	5,150	278	4,824	37	15,321
Disposals	-	(2,964)	(1,221)	-	(2,252)	-	(6,437)
At 31 December 2024	250	34,907	35,723	1,927	32,717	4,128	109,652
Net book value at 31 December 2024							
	235,236	116,093	15,780	3,073	58,958	118	429,258
Net book value at 30 June 2024	235,236	121,125	20,930	3,351	56,672	155	437,469

4. Trade and other receivables

	unaudited H1 2025 \$'000	unaudited H1 2024 \$'000	audited FY 2024 \$'000
Trade receivables	38,560	44,130	48,007
Less: provision for impairment of trade receivables	(3,700)	(2,773)	(2,763)
Net trade receivables	34,860	41,357	45,244
Other receivables	1,214	1,548	1,862
Current tax receivable	4,255	-	1,921
Prepayments and accrued income	11,785	10,596	7,787
Deferred contract costs	4,912	4,485	5,458
	57,026	57,986	62,272
Less non-current other debtors	(282)	-	(399)
Less non-current deferred contract costs	(2,865)	(2,530)	(3,235)
Current trade and other receivables	53,879	55,456	58,638

There is no material difference between the fair value of trade and other receivables and the book value stated above. All amounts included within trade and receivables are classified as financial assets at amortised cost.

5. Trade and other payables

	unaudited H1 2025 \$'000	unaudited H1 2024 \$'000	audited FY 2024 \$'000
Trade payables	3,215	5,044	3,725
Lease creditor due < 1 year	900	1,032	952
Other provisions < 1 year	229	204	512
Social security and PAYE	2,792	1,610	2,268
Other creditors	1,044	218	156
Accruals	11,500	6,423	9,367
Advanced payments	485	473	254
Trade and other payables	20,165	15,004	17,234

No derivatives have been entered into in the current reporting period. No other assets or liabilities have been measured at fair value. Trade and other payables are classified as financial liabilities at amortised cost.

6. Borrowings

The debt facility comprises a term loan of \$12m (H1 2024: \$20m) which is repayable in quarterly instalments over 5 years up to 30 June 2026, and a revolving loan facility of \$100m of which \$20m (H1 2024: \$40m) is drawn down and which expires on 7 June 2026. During the 6 month period, \$4m was repaid on the term loan.

Interest is charged on the facility on a daily basis at margin and compounded reference rate. The margin is related to the leverage of the Group as defined in the loan agreement. As the leverage of the Group strengthens, the applicable margin reduces.

The facility is secured by a Scots law floating charge granted by the Company, an English law debenture granted by the Company and a New York law security agreement to which the Company and certain of its subsidiaries are parties. The securities granted by the Company and the relevant subsidiaries provide security over all assets of the Company and specified assets of the Group.

	unaudited H1 2025 \$'000	unaudited H1 2024 \$'000	audited FY 2024 \$'000
Current interest bearing borrowings	8,000	8,000	8,000
Non-current interest bearing borrowings	23,568	51,210	27,372
Total	31,568	59,210	35,372

Arrangement fees paid in advance of the setting up of the facility are being recognised over the life of the facility in operating costs. The remaining balance of unamortised fees and interest at 31 December 2024 is \$0.4m (31 December 2023: \$0.8m).

Loan covenants

Under the facilities the Group is required to meet quarterly covenants tests in respect of:

a) Adjusted leverage which is the ratio of total net debt on the last day of the relevant period to adjusted EBITDA;

b) Cash flow cover which is the ratio of cashflow to net finance charges in respect of the relevant period.

The Group complied with these ratios throughout the reporting period.

Financing arrangements

The Group's undrawn borrowing facilities were as follows:

	unaudited H1 2025 \$'000	unaudited H1 2024 \$'000	audited FY 2024 \$'000
Revolving facility	80,000	60,000	80,000
Undrawn borrowing facilities	80,000	60,000	80,000

7. Called up share capital

	unaudited H1 2025		unaudited H1 2024		audited FY 2024	
	Number	\$'000	Number	\$'000	Number	\$'000
<u>Authorised</u>						
Equity share capital						
Ordinary shares of 1p each	50,000,000	1,014	50,000,000	1,014	50,000,000	1,014
<u>Allotted called-up and fully paid</u>						
Equity share capital						
Ordinary shares of 1p each	35,542,169	659	35,542,169	659	35,542,169	659

8. Cash generated from operations

Reconciliation of profit before taxation to net cash generated from operations:

	unaudited H1 2025 \$'000	unaudited H1 2024 \$'000	audited FY 2024 \$'000
Profit before tax	10,105	5,923	15,747
Finance income	(696)	(362)	(1,143)
Finance expense	1,515	2,785	5,130
Depreciation of property, plant and equipment	1,420	1,672	3,293
Amortisation of intangible assets – other	4,861	4,230	9,169
Amortisation of intangible assets – acquired intangibles	10,460	10,460	20,921
Loss on disposals	2	21	113
Share-based payments	2,601	2,211	4,487
<u>Movements in working capital:</u>			
Decrease/ (increase) in trade and other receivables	7,558	(20,681)	(21,183)
(Decrease)/ increase in trade and other payables	(6,855)	9,854	14,999
Increase in amounts held on behalf of customers	34,805	17,282	2,170
Cash generated from operations	65,776	33,395	53,703

9. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash held by the Group and short-term bank deposits.

	unaudited H1 2025 \$'000	unaudited H1 2024 \$'000	audited FY 2024 \$'000
Cash and cash equivalents	72,160	63,895	34,589

10. Basis of Preparation

The interim financial statements are unaudited and do not constitute statutory accounts as defined in S435 of the Companies Act 2006. These statements have been prepared applying accounting policies that were applied in the preparation of the Group's consolidated accounts for the year ended 30 June 2024 and the changes outlined below in Note 13. Those accounts, with an unqualified audit report, have been delivered to the Registrar of Companies.

The interim financial statements have been prepared on a going concern basis. The Group's activities and an overview of the development of its products, services and the environment in which it operates together with an update on the Group's financial performance and position are set out in the Financial Review. The Group is profitable and there is a reasonable expectation that this will continue to be the case. Our business model is delivering high levels of recurring revenue, supported by long term underlying contracts. In addition, the Group has cash and cash equivalents of \$72.2m as well as a committed but undrawn facility of \$80m available.

The Viability Statement and the Board's Going Concern assessment contained the Annual Report for the year ended 30 June 2024 are still considered to be appropriate by the Board. The SaaS business model with its underlying long-term contracts, as described earlier in the Financial Review, high levels of cash generation and long-term focus on customer success provides a foundation of revenue for future periods. This foundation of contracted revenue forms the basis of the scenarios considered by the Directors in making this assessment.

The Directors, having made suitable enquiries and analysis of the interim financial statements, including the consideration of: net cash; continued cash generation; compliance with loan facility covenants; and SaaS business model; have determined that the Group has adequate resources to continue in business for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the interim financial statements.

11. Segmental Information

The Directors consider that the Group operates in predominantly one business segment, being the creation of software sold entirely to the US Healthcare Industry, and that there are therefore no additional segmental disclosures to be made in these financial statements.

12. Risks and uncertainties

The principal risks and uncertainties, as set out on pages 21 to 28 of the Annual Report for the year ended 30 June 2024, remain unchanged. The unchanged risks are:

- Data & Cyber Security
- Protection of Data
- Intellectual Property Risk
- Regulatory Environment
- US Healthcare: Complexity, Evolution and Reform
- Complex Market Dynamics
- Technology Risks
- Macro-economic Environment
- Treasury Risks

The Directors regularly review these risks and uncertainties and appropriate actions are taken to manage them. Included within the Strategic Report section is more detail on the outlook for the Group for the remaining six months of the year.

13. Changes to Significant Accounting Policies, Judgements and Estimates

The accounting policies, significant judgements and key sources of estimation applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2024.

14. Availability of Half Yearly Financial Report

Copies of this Half Yearly Financial Report are available for download from the Company's website, www.thecranewaregroup.com. A printed copy can be obtained on request from the registered office of the Company.

15. Alternative performance measures

The Group's performance is assessed using a number of financial measures which are not defined under IFRS and are therefore non-GAAP (alternative) performance measures.

The Directors believe these measures enable the reader to focus on what the Group regard as a more reliable indicator of the underlying performance of the Group since they exclude items which are not reflective of the normal course of business, accounting estimates and non-cash items. The adjustments made are consistent and comparable with other similar companies.

Adjusted EBITDA

Adjusted EBITDA refers to earnings before interest, tax, depreciation, amortisation, exceptional items and share based payments.

	unaudited H1 2025 \$'000	unaudited H1 2024 \$'000	audited FY 2024 \$'000
Operating profit	10,924	8,346	19,734
Depreciation of property, plant and equipment	1,420	1,672	3,293
Amortisation of intangible assets – other	4,861	4,230	9,169
Amortisation of intangible assets – acquired intangibles	10,460	10,460	20,921
Share based payments	2,601	2,211	4,487
Exceptional items – integration costs	-	598	675
Adjusted EBITDA	30,266	27,517	58,279

Adjusted earnings per share (EPS)

Adjusted earnings per share (EPS) calculations allow for the tax adjusted acquisition costs and share related transactions together with amortisation on acquired intangibles via business combinations. See Note 2 for the calculation.

Adjusted PBT

Adjusted PBT refers to profit before tax adjusted for exceptional items and amortisation of acquired intangibles.

	unaudited H1 2025 \$'000	unaudited H1 2024 \$'000	audited FY 2024 \$'000
Profit before taxation	10,105	5,923	15,747
Amortisation of intangible assets – acquired intangibles	10,460	10,460	20,921
Exceptional items – integration costs	-	598	675
Adjusted PBT	20,565	16,981	37,343

Net cash / (borrowings)

Net borrowings refers to net balance of short term borrowings, long term borrowings and cash and cash equivalents.

	unaudited H1 2025 \$'000	unaudited H1 2024 \$'000	audited FY 2024 \$'000
Cash and cash equivalents (Note 9)	72,160	63,895	34,589
Borrowings (Note 6)	(31,568)	(59,210)	(35,372)
Net cash/ (borrowings)	40,592	4,685	(783)

Lease liabilities are excluded from borrowings for the purpose of net borrowings.

Total Sales

Total Sales refer to the total value of contracts signed in the year, consisting of New Sales and Renewals.

New Sales

New Sales refers to the total value of contracts with new customers or new products to existing customers at some time in their underlying contract.

Annual Recurring Revenue

Annual Recurring Revenue includes the annual value of licence and transaction revenues as at 31 December 2024 that are subject to underlying contracts and where revenue is being recognised at the reporting date.

Net Revenue Retention

Net Revenue Retention is the percentage of revenue retained from existing customers over the measurement period, taking into account both churn and expansion sales.

Revenue Growth

Revenue Growth is the increase in Revenue in the current period compared to the previous period expressed as a percentage of the previous period Revenue.

Cautionary statement

Certain statements in this report are forward-looking statements. These forward-looking statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report. However, such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements. Unless otherwise required by applicable law or regulation, Craneware plc does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

Directors, Secretary, Advisors and Subsidiaries

Directors

W Whitehorn (non-executive, Chair)
K Neilson
C T Preston
I Urquhart
D Kemp (senior independent director)
A Erskine (non-executive)
A McCune (non-executive)
T Minnier (non-executive) (appointed 13 November 2024)
S Nelson (non-executive) (appointed 16 January 2025)

Company Secretary and Registered Office

C T Preston
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