Craneware plc
Interim Report & Accounts
H1 2023

Craneware plc

("Craneware" or the "Company" or the "Group")

Interim Results

06 March 2023 - Craneware (AIM: CRW.L), the market leader in Value Cycle solutions for the US healthcare market, is pleased to announce its unaudited results for the six months ended 31 December 2022 (H1 FY23).

Financial Highlights (US dollars)

- Revenues for the six months increased 6% to $84.7m (H1 FY22: $80.2m)
- Adjusted EBITDA[1] increased 8% to $25.5m (H1 FY22: $23.7m)
- Adjusted profit before tax[2] of $15.7m (H1 FY22: $17.1m)
- Profit before tax of $5.2m (H1 FY22: $6.2m)
- Adjusted Basic EPS of 41.0 cents per share (H1 FY22: 43.5 cents per share), reflecting the impact of increased interest rates
- Annual Recurring Revenue[3] of $166.4m, demonstrating the Group's continued high levels of contracted revenue visibility
- Cash reserves of $38.6m (H1 FY22: $41.7m)
- Total Bank Debt of $107.9m (H1 FY22: $114.6m)
- Interim dividend of 12.5p (15.13 cents) per ordinary share (FY22 Interim dividend 12.5p)

[1] *Adjusted EBITDA refers to earnings before interest, tax, depreciation, amortisation, share based payments and acquisition and share transaction related costs*
[2] *Adjusted profit before tax refers to profit before tax, amortisation of acquired intangibles and acquisition and share transaction related costs*
[3] *Annual Recurring Revenue includes the annual value of licence and related recurring revenues including transaction revenues as at 31 December 2022 that are subject to underlying contracts and where revenue is being recognised at the reporting date*

Operational Highlights

- Trisus Chargemaster ranked first in the "2023 Best In KLAS Awards: Software & Services" for the 13th year, underlining Craneware's long-standing position as industry leaders
- The migration of customers onto cloud based Trisus platform has been a primary focus in the period and is now largely complete
- Customer retention strong, at above 90% in the period
- Continued expansion and cross-sales, including to both small rural facilities and multi-site medical systems
- Continued investment in R&D and innovation to capitalise on growing market opportunity
- Appointment of Group CTO and an additional Non-executive Director, bringing further US healthcare market insight
- Craneware customers have seen in excess of $0.5 billion benefit from utilising our solutions in the period, helping to stretch scarce healthcare resources as far as possible

Outlook

- Building blocks in place for growth acceleration as the current pressures within the US healthcare market abate
- We are confident in delivering results for the year in line with current consensus and look to the future with confidence

Keith Neilson, CEO of Craneware plc, commented,

"We remain acutely conscious of the ongoing challenges faced by our customers and partners, in particular the impact of inflationary pressures and staffing shortages. The pressures they are experiencing strengthens our

commitment to providing the tools to more accurately manage their operations and finances, as we seek to transform the business of US healthcare together.

"We are financially strong, with healthy cash reserves and a solid foundation of Annual Recurring Revenue. This, combined with our market leading solutions, breadth of customer base, the scale of data flowing through our platform and the industry drive to achieve better value in healthcare, means we remain confident in our ability to deliver acceleration in our growth rates as the current pressures within the US healthcare market abate."

For further information, please contact:

Craneware plc	+44 (0)131 550 3100
Keith Neilson, CEO	
Craig Preston, CFO	
Alma (Financial PR)	+44 (0)20 3405 0205
Caroline Forde, Joe Pederzolli, Kinvara Verdon	craneware@almapr.co.uk
Peel Hunt (NOMAD and Joint Broker)	+44 (0)20 7418 8900
Dan Webster, Andrew Clark	
Investec Bank PLC (Joint Broker)	+44 (0)20 7597 5970
Patrick Robb, Henry Reast, Sebastian Lawrence	
Berenberg (Joint Broker)	+44 (0)20 3207 7800
Mark Whitmore, Richard Andrews, Dan Gee-Summons	

About Craneware

We at The Craneware Group of companies, including our latest additions Sentry Data Systems and Agilum Healthcare Intelligence, passionately believe we can impact healthcare profoundly by delivering the insights healthcare organisations need to also transform the business of healthcare. Our shared vision is to be the operational and financial partner for US healthcare providers.

Our combined suite of applications and industry-leading team of experts help our customers contextualise operational, financial, and clinical data, providing insights that clearly demonstrate what great looks like. These value cycle insights deliver revenue integrity and 340B compliance, as well as margin and operational intelligence - something no other single partner can provide.

Together, approximately 40% of registered US hospitals are now our customers, including more than 12,000 US hospitals, health systems and affiliated retail pharmacies and clinics. Our customers are operating with a financial impact of nearly half a trillion dollars. We have data sets from customers covering more than 165 million unique patients encounters.

Learn more at www.thecranewaregroup.com

Chair's Statement

I am pleased to report on a period of continued progress, against continuing difficult market conditions for our customers. The Group has delivered a solid financial performance in line with the Board's expectations for the period, although these results have yet to highlight our true potential as we deliver on the considerable market opportunity for the Group.

US hospitals continue to face a range of macro pressures as they build back post pandemic, primarily salary and supplies cost inflation. These factors are combining to put pressure on hospital margins, impacting their delivery of care. Against this backdrop, the underlying need for our software solutions only continues to grow, as our focus on transforming the business of healthcare will be key to our customers navigating these external market pressures.

Steady, profitable growth

Group Revenues in H1 FY23 increased by 6% to $84.7m (H1 FY22: $80.2m) and adjusted EBITDA by 8% to $25.5m (H1 FY22: $23.7m). Software revenue and customer retention continues to be healthy across the Group's offerings, resulting in Annual Recurring Revenue ("ARR") at H1 FY23 of $166.4m, demonstrating the Group's continued high levels of contracted revenue visibility.

Importantly, customer retention rates remain high, at above 90% across the Group, reflecting the central role our software plays in the optimised financial and operational performance of our customers.

The Group closed the period with cash reserves of $38.6m (H1 FY22: $41.7m), and total Bank Debt of $107.9m (H1 FY22: $114.6m), providing a solid basis for the continued execution of our growth strategy. These amounts are after the return of $6.6m (H1 FY22: $7.2m) to shareholders through dividends, the investment in R&D of $22.7m (H1 FY22: $21.6m), debt repayment and interest of $6.8m (H1 FY22: $5.3m).

A valuable position from which to build

With approximately 40% of registered US hospitals as Craneware customers, including more than 12,000 US hospitals, health systems, affiliated retail pharmacies and clinics, and data sets covering more than 165 million unique patients encounters, we hold an enviable central position within the US healthcare industry. Looking ahead, we will continue to seek ways to extend our Trisus platform, through product development, partnerships and M&A.

We were delighted to welcome a new Non-executive Director to the Board in November, Anne McCune. Anne is a recognised leader in the US Healthcare industry, having served as a senior executive for several leading academic hospital and physician centres and as a managing director in consulting firms. Anne is currently a Community Board member of the Strategy and Transformation committee at Salinas Valley Memorial Healthcare System in California.

While healthcare providers, both globally and in the US, continue to face many challenges, building back post pandemic and coping with inflationary pressures, the long-term drivers for the need of Craneware's software continue to strengthen. Through the increased financial and operational insight our offerings provide to our customers, we are well placed to support them through these difficult times and ultimately deliver on our growth ambitions.

The Group remains financially strong, benefitting from high operating margins, a strong balance sheet, and with a robust base of recurring revenue. We are confident in delivering results for the year in line with current market consensus and look to the future with confidence.

Will Whitehorn
Chair
6 March 2023

Strategic Report

We are pleased to report on a solid performance during the first half, in which we have navigated a challenging macroeconomic environment, delivering growth in both revenue and EBITDA. Software revenues remain healthy, and we have seen almost universal adoption of Trisus, our cloud-based platform, within our customer base, despite our end market suffering the ongoing effects of inflationary pressures.

In the near term we expect the percentage of revenue that is derived from software to increase from its historical norm of 80-85% (approximately 92% in the period). We do not expect the uptake of the Group's professional services to return, as a percentage of revenue, to previous levels in the short-term as healthcare providers attempt to control inflation through reduction in contracted labour. While, we do expect that levels of professional services revenue will increase in the mid to long term, the stronger software revenue growth, will continue to positively impact the overall revenue mix, resulting in ARR growth and further predictable revenue visibility.

While professional services revenue not returning to pre-pandemic levels has impacted the full year revenue expectations of the Group, as previously announced, we see a growing market opportunity, with the need for Craneware products greater than ever.

Our products continue to deliver outstanding levels of return on investment (ROI) for our customers, and we were delighted to announce in February that Trisus Chargemaster, one of our core offerings, has once again ranked first in its category of the "2023 Best In KLAS Awards: Software & Services". These awards highlight the top-performing healthcare IT solutions, as determined by extensive evaluations and conversations with thousands of healthcare providers. This marks the 13th year our solution has achieved the top ranking, more than any other vendor in our space, underlining our long-standing position as industry leaders.

We continue to enhance our product set, transition customers to the cloud and find new ways to provide our customers with means to protect their margins, so that they can deliver on their healthcare missions. The migration of our customers onto Trisus has been a primary focus in the period and is now effectively complete. With almost all customers on the platform, we are well-placed to identify further areas in which our Trisus applications can help hospitals protect their margins, to ensure they have the financial strength to continue to deliver on their healthcare mission.

We would like to take this opportunity to thank all our employees and customers for their continued hard work amidst a difficult trading environment. We continue to see a significant market opportunity for Craneware and the Board is confident of ongoing future success.

A complex and evolving market

The same financial pressures being felt around the world have likewise hindered the recovery of the US healthcare market post the COVID pandemic; reduced patient volumes; shortage of staff; wage, medications and supplies inflation have all weighed heavily on hospital margins.

While this backdrop means that our customers are currently reducing their use of contracted labour and therefore are not currently in position to fully benefit from our consultancy support, the need for accurate financial data, supporting analytics and the insights those analytics can bring, along with the efficiency of our technology solutions, has never been more important.

Our products and systems, which are built on the insights of our data, enhance efficiency and help ensure that both operational and administrative functions of a hospital are working optimally, enabling the existing teams to be more effective and efficient in their roles. Through these insights our solutions deliver real financial returns and free up resource with a more targeted approach, that can be re-invested and re-deployed by healthcare providers to support the clinical care for their communities.

As an example, in a recent sample of hospitals ranging in size from 200 - 3,000 patient beds, it was found that Trisus Supply, one of our applications which assists hospitals in the efficient purchasing of supplies, saved a lifetime potential gross total impact of over $8m per hospital, representing a lifetime ROI over 9:1. In just 12 months, 75% of these hospitals had each identified over $1m of potential gross total impact – funds which could be reinvested back into the delivery of care.

We therefore believe both the Group and our products are well placed to help our customers deal with the current economic challenges, by transforming the business of US healthcare.

Growth Strategy - *innovation to profoundly impact US healthcare operations, which will drive demand and expand our addressable market.*

To date, our growth has been driven through increases in market share and product set penetration (land and expand). In recent years, we have invested in the development of the Trisus platform; a sophisticated cloud delivered data aggregation and intelligence platform which will be the foundation for our future growth as we build on top of Trisus to strengthen our current products, leverage our data assets to expand our offering, integrate third party solutions to the platform and benefit from the scalability of cloud-technology.

Two Growth Pillars

Our growth strategy has two fundamental growth pillars:

1. The transition of our customers to cloud delivered solutions, to act as a gateway to the additional applications on the Trisus platform and the benefits they deliver

We are now effectively a cloud-based software provider, with 93% of our customers on the Trisus platform (rising to 98% at the date of this report) and a comparative amount of our annual recurring revenue being delivered from cloud-based solutions (31 December 2021: 67%). This has been led by the migration of our Chargemaster Toolkit customers onto the Trisus platform. We anticipate the small number of remaining customers to have transitioned by the end of the fiscal year.

We are seeing continuing uptake of our Trisus Chargemaster offering, the cloud version of Chargemaster Toolkit product, and our significant recent enhancements to the product were acknowledged during the period, as we returned to first place in the Chargemaster Management category of the "2023 Best In KLAS Awards: Software & Services." The recognised enhancements included performance, scalability and depth of solution, proving valuable drivers in prompting our customers to migrate, as well as winning new customers, competitive wins and winning back old customers.

Pharmacy operations within healthcare providers is the largest cost area for US hospitals outside of staff costs and an area where we see considerable opportunity to scale our value-focused solutions. As announced at the time of our FY22 Final Results in September, we have replaced our existing non 340B pharmacy offerings with four new applications, Trisus Medications Financial Management, Trisus Medication Formulary, Trisus Medication Claims and Trisus Medication Compare. As well as providing further benefits to customers of our existing pharmacy products, these new Business of Pharmacy applications enhance our 340B offering leading to both competitive wins of new customers and cross sell opportunities within our existing customer base.

2. Value Driven Customer Expansion

We continue to develop additional applications and tools to expand our capabilities and provide benefits to our customers. Having neared completion of the original cloud based enhancements for existing products we can now turn our focus to new products and enhancements.

ARR at 31 December 2022 stands at $166.4m, demonstrating the Group's continued high levels of contracted revenue visibility. We continue to see the opportunity for accelerated ARR growth over the medium term, as we unlock the considerable cross and upsell opportunities within our enlarged customer base. Customer retention has always been strong, and we continued to see our customer retention rate remain above 90% in the period. We are encouraged to see the percentage of new sales in the period from brand new customers increase by approximately 30% to 21% of total new sales, however as a percentage of our total new sales this is still behind historical norms. With 79% of new sales in the period being expansion sales to existing customers, we demonstrate the positive response of our customers to the increased ROI derived from the uptake of additional cloud modules. Expansion sales within the period include to both small rural facilities and multi-site academic medical systems, demonstrating the applicability of our offerings across the breadth of the US healthcare provider market.

In the period we have formalised our partnering processes, with the aim of hosting third party application providers on the platform. We continue to evaluate partnership opportunities. The current challenging market environment is hindering new customer acquisition by smaller software providers, and we therefore anticipate their inclusion on the Trisus platform will be increasingly attractive to them, providing access to our customer base. In turn, our customers will benefit from complementary applications which will help them derive greater insight into their operations and financial performance while we benefit from a revenue share with the partner.

While organic growth across our portfolio remains a priority, we continue to evaluate the market for M&A opportunities and will continue to pursue strategically aligned companies that will accelerate our growth strategy, although it is unlikely that any acquisitions in the short-term will be of the relative scale of Sentry. 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 partnering programme as a potential for building a pipeline of future M&A activity based on the mutual benefits derived by both partners.

The strength of the enlarged businesses is already delivering further benefits and confidence to our customers, for example, a significant Sentry customer has agreed a 5 year agreement with The Craneware Group, moving from their original annually renewable contract. In doing so they have significantly expanded their use of 340B software and are now exploring more of our Business of Pharmacy products.

We are confident that we will be able to further increase sales activity in the future with our broadened and improved products and add to our substantial existing customer base.

Our People and Community

We have been delighted to welcome the Sentry and Agilum teams to The Craneware Group and now benefit from a fully integrated team. There are clear synergies between the businesses, and we have seen strong collaboration between the teams in cementing existing and establishing new customer relationships. Our combined management team is working well, and we are benefitting from a larger team and improved competitive positioning.

We are proud of the manner in which the challenges of integrating businesses of comparable size have been dealt with by the team, achieving comparatively strong staff retention rates and we have successfully achieved the scale and level of integration we had been targeting. Our commitment to our people has always been at the centre of what we do since formation. As part of the integration, we reviewed our work practices to ensure that all our employees are receiving maximum support in a fair and equitable manner.

The Group continues to invest in its team and operations, including the appointment of a Group CTO, Abhilesh Gandhi, who will oversee the Engineering Group, reporting into the CEO. Mr Gandhi has over 20 years of Engineering experience including leading engineering teams in Cerner Corporation and Sentry Data Systems Inc before taking a leading role on the Product Board of The Craneware Group.

With the addition of Anne McCune to the Board and Abhilesh's appointment, we are confident their combined understanding of the US healthcare market will provide us with valuable insight and strategic guidance as we continue to transform the business of healthcare.

Craneware continues to develop many social initiatives, such as Craneware Cares and the Craneware Cares Foundation which is driven by our employees. We have also become directly involved with the 340B Matters initiative. This program aims to give back to local communities with vulnerable populations and educate the market with regards to the importance of the 340B program.

We are uniquely positioned to provide the insights our customers need to manage their operations more efficiently and mitigate risk while they focus on delivering increased levels of care. Importantly, in the period our customers have seen in excess of a $0.5 billion in benefit from utilising our solutions, helping to stretch scarce federal resources as far as possible, reach more eligible patients and provide more comprehensive services.

Financial Review

Financial Year 2023 represents the first full year of the enlarged Craneware Group, with Sentry successfully integrated and a combined management team leading the organisation from 12 July 2021, these results reflect the scale of the enlarged Group. As healthcare providers across the globe including in the US emerge from their pandemic response, they have immediately been faced with new macro-economic challenges including rising wage, medication, and supply cost inflation as well as key staffing shortages.

We are reporting, including a full six months contribution from Sentry, 6% growth in our Revenue to $84.7m (H1 FY22: $80.2m) which has delivered an 8% increase in Adjusted EBITDA in the period, growing to $25.5m (H1 FY22: $23.7m). If we had owned Sentry from 1st July 2021 (i.e. had a full prior six months of ownership in H1 FY22), our revenue growth would have appeared more modest at 2%, however Adjusted EBITDA would have been unaffected at 8% growth. The challenges for our customers have impacted on Craneware, primarily through our professional services in the period not recovering to the expected pre-pandemic levels as a percentage of our revenues.

Craneware has also been subject to the same macro-economic challenges all businesses currently face. Whilst we have been successful in navigating the inflationary challenges in the period, our Adjusted earnings per share has been impacted by the significant increases in interest rates that have occurred. Primarily as a result of the increased interest charges, adjusted basic earnings per share has reduced to 41.0 cents per share (H1 FY22: 43.5 cents per share). On a constant interest charge basis, adjusted basic EPS would have grown by 4%.

The increased scale and our enlarged portfolio of products mean we can do even more to support our customers as they look beyond the impact of the pandemic. The need for accurate financial data, supporting analytics and the insights those analytics can bring has never been more important. Our solutions deliver real financial returns that can be re-invested by the hospital to support the clinical care for their communities. It is therefore essential we continue to 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 $22.7m (H1 FY22: $21.6m). The amount of this investment capitalised in the period has remained consistent in percentage terms at 31% of the total investment, being $7.0m (H1 FY22: $6.8m), the balance of $15.7m (H1 FY22: $14.8m) has been expensed as incurred. We maintain strong controls in regard to the amounts we invest in R&D, including any that are capitalised to ensure that they will bring future economic benefit to the Group, and we confirm this by monitoring the value of contracts sold for these new products, once launched comparing these against the costs that have been invested. Already, the total value of sales contracts for Trisus products exceed the total investment made into the platform, with further sales enhancing the investment case.

We continue to maintain healthy cash reserves, which at the period end were $38.6m (H1 FY22: $41.7m), in addition we hold a further $52.2m (H1 FY22: $9.3m) of restricted cash on behalf of our customers and total bank debt of $107.9m, which represents a comfortable level of debt for the business given our levels of EBITDA. From our cash reserves, we have returned $6.6m to our shareholders through dividends and made the $22.7m investments in R&D detailed above. Our business model is highly cash generative, and we continue to target operating cash conversion of 100% of adjusted EBITDA to operating cash over a 12-month period. In the last 12 months we achieved 77% cash conversion. It is historically normal to see lower levels of cash conversion in the first half of any financial year; in the current period this was exacerbated as hospitals have faced financial challenges including the removal of previous pandemic stimulus funding. We have not, though, experienced any significant bad debts. We have continued to collect cash post the period end, having already collected over $18m related to the period and are confident of an improved overall cash performance over the full year and a return to our normal high cash conversion.

Underlying Business Model and Professional Services

The new 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 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. Due to the transactional nature of these licences, revenue recognition begins after the pharmacy go-live rather than, the standard, on contract signature and software becoming available.

These transactional services, whilst highly dependable, will see some variation period to period 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 also expect revenue to be recognised from providing services to our customers. These revenues are usually recognised as we deliver the service to the customer, on a percentage of completion basis.

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. Following the acquisition of Sentry, we introduced an Annual Recurring Revenue ("ARR") KPI to supplement the existing financial KPI's we present. This KPI was defined as the annual value of licence and related recurring revenues including transactional revenues that are subject to underlying contracts at the reporting date.

In the period, to better align future growth of ARR to near term revenue growth as well as facilitate the future calculation of a Net Revenue Retention metric, the calculation methodology has been tightened to only include contracts that have generated revenue by the reporting date. This primarily relates to the exclusion of contract pharmacy bookings where go live has not yet happened and therefore they have not contributed to revenue in the period as described above.

As a result, ARR is now defined as the annual value of licence and related recurring revenues including transaction revenues as at 31 December 2022 that are subject to underlying contracts and where revenue is being recognised at the reporting date. Under our new tighter calculation criteria, the Group's ARR at 31 December 2022 is $166.4m (H1 FY22 (previous calculation criteria): $165m), demonstrating the Group's continued high levels of contracted revenue visibility.

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 our UK employees and UK purchases, denominated in Sterling. The average exchange rate for the Company during the reporting period was $1.18/£1 which compares to $1.36/£1 in the corresponding period last year. The exchange rate at the Balance Sheet date was $1.21/£1 (H1 FY22: $1.35/£1).

Dividend

The Board has declared a dividend of 12.5p (15.13 cents) per ordinary share, payable on 14 April 2023 to those shareholders on the register as at 24 March 2023 (FY22 Interim dividend 12.5p). The ex-dividend date is 23 March 2023.

The interim dividend of 12.5p 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 24 March 2023. The exact amount to be paid will be calculated by reference to the exchange rate to be announced on 24 March 2023. The interim dividend referred to above in US dollars of 15.13 cents is given as an example only using the Balance Sheet date exchange rate of $1.21/£1 and may differ from that finally announced.

Outlook

We remain acutely conscious of the ongoing challenges faced by our customers and partners, in particular the impact of inflationary pressures and staffing shortages. The pressures they are experiencing strengthens our commitment to providing the tools our customers need to more accurately manage their operations and finances, as we seek to transform the business of US healthcare together. In the short term, we anticipate the challenging professional service market to continue but remain confident in the strength of our software offering and the quality of our teams.

We are financially strong, with a solid foundation of Annual Recurring Revenue. This, combined with our market leading solutions, breadth of customer base, the scale of data flowing through our platform and the industry drive to achieve better value in healthcare, means we remain confident in our ability to deliver acceleration in our growth rates as the current pressures within the US healthcare market abate. We are confident in delivering results for the year in line with current market consensus and look to the future with confidence.

Keith Neilson
Chief Executive Officer
6 March 2023

Craig Preston
Chief Financial Officer
6 March 2023

the craneware group

Consolidated Statement of Comprehensive Income

	Notes	unaudited H1 2023 $'000	unaudited H1 2022 $'000	audited FY 2022 $'000
Revenue from contracts with customers	1	**84,671**	80,175	165,544
Cost of sales		**(12,415)**	(9,839)	(23,178)
Gross profit		**72,256**	70,336	142,366
Other income		**13**	6	551
Operating expenses		**(63,674)**	(62,528)	(124,324)
Net impairment charge on financial and contract assets		**(190)**	(150)	(461)
Operating profit		**8,405**	7,664	18,132
Analysed as:				
Adjusted EBITDA[1]		**25,467**	23,679	51,757
Share-based payments		**(1,227)**	(1,013)	(2,116)
Depreciation of property, plant and equipment		**(1,712)**	(1,511)	(3,259)
Amortisation of intangible assets - other		**(3,632)**	(2,653)	(5,905)
Amortisation of intangible assets – acquired intangibles		**(10,468)**	(8,919)	(20,239)
Exceptional costs[2]		**(23)**	(1,919)	(2,106)
Finance income		**35**	1	1
Finance expense		**(3,221)**	(1,431)	(5,031)
Profit before taxation		**5,219**	6,234	13,102
Tax on profit on ordinary activities		**(1,287)**	(1,514)	(3,693)
Profit for the period attributable to owners of the parent		**3,932**	4,720	9,409
Other comprehensive income/(expense)				
Items that may be reclassified subsequently to profit or loss				
Currency Translation Reserve movement		**-**	27	42
Total items that may be reclassified subsequently to profit or loss		**-**	27	42
Total comprehensive income attributable to owners of the parent		**3,932**	4,747	9,451

[1]See note 16 for explanation of Alternative Performance Measures.
[2] Exceptional items relate to legal and professional fees associated with a successful acquisition in FY22. (FY22: Exceptional items relate to legal and professional fees associated with a successful acquisition and related integration costs.)

Earnings per share for the period attributable to equity holders				
- Basic ($ per share)	3	**0.112**	0.135	0.268
- *Adjusted Basic ($ per share)[1]	3	**0.410**	0.435	0.890
- Diluted ($ per share)	3	**0.111**	0.133	0.265
- *Adjusted Diluted ($ per share)[1]	3	**0.406**	0.430	0.881

Consolidated Statement of Changes in Equity

	Share Capital $'000	Share Premium $'000	Capital Redemption Reserve $'000	Merger Reserve $'000	Other Reserves $'000	Retained Earnings $'000	Total $'000
At 1 July 2021	624	21,097	9	186,993	4,728	46,828	260,279
Total comprehensive income – profit for the period	-	-	-	-	-	4,720	4,720
Total other comprehensive income	-	-	-	-	-	27	27
Transactions with owners							
Share-based payments	-	-	-	-	884	-	884
Share issue	34	75,871	-	(12)	-	-	75,893
Impact of share options and awards exercised/lapsed	-	-	-	-	-	(311)	(311)
Dividend	-	-	-	-	-	(7,227)	(7,227)
At 31 December 2021	658	96,968	9	186,981	5,612	44,037	334,265
Total comprehensive income – profit for the period	-	-	-	-	-	4,689	4,689
Total other comprehensive expense	-	-	-	-	-	15	15
Transactions with owners							
Share-based payments	-	-	-	-	1,410	-	1,410
Share issue	1	236	-	-	-	-	237
Purchase of own shares through EBT	-	-	-	-	-	(1,726)	(1,726)
Deferred tax taken directly to equity	-	-	-	-	-	(366)	(366)
Impact of share options and awards exercised/lapsed	-	-	-	-	(1,089)	1,336	247
Dividend	-	-	-	-	-	(5,749)	(5,749)
At 30 June 2022	659	97,204	9	186,981	5,933	42,236	333,022
Total comprehensive income – profit for the period	-	-	-	-	-	3,932	3,932
Transactions with owners							
Share-based payments	-	-	-	-	1,244	-	1,244
Impact of share options and awards exercised/lapsed	-	-	-	-	-	(695)	(695)
Dividend	-	-	-	-	-	(6,645)	(6,645)
At 31 December 2022	**659**	**97,204**	**9**	**186,981**	**7,177**	**38,828**	**330,858**

Consolidated Balance Sheet as at 31 December 2022

	Notes	**unaudited H1 2023 $'000**	unaudited H1 2022 $'000	audited FY2022 $'000
ASSETS				
Non-Current Assets				
Property, plant and equipment		**7,975**	10,608	8,819
Intangible assets – goodwill	4	**237,646**	243,368	237,646
Intangible assets – acquired intangibles	4	**176,789**	189,109	187,257
Intangible assets – other	4	**46,393**	43,179	43,430
Trade and other receivables	5	**2,992**	3,673	3,234
		471,795	489,937	480,386
Current Assets				
Trade and other receivables	5	**45,209**	68,349	40,001
Cash and cash equivalents		**38,607**	41,696	47,157
Restricted cash		**52,203**	9,338	1,251
		136,019	119,383	88,409
Total Assets		**607,814**	609,320	568,795
EQUITY AND LIABILITIES				
Non-Current Liabilities				
Borrowings	7	**99,908**	107,081	103,589
Leased property		**747**	2,223	1,206
Hire purchase equipment		**104**	713	290
Deferred tax		**47,606**	44,498	47,606
Other provisions		**433**	893	568
		148,798	155,408	153,259
Current Liabilities				
Borrowings	7	**8,000**	7,491	8,000
Deferred income		**56,375**	86,079	58,722
Trade and other payables	6	**63,783**	26,077	15,792
		128,158	119,647	82,514
Total Liabilities		**276,956**	275,055	235,773
Equity				
Share capital	8	**659**	658	659
Share premium account		**97,204**	96,968	97,204
Capital redemption reserve		**9**	9	9
Merger reserve		**186,981**	186,981	186,981
Other reserves		**7,177**	5,612	5,933
Retained earnings		**38,828**	44,037	42,236
Total Equity		**330,858**	334,265	333,022
Total Equity and Liabilities		**607,814**	609,320	568,795

Consolidated Statement of Cash Flow for the six months ended 31 December 2022

	Notes	**unaudited H1 2023 $'000**	unaudited H1 2022[3] $'000	audited FY 2022 $'000
Cash flows from operating activities				
Cash generated from operations	9	**15,282**	12,593	32,943
Tax paid		**(1,483)**	(2,511)	(5,979)
Net cash generated from/(used in) operating activities		**13,799**	10,082	26,964
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired		**-**	(293,493)	(293,288)
Purchase of property, plant and equipment		**(336)**	(249)	(353)
Capitalised intangible assets		**(7,045)**	(6,847)	(13,680)
Interest received		**35**	1	1
Net cash used in investing activities		**(7,346)**	(300,588)	(307,320)
Cash flows from financing activities				
Dividends paid to company shareholders		**(6,645)**	(7,227)	(12,976)
Share issue professional fees		**-**	(263)	(263)
Paid up share capital		**-**	-	236
Proceeds from borrowings		**-**	120,000	120,000
Loan arrangement fees		**-**	-	(268)
Repayment of borrowings		**(4,000)**	(4,000)	(8,000)
Interest on borrowings		**(2,824)**	(1,341)	(3,080)
Purchase of own shares by EBT		**(36)**	-	(1,726)
Payment of lease liabilities		**(1,498)**	(1,246)	(2,027)
Net cash generated from/(used in) financing activities		**(15,003)**	105,923	91,896
Net (decrease)/increase in cash and cash equivalents		**(8,550)**	(184,583)	(188,460)
Cash and cash equivalents at the start of the period		**47,157**	235,617	235,617
Cash and cash equivalents at the end of the period		**38,607**	51,034[3]	47,157

[3]*H1 2022 includes restricted cash within the cash and cash equivalents balance. Excluding restricted cash in H1 2022 would result in cash generated from operations of $4.93m, acquisition of subsidiary, net of cash acquired of $295.17m and cash and cash equivalents at the period end of $41.70m.*

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 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 2023	Restated unaudited H1 2022	audited FY 2022
	$'000	$'000	$'000
Software licencing	**70,395**	67,269[4]	137,956
Professional services	**6,758**	6,558[4]	13,893
Transactional fees	**7,518**	6,348[4]	13,695
Total revenue	**84,671**	80,175	165,544

[4]Restated to show updated comparative split between categories based on finalisation of acquisition accounting.

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

2. Business combination

On 12 July 2021, the Group acquired 100% of the voting rights of SDS Holdco, Inc., the ultimate holding company of Sentry Data Systems, Inc. ('Sentry'), a leader in the pharmacy procurement, compliance and utilisation management, based in Florida, USA. For further information on the reasons for the acquisition see Note 25 of the annual report for the year ended 30 June 2021. The aggregate consideration for the acquisition of Sentry on a cash free/ debt free basis subject to an adjustment against a benchmark level of working capital on the date of acquisition as calculated and determined in accordance with the terms of the agreement relating to the acquisition.

The deal was funded by $299.1m (as adjusted) of cash and $75.9m raised via the issue of 2,507,348 new ordinary shares at fair value on 12 July 2021 (measured using the closing market price of the Company's ordinary shares on that date). The cash consideration was funded from the Group's existing cash resources, $120m from a new debt facility and $187.3m net proceeds from a share placing completed in June 2021.

Details of the purchase consideration, net assets acquired and goodwill, as per the FY22 annual report are as follows:

	$'000
Cash paid (net of working capital adjusted)	297,015
Shares issued (fair value)	75,905
Total purchase consideration	372,920

The fair values for assets and liabilities recognised as a result of the acquisition as per the FY22 annual report are as follows:

	Fair value $'000
Non-Current assets	
Property, plant and equipment	9,179
Intangible assets – customer relations	151,000
Intangible asset – proprietary software	51,496
Intangible assets – trademarks	5,000
Intangible assets – other	3,762
Other contract assets	376
Total non-current assets	**220,813**
Current assets	
Trade and other receivables	13,671
Cash and cash equivalents	3,727
Restricted cash	1,880
Total current assets	**19,278**
Non-current liabilities	
Leased property > 1 year	1,540
Leased equipment > 1 year	1,146
Deferred tax	51,874
Total non-current liabilities	**54,560**
Current liabilities	
Deferred income	27,164
Trade and other payables	11,905
Total current liabilities	**39,069**
Net identifiable assets acquired	**146,462**
Add: goodwill	226,458
Total consideration	**372,920**

The goodwill is attributable to Sentry's strong position in the market and synergies expected to arise after the company's acquisition of these new subsidiaries.

The fair value of the acquired customer list and customer contracts of $151m, proprietary software of $51.5 and trademarks of $5.0m have been valued as per the details in Note 2 of the annual report for the year ended 30 June 2022. Deferred tax of $37.8m, $12.9m and $1.2m has been provided respectively in relation to these intangible assets.

Acquisition related costs of $0.02m (FY22: $2.1m) are included within exceptional costs in profit and loss.
The fair value of trade and other receivables is $13.7m and includes trade receivables with a fair value of $9.5m. The gross contractual amount for trade receivables due is $12.7m of which $3.2m is expected to be uncollectible.

Sentry contributed revenue of $94.7m and net profit of $1.6m to the Group for the period from 13 July 2021 to 30 June 2022. If the acquisition had occurred on 1 July 2021, consolidated revenue and consolidated profit after tax for the year ended 30 June 2022 would have been $168.2m and $9.5m respectively.

3. 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 2023	unaudited H1 2022	audited FY 2022
	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	**35,194**	35,034	35,110
Effect of dilutive potential Ordinary Shares: share options and LTIPs	**310**	412	367
Weighted average number of Ordinary Shares for the purpose of diluted earnings per share	**35,504**	35,446	35,477

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 are excluded from the weighted average number of Ordinary shares for the purposes of basic earnings per share.

Profit for period

	unaudited H1 2023	unaudited H1 2022	audited FY 2022
	$000's	$'000s	$000's
Profit for the period attributable to equity holders of the parent	**3,932**	4,720	9,409
Acquisition and associated share placing costs (tax adjusted)	**-**	1,321	1,279
Acquisition integration costs (tax adjusted)	**28**	290	325
Amortisation of acquired intangibles (tax adjusted)	**10,468**	8,919	20,238
Adjusted profit for the period attributable to equity holders of the parent	**14,428**	15,250	31,251

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 2023	unaudited H1 2022	audited FY 2022
	cents	cents	Cents
Basic EPS	**11.2**	13.5	26.8
Diluted EPS	**11.1**	13.3	26.5
Adjusted basic EPS	**41.0**	43.5	89.0
Adjusted diluted EPS	**40.6**	43.0	88.1

4. Intangible assets

	Goodwill $'000	Customer Relationships $'000	Proprietary Software $'000	Trademarks $'000	Development Costs $'000	Computer Software $'000	Total $'000
Cost							
At 1 July 2022	237,896	153,964	52,724	5,000	56,096	4,840	510,520
Additions	-	-	-	-	6,979	66	7,045
Reallocation to hardware	-	-	-	-	-	(450)	(450)
At 31 December 2022	237,896	153,964	52,724	5,000	63,075	4,456	517,115
Accumulated amortisation and impairment							
At 1 July 2022	250	12,706	11,187	538	15,607	1,899	42,187
Charge for the period	-	5,033	5,158	277	3,027	605	14,100
Amortisation on disposal	-	-	-	-	-	-	-
At 31 December 2022	250	17,739	16,345	815	18,634	2,504	56,287
Net book value at 31 December 2022	**237,646**	**136,225**	**36,379**	**4,185**	**44,441**	**1,952**	**460,828**
Net book value at 30 June 2022	237,646	141,258	41,537	4,462	40,489	2,941	468,333

5. Trade and other receivables

	unaudited H1 2023 $'000	unaudited H1 2022 $'000	audited FY 2022 $'000
Trade receivables	**38,257**	43,161	34,730
Less: provision for impairment of trade receivables	**(6,075)**	(5,584)	(5,855)
Net trade receivables	**32,182**	37,577	28,875
Unbilled contract revenue	**-**	18,725	-
Other receivables	**1,383**	3,348	827
Current tax receivable	**3,547**	2,723	3,349
Prepayments and accrued income	**6,131**	3,441	4,714
Deferred contract costs	**4,958**	6,208	5,470
	48,201	72,022	43,235
Less non-current prepaid loan arrangement fees	**-**	-	(26)
Less non-current deferred contract costs	**(2,992)**	(3,673)	(3,208)
Trade and other receivables	**45,209**	68,349	40,001

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.

6. Trade and other payables

	unaudited H1 2023 $'000	unaudited H1 2022 $'000	audited FY 2022 $'000
Trade payables	**3,349**	5,545	3,587
Lease creditor due < 1 year	**1,150**	1,272	2,439
Other provisions < 1 year	**89**	-	17
Social security and PAYE	**1,491**	2,452	2,705
Other creditors	**676**	1,016	128
Amounts held on behalf of customers	**51,358**	8,867	672
Accruals	**5,670**	6,925	6,222
Advanced payments	**-**	-	22
Trade and other payables	**63,783**	26,077	15,792

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.

7. Borrowings

In June 2021, the Group entered into a new debt facility to finance the purchase of Sentry Data Systems, Inc. The total available amount under the facility is $140m, of which $120m was drawn down on 12 July 2021.

The debt facility comprises a term loan of $40m which is repayable in quarterly instalments over 5 years up to 30 June 2026, and a revolving loan facility of $80m which expires on 7 June 2025. The Group has the ability to extend the revolving loan facility for an additional one year term. Interest is charged on the facility on a daily basis at margin and compounded reference rate. The margin rate was fixed at 2.55% for the initial 9 months of the facility term. Following this initial period, 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 agreement 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.

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

	unaudited H1 2023 $'000	unaudited H1 2022 $'000	audited FY 2022 $'000
Current interest bearing borrowings	**8,000**	7,491	8,000
Non current interest bearing borrowings	**99,908**	107,081	103,589
Total	**107,908**	114,572	111,589

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 2022 is $2.9m.

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 2023 $'000	unaudited H1 2022 $'000	audited FY 2022 $'000
Term loan	**-**	-	-
Revolving facility	**20,000**	20,000	20,000
Undrawn borrowing facilities	**20,000**	20,000	20,000

8. Called up share capital

	unaudited H1 2023		unaudited H1 2022		audited FY 2022	
	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**	35,526,539	658	35,542,169	659

9. Cash generated from operations

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

	unaudited H1 2023 $'000	unaudited H1 2022[5] $'000	audited FY 2022 $'000
Profit before taxation	**5,219**	6,234	13,102
Finance income	**(35)**	(1)	(1)
Finance expense	**3,221**	1,431	5,031
Depreciation on property, plant and equipment	**1,712**	1,511	3,259
Amortisation on intangible assets – other	**3,632**	2,653	5,905
Amortisation on intangible assets – acquired intangibles	**10,468**	8,919	20,239
Gain on disposals	**(7)**	-	(5)
Share-based payments	**1,227**	1,013	2,116
<u>Movements in working capital:</u>			
(Increase)/Decrease in trade and other receivables	**(4,767)**	(15,343)	(3,203)
Increase/(Decrease) in trade and other payables	**(5,388)**	6,176	(13,500)
Cash generated from operations	**15,282**	12,593[5]	32,943

[5]H1 2022 includes restricted cash within the cash and cash equivalents balance. Excluding restricted cash in H1 2022 would result in a (decrease) in trade and other payables of $1.49m and cash generated from operations of $4.93m.

10. Cash and cash equivalents and restricted cash

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 2023 $'000	unaudited H1 2022 $'000	audited FY 2022 $'000
Cash at bank and in hand	**38,607**	41,696	47,157

Restricted cash balances comprise amounts held on behalf of customers as part of services provided in connecting them to their contract pharmacy network. These amounts are generally held by the Group for less than 45 days. The Group retains fees from the restricted cash accounts for services provided to customers in managing the transfer of cash and for reconciliation services. The related creditor is held within other creditors in Note 6.

	unaudited H1 2023 $'000	unaudited H1 2022 $'000	audited FY 2022 $'000
Restricted cash	**52,203**	9,338	1,251

11. 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 30th June 2022 and the changes outlined below in Note 14. 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. Despite difficult market conditions for customers and cost inflation pressure, the Group is profitable, cash generative and has a robust base of recurring revenue. An overview of the impact of the post pandemic macro pressures on the Group in the period are contained in the Strategic Report, and details were also contained in the Group's Annual Report and Financial Statements for the year ended 30 June 2022. The Board continues to carefully monitor the impact of inflationary pressures on the operations of the Group. The Viability Statement and the Board's Going Concern assessment contained the Annual Report for the year ended 30 June 2022 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 debt; 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.

12. 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.

13. Risks and uncertainties

The principal risks and uncertainties, as set out on pages 15 to 24 of the Annual Report for the year ended 30 June 2022, remain unchanged. The unchanged risks are:

- Data & Cyber Security
- Data Protection
- Intellectual Property Risk
- US Healthcare: Complexity, Evolution and Reform
- Regulatory Environment
- Complex Market Dynamics
- Competitive Landscape
- Management of Growth
- Acquisition Risk
- Macro-economic Environment
- Compliance with debt finance facility covenants

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.

14. 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 2022.

15. 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.

16. 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 2023 $'000	unaudited H1 2022 $'000	audited FY 2022 $'000
Operating profit	**8,405**	7,664	18,132
Depreciation of property, plant and equipment	**1,712**	1,511	3,259
Amortisation of intangible assets – other	**3,632**	2,653	5,905
Amortisation of intangible assets – acquired intangibles	**10,468**	8,919	20,239
Share based payments	**1,227**	1,013	2,116
Exceptional items – acquisition and associated share placing	**23**	1,573	1,705
Exceptional items – integration costs	**-**	346	401
Adjusted EBITDA	**25,467**	23,679	**51,757**

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 3 for the calculation.

Adjusted PBT

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

	unaudited H1 2023 $'000	unaudited H1 2022 $'000	audited FY 2022 $'000
Profit before taxation	**5,219**	6,234	13,102
Amortisation of intangible assets – acquired intangibles	**10,468**	8,919	20,239
Exceptional items – acquisition and associated share placing	**23**	1,573	1,705
Exceptional items – integration costs	**-**	346	401
Adjusted PBT	**15,710**	17,072	**35,447**

Net Debt

New Debt refers to net balance of short term borrowings, long term borrowings and cash and cash equivalents (excluding restricted cash).

	unaudited H1 2023 $'000	unaudited H1 2022 $'000	audited FY 2022 $'000
Cash and cash equivalents (Note 10)	**38,607**	41,696	47,157
Borrowings (Note 7)	**(107,908)**	(114,572)	(111,589)
Net Debt	**(69,301)**	(72,876)	**(64,432)**

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

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 2022 that are subject to underlying contracts.

% Annual Recurring Revenue from the Cloud

Annual Recurring Revenue from the Cloud is the Annual Recurring Revenue as described above relating specifically to cloud-based products expressed as a percentage of total Annual Recurring Revenue.

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

C Blye (senior independent director)
R Rudish (non-executive)
A Erskine (non-executive)
D Kemp (non-executive)
A McCune (non-executive) (appointed 16 November 2022)

Company Secretary and Registered Office

C T Preston
1 Tanfield
Edinburgh
EH3 5DA

Nominated Advisors and Joint Stockbroker

Peel Hunt LLP
100 Liverpool Street
London
EC2M 2AT

Registrars

Link Group
10th Floor
29 Wellington Street
Leeds
LS1 4DL

Independent Auditors

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Financial PR

Alma PR
71-73 Carter Lane
London
EC4V 5EQ

Joint Stockbrokers

Berenberg, Gossler & Co
60 Threadneedle Street
London
EC2R 8HP

Investec Bank plc
30 Gresham Street
London
EC2V 7QP

Solicitors

Bryan Cave Leighton Paisner LLP
One Atlantic Center,
14th Floor
1201 W. Peachtree St. NW.
Atlanta
GA, 30309-3471

Pinsent Masons LLP
58 Morrison Street
Edinburgh
EH3 8BP

Bankers

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

Silicon Valley Bank
3003 Tasman Drive
Santa Clara
CA, 95054

HSBC Bank plc
7 West Nile Street
Glasgow
G1 2RG

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Clydesdale Bank
20 Waterloo Street
Glasgow
G2 6DB

Wells Fargo
500 N. Magnolia Avenue
8th Floor
Orlando
FL, 32803

Barclays Commercial Bank
Aurora House
120 Bothwell Street
Glasgow
G2 7JT

Subsidiaries and Registered offices

Craneware US Holdings, Inc.
Corporation Trust Center
1209 Orange St
Wilmington, DE 19801

Craneware, Inc.
3340 Peachtree Rd NE
Suite 850
Atlanta, GA 30326

Craneware InSight, Inc.
3340 Peachtree Rd NE
Suite 850
Atlanta, GA 30326

Craneware Healthcare Intelligence, LLC
200 Pinewood Lane
Suite 304
Warrendale, PA 15086

SDS Holdco, Inc.
251 Little Falls Drive
Wilmington, DE 19808

SDS Intermediate, Inc.
251 Little Falls Drive
Wilmington, DE 19808

Agilum Healthcare Intelligence, Inc.
300 Montvue Road, Suite 400
Knoxville, TN 37919

Sentry Data Systems, Inc.
1946 Tyler Street
Hollywood, FL 33020

Craneware plc
1 Tanfield
Edinburgh EH3 5DA
Scotland, UK
Tel: +44 (0) 131 550 3100
Fax: +44 (0) 131 550 3101

thecranewaregroup.com
investors@thecranewaregroup.com
marketing@thecranewaregroup.com
sales@thecranewaregroup.com
support@thecranewaregroup.com