

Beamtree

**Better has no limit**

Beamtree Annual Report 2021

## Beamtree enjoyed a record year in FY21

We have won **major contracts** in Australia and internationally

**Retention and renewals** reached record rates in FY21

Key acquisition to drive **AI product innovation**

We're **growing** with a new name, new people, new products and more customers globally

Beamtree products help health services deliver better care at better value, allowing them to reinvest in the wellbeing of us all

## From PKS to Beamtree

Beamtree is a new name for a well respected Australian pioneer as it accelerates its global reach.

We believe Beamtree reflects our mission to use data to illuminate pathways to better healthcare outcomes, coupled with our focus on strong, sustainable growth.

Beamtree emphasises **our long-term commitment to innovation**, delivering the clinical, economic and human imperatives that lie at the heart of best value healthcare.

Beamtree echoes our values – to assist in the constant evolution and improvement of healthcare through best-in-class knowledge management, rooted in trust, accuracy and authority.



## Because Better Has No Limit

### Beamtree meaning:

- The Beamtree is a relative of the pear tree.
- A physical phenomenon created when an electron beam traveling near the speed of light is focused on a plastic surface creating river-like patterns.
- The name for an approach to the visualisation of large hierarchical datasets.

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## The Beamtree difference

At Beamtree, we understand how to **collect and integrate data**, how to **interpret information and so how to improve quality**. We focus on insights which help healthcare professionals make better decisions.

We understand how knowledge flows, how it can be managed and how it can be used.

We know what it takes to deliver better health outcomes time and time again.

We know how to take the pressure off overloaded healthcare systems by using data intelligently to solve current problems and rise to fresh challenges.

Our people, products and services are all focused on a single, unifying goal: to deliver a positive impact on the health of the societies we seek to serve.

# Record growth and global impact FY21

Beamtree a proud Australian company supporting health outcomes globally



## Beamtree Services Reach

1000+ locations	155+ labs
705+ hospitals	4 continents
22 countries	140+ customers
<b>50.4m+</b> people touched by Beamtree implementations every year	

### International expansion

Winning first national data quality audit in Kingdom of Saudi Arabia (TCV AUD\$2m), following success in Ireland and Singapore.

### Key acquisition

Ainsoff impacting patient care through AI.

### Growth at home

Australian government deals saw Beamtree products reaching more places than ever before, with significant expansion in Queensland, South Australia and Victoria.

Across the country, new products are being tested in partnership with clinicians to drive better patient care.

### Abbott: Strategic Partner

FY21 saw the global healthcare giant Abbott deepen its relationship with Beamtree, installing RippleDown® within more Abbott sites than ever before.

### Lancet Laboratories committed to RippleDown®

More than a decade of increasing use of our product has generated workforce efficiencies, savings and revenue enhancement for Lancet: providing error correction and key guidance for clinicians.

# Summary financials for FY21



**+109% growth in group's revenue and 20% YoY on proforma basis**

Strong **total revenue** performance: \$8.9 million

**ARR 15% growth**

Continued **annualised recurring revenue** growth YoY

**78% recurring revenue**

Exceeded **management forecast**

**\$14.1 million in cash**

Strong cash position and **zero debt**

**34% operational EBITDA margin**

\$3.1 million

**99% customer renewal**

**Globally**

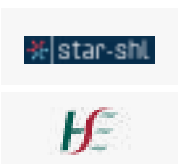
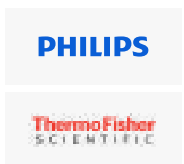
# Beamtree's global footprint



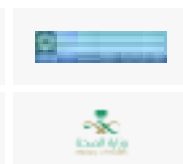
## USA



## Europe



## Middle East



## Asia



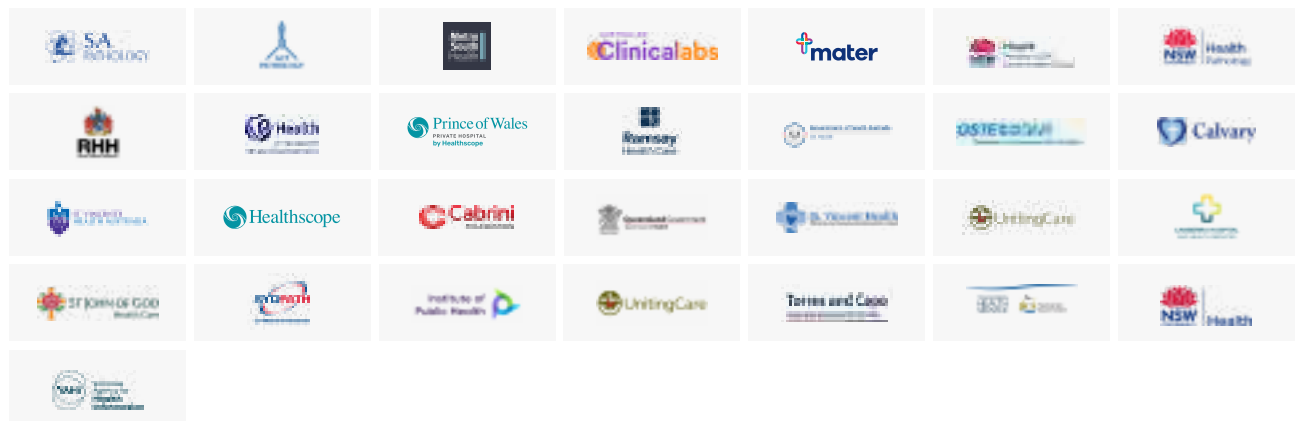
## New Zealand



## South Africa



## Australia





Beamtree

## Letter from the Chair

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Dear shareholder,

I'm pleased to share our results for FY2021 – a record year in which we have focused on **building** on our base, **investing** for the future and **putting in place the foundations** for global growth.



## Letter from the Chair

Beamtree is privileged to serve health services around the globe and support improvement in health outcomes. COVID has put unprecedented pressure on health providers around the world – and underlined the critical importance of data quality, automation and decision support.

We enjoyed a record year in FY21 and are delighted to report proforma year-on-year growth in revenues of 20% and a 15% increase in annual recurring revenue. Group revenue grew 103% on a statutory basis. Recurrent revenues were at 78% of operating revenues – significantly ahead of forecast.

Operating EBITDA remains strong at 34% and we have a cash balance of \$14.1m, with no debt.

Our products solve key problems in modern healthcare – improving quality and reducing waste and inefficiency. It should be no surprise that our renewal rate stands at 99%.

International expansion was a key feature of our success in FY21. Our services now operate in more than 22 countries across four continents – including 700 public and private hospitals. We secured a major \$2m contract in the Kingdom of Saudi Arabia for national data quality audit services and are now underway with delivery of that program.

In FY21, Beamtree (formerly PKS) launched its new growth strategy following appointment of Tim Kelsey

as CEO. Tim started in December and is regarded internationally as a leading entrepreneur and innovator in data and digital health services.

In February, the company completed a successful capital raise of A\$12m which was over-subscribed, as market demand remains robust.

Our growth strategy builds on Beamtree's unique market credentials, its solid client foundations and existing product strengths to offer an enterprise-wide knowledge management service.

Key product innovations include the automation of clinical record classification, a comprehensive real-time benchmarking service in Australia and internationally, and implementation of AI decision support outside pathology.

A key milestone for Beamtree was the acquisition of Ainsoff Pty Ltd, a field leader in AI decision support.

Tim has already built an experienced management team and led investment across the business to develop our product, engineering and research capabilities. In March, the Board was honoured to welcome respected health leader Jim Birch as a Director.

Thank you to our shareholders for their support and to the Beamtree team as we look forward to the continuing global success of this proud Australian enterprise

Yours Sincerely,  
**Mike Hill**



Beamtree

## CEO's Report

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Dear shareholder,

This year has been a **turning point** – record financial performance, developing a strong global sales pipeline, building a first-class team in Australia and overseas, and implementing our **new growth strategy**.

Beamtree is a proud Australian company **supporting health outcomes** globally through best use of data and knowledge.

We solve real-world problems in healthcare: unwarranted variation in clinical outcomes and patient experience, inequity of access, revenue assurance and equity of resource allocation.

The impact of our services on improving health outcomes and the value of care was recently highlighted in research by St Vincent's Health Australia. This showed that use of our benchmarking and data quality service supported a reduction in incidents of potential harm to patients by an average of 16% and up to 70%. These are not just statistics: they reflect a real impact on improving the quality of care for patients.

Research indicates that as much as a third of health spending is wasted on inappropriate treatment or administrative process. Beamtree offers proven enterprise-wide knowledge management services to help solve these problems – deploying cutting-edge AI and analytics to support the development of automated and computer assisted coding, quality and efficiency benchmarking services and innovation in clinical decision support.

COVID has highlighted the vital nature of data quality, real-time performance insights and effective decision support in healthcare globally.

## **Growth in FY21 was driven by:**

- Major new client wins for PICQ® (data quality) and RISQ™ (benchmarking services) in Australian hospitals including Mater, Healthscope and in public health services in Queensland, South Australia and Victoria. Beamtree data quality services now assess around 90% of inpatient activity in Australia.
- International expansion – winning the first national data quality audit in Saudi Arabia (total contract value: A\$2m+), following success in Ireland and Singapore. Singapore has initiated a trial of our data services ahead of potential national roll out.
- RippleDown® AI decision support expanded into pathology services in several new countries with channel partners Abbott and Philips, while our client base grew in Australia.
- Investment in product, technology and go-to-market capacity delivering rapid service enhancement and improved volume of direct sales. Major new releases for RippleDown® and PICQ® in FY21 have enhanced speed, utility and performance.

In the second half of FY21, following our successful capital raise, we started execution of the new growth strategy. Building on our world-class core products we are now developing a next-generation integrated platform for information and knowledge management, providing end-to-end support from the moment of data classification, through quality and performance benchmarking, to clinical decision-making at point of care.

In FY21, we developed a strong pipeline of strategic partners and in FY22 we will see the first of them implement these new ground-breaking services. They include the automation of clinical record classification and coding so that performance insights and billing process can be managed in real time; a comprehensive insights platform providing real time benchmarking for performance and value, in Australia and internationally; and new applications of AI decision support in clinical practice.

Our acquisition of Ainsoff Ltd, a field leader in AI decision support, means we can rapidly accelerate some key applications in clinical automation.

Our new partnership with the University of Sydney in establishment of a Beamtree professor of Clinical Informatics underlines our commitment to long-term research to help us evolve Beamtree services to meet the changing needs of modern healthcare. The creation of our new Global Impact Committee, to be chaired by international health leader Dr Mark Britnell, emphasises our commitment to supporting global thought leadership on the importance of data to improve quality and value in healthcare.

At Beamtree, our primary asset is our people – and in FY21 we continued to build a world-class team, growing our workforce by 83%. Cheryl McCullagh, former CEO of the Sydney Children's Hospitals Network and a leading innovator in data and digital services, joined as our chief strategy officer. In addition, we moved into new headquarters in Redfern in Sydney and we have opened an office in London.

We rebranded as Beamtree to better reflect our mission and values and our growth as a global enterprise.

I would like to thank our customers for giving us the privilege of serving them, and our Board and our shareholders for their support. Finally, I must pay tribute to the Beamtree team for their outstanding talent, passion and commitment.

Yours sincerely,  
**Tim Kelsey**

# Timeline financial year 20-21

## 2020

### July

**New Agreement** with SA Pathology as its Clinical Decision Support Solution

### December

International Health leader **Tim Kelsey joins as CEO**

**ACT Pathology** extended contract across its services value \$250,000

### September

Renewal agreement with **Healthscope across 43 hospitals**

### November

Largest single consultancy (AUD\$2.25m) for health audit in **270+ hospitals** Kingdom of Saudi Arabia.

## 2021

### January

**\$2.5m renewal agreement with Philips.** Beamtree RippleDown® product is now an integral part of the Philips clinical platform

### March

**Jim Birch joins as** Director. With three decades of experience in health, Jim is currently the Chair of Australian Red Cross, Calvary Health Care, Women's and Children's Health Network and the Australian Red Cross Society

### May

Independent Hospital Pricing Authority conference. St Vincent's Health Australia reveals **16% reduction in hospital acquired complications** (HACs) with support of RISQ™

### June

**New Victorian Agency for Health Information formed**, servicing more than three million public and private hospital admissions to assess records across the state

### January

**Global HQ opens in Redfern**, a prime location close to the Australian Technology Park

### February

**Investment for growth plan launched**, accelerating research and development, data science and automation

### April

**Key new customers** sign-up; Mater Health QLD, Ramsay and Austin Health

### June

**Renewal agreement with NSW Health** servicing nearly two million public hospital admissions for across the state

**Renewal agreement with Healthscope for** RISQ™ to track and measure clinical quality and safety for nearly 700,000 admissions.

Major new client wins for **PICQ®** (data quality) and **RISQ™** (benchmarking services) in Australian hospitals. These services now assess around 90% of inpatient activity in Australia.

International expansion – winning first national data quality audit in Kingdom of Saudi Arabia, following success in Ireland and Singapore.

**RippleDown®** AI decision support expanded into pathology services in several new countries with channel partners Abbott and Philips. Client base in Australia continues to grow.

Investment in product, technology and go-to-market capacity delivers rapid service enhancement and improved volume of direct sales. Major new releases for **RippleDown®** and **PICQ®** in FY21 have boosted speed, utility and performance.

Beamtree has demonstrated **international success in over 20 countries**, who use our products. They are engaged and enthusiastic as we strengthen our international resource.

**We have recently opened our office in London, proud to be part of the Beamtree family**

Beamtree engage direct customers, International Health Ministries and global distributors with best-in-class data solutions for efficiency and safer care to be deployed at scale.

RippleDown® is the rules engine of choice for pathology decision support globally, we are growing this market through direct customers, product expansion of more clinical use cases and distribution partners. In practice, successfully for more than 20 years, and with the product development in broader clinical decision support in progress this success will continue exponentially.

PICQ® and RISQ™ are established as world-leading audit and safety monitoring tools for all countries using ICD 10 AM, we are expanding this market by translating the product into other ICD versions to accommodate European countries and the US, we have interest from multiple governments for national audits and the permanent implementation of our tools, this is all part of our global scale up. In practical use for more than 12 years.

The crossover between these established products and our new developments in analytics and the global insights platform will ensure expansion on existing and new customer markets, with so many opportunities to crossover product lines in the known jurisdictions, and to partner with even more parts of the health system to shape the future of better healthcare.



Head of International Advisory  
**Jennifer Nobbs**

Based in the UK, Jennifer is engaging with new and existing markets internationally to lead advisory work in health delivery, operational efficiency, quality of data and care. Jennifer has 16 years experience in leading strategy across government, non-government and private sectors in Australia and the UK. Prior to Beamtree, Jennifer ran her policy advisory firm, consulting internationally. Until 2018, she was the ED of Activity Based Funding at the Independent Hospital Pricing Authority. In NSW she led work on mental health, drug and alcohol and homelessness, connecting policy and research to implement change.



Head of International Strategy and BD  
**Alex Kafetz**

Alex is a campaigner for inclusive use of technology to improve health outcomes and better transparency of data to improve the quality of services and ensure citizens have the same information as clinicians and managers. He advises organisations internationally to make this possible. Whilst working for Dr Foster, he led the first publication of patient safety indicators across the NHS. He has several non-executive positions including as independent member of the National Information Board and with the NHS in East London. In 2018 Alex was appointed as an adviser to the Paterson Inquiry.

## International success – Case study

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### Case study – international advisory

Clinically coded data is essential to ensure that resources are used and planned for efficiently and effectively in the health sector. There is wide recognition of the importance of good quality coded clinical data and the fundamental role it plays in health planning and hospital management around the world.

Beamtree established several yearlong advisory engagements to establish a reliable and replicable method for advisory at scale to bring data-driven insights to international health ministries (MOHs). The developed methods are used to examine complex coded data from different perspectives to review the quality of the data underpinning coded patient data. The “method” includes the use of Beamtree proprietary tools:

- Data maturity index and comparison to international best practice focused on people, processes, and tools
- Performance Indicators for Coding Quality (PICQ®) tool, measures of compliance with the classification coding standards
- Relative Indicators for Coding Quality (RISQ™) safety monitoring for the reduction of HACS
- identify under – or over-reporting of diagnoses and/or interventions
- Physical coding audit, comparison to and analysis of any delta

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### Outcomes:

The methods developed by Beamtree were carried out for the first time in Ireland, in 2016. That led to a subsequent implementation of PICQ® quality tools throughout all public hospitals in the Republic of Ireland. In 2019, the methods were with the MOH in Singapore. In a yearlong advisory engagement, Beamtree conducted a comprehensive review of data quality and the people and processes underpinning the clinically coded data reported to MOH. After the successful completion of the engagement, the ministry signed a proof of concept to implement PICQ® and RISQ™ software tool throughout all public and private hospitals in Singapore.

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### Success breeds success

Beamtree this year was again successful in an international tender bid to review the quality of existing coded data in all MOH public hospitals in the Kingdom of Saudi Arabia. The Kingdom utilises the Australian modified classification system for acute patients and provides significant opportunities. The current project is to finish in November 2021 with significant activity in building the sales pipeline for the coming years in this region

## Better has no limit

# Acquisitions

## Key acquisition puts Beamtree at the cutting-edge of Artificial Intelligence (AI) in clinical decision support, improving safety and efficiency

The expert clinical team from Ainsoff are joining Beamtree.

Dr Levi Bassin (Cardiothoracic Surgeon at the Royal North Shore Hospital in Sydney) and Dr David Bell (Cardiothoracic Trainee, Royal Australasian College of Surgeons) are both leaders in data, statistics and engineering. They used RippleDown® technology to create tools that can improve safety and value in the crucial areas of patient risk, clinical documentation and critical alerts.

Ainsoff has demonstrated improvements to patient care using world-leading Artificial Intelligence built on our RippleDown® products.

### Clinical trial outcomes

In their first product trial Ainsoff performed better than existing early warning systems. It demonstrated greater specificity and significantly reduced the number of false alarms, enabling targeted action from treatment teams, early prediction of mortality and ICU admission providing clinical staff valuable time to intervene before deterioration.

David Bell et al Critical Care Medicine 2021 – A trend-based Early Warning Score can be implemented in a hospital EMR to effectively predict inpatient deterioration.

David and Levi developed three game-changing products powered by RippleDown®, now part of the Beamtree portfolio, supporting our mission to improve care

#### Ainsoff 1

##### Patient Deterioration Detection

The first commercially available prediction tool that uses real-time trend analytics to help inform clinical decision-making and reduce the number of false triggers.

#### Ainsoff 2

##### Clinical Documentation tool

Technology that improves in hospital and post-discharge patient experiences, ultimately improving the quality of care.

#### Ainsoff 3

##### Automated Critical Pathology Alerts

A revolutionary tool that immediately notifies on-call clinicians about urgent results in the context of the patient condition, and in real-time, supporting clinical decisions.



Dr David Bell



Dr Levi Bassin

Beamtree

# The Beamtree difference





# Better has no limit

## The changing world of **health**

Quality healthcare is important to us all. Safe care also makes good financial sense. Our products ensure healthcare providers are armed with the insight to make informed decisions, helping them realise significant savings that can be reinvested to improve capacity within healthcare systems.

Beamtree empowers health systems to learn and improve. By turning data into insight and action through automation, we solve real-world problems with hugely beneficial human consequences.

We stand out by offering enterprise-wide knowledge management solutions – deploying cutting-edge AI and analytics to support the development of automated and assisted coding, global quality and efficiency benchmarking services and innovation in clinical decision support.

At a time in which health budgets are under growing pressure, our products help healthcare providers achieve savings by improving the quality and safety of their healthcare services.

- ✓ Address unwarranted variation
- ✓ Improve safety
- ✓ Facilitate automation
- ✓ Provide revenue assurance
- ✓ Lead quality analytics and reporting
- ✓ Improve quality
- ✓ Reduce risk
- ✓ Promote transparency

### Prevent waste

15% of hospital expenditure is due to **patients being adversely** affected while in hospital. Australian healthcare wastes 2% of its funding through incorrectly coded data.

### Improve safety

**One in nine patients** who go to hospital in Australia suffer a complication, which costs hospitals more than **A\$5 billion** a year.

### Better value care

The best health services deliver value for money by reducing **avoidable mortality, length of stay, readmissions and the cost of care.**

#### Sources

Michael E Porter, N Engl J Med. 2010 Dec 23;363(26):2477-81  
Delivering Quality Health Services – a Global Imperative for Universal Health Coverage, WHO, July 2018

As an example, rc.rcjournal.com/content/60/9/1314 Intermountain study showed avoidable mortality reduced by 2,000 a year and costs cut by 13%

As an example, HSMR in Queensland: 2015-16 Disclosure Log (health.qld.gov.au)  
Microsoft Word – Documents (grattan.edu.au)

Third atlas of variation 2018, Australian Commission on Safety and Quality

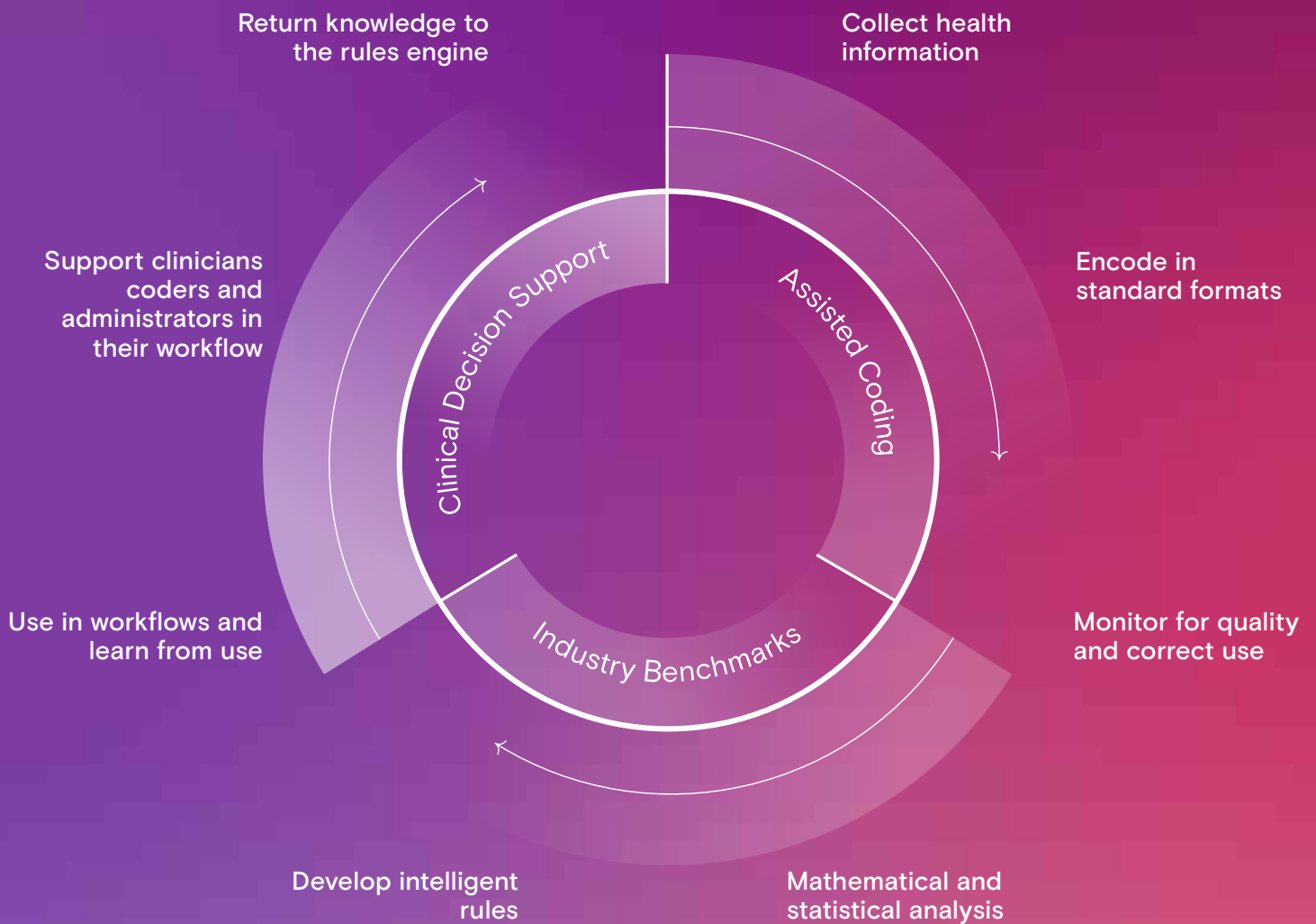
Safer care saves money: How to improve patient care and save public money at the same time – Grattan Institute

Safer care saves money: How to improve patient care and save public money at the same time, Grattan Institute, July 2018

# How we create value

## The Learning Health System

Driving continuous improvement by better access to healthcare information – towards safety, quality and efficiency standards.



## Our products

Building on world-class core products to develop an **integrated platform** for information and knowledge management, empowering a **learning health system**. Beamtree, incorporating AI and ML is providing end-to-end support from the moment of data collection and classification through quality and performance benchmarking to clinical decision support at point of care.

### The Beamtree knowledge management platform



**Computer** coding of clinical records, automation of reporting and documentation



Enhanced **quality** surveillance, drawing attention to the things that matter and providing education resources



**Real-time** management information and benchmarking, from and for the individual professional to the healthcare group



Real-time **decision support** for clinicians and patients – highlighting what matters and designed for the user as an individual or group



Improved **outcomes** for patients, through surveillance, benchmarking, alerts and communication

# Our products

At Beamtree we **make it simple** for healthcare providers to access quality information, automate wherever possible and make informed decisions. Our products enable healthcare organisations to use data in a continuous cycle of learning and improvements, driving quality, safety and efficiency.

We are moving to a near-term future where health systems will shift from a world of post-discharge data classification and correction to concurrent computer-assisted coding and decision support.

To reach this paradigm, real-time data analysis is required to create the most efficient clinical and financial outcomes.

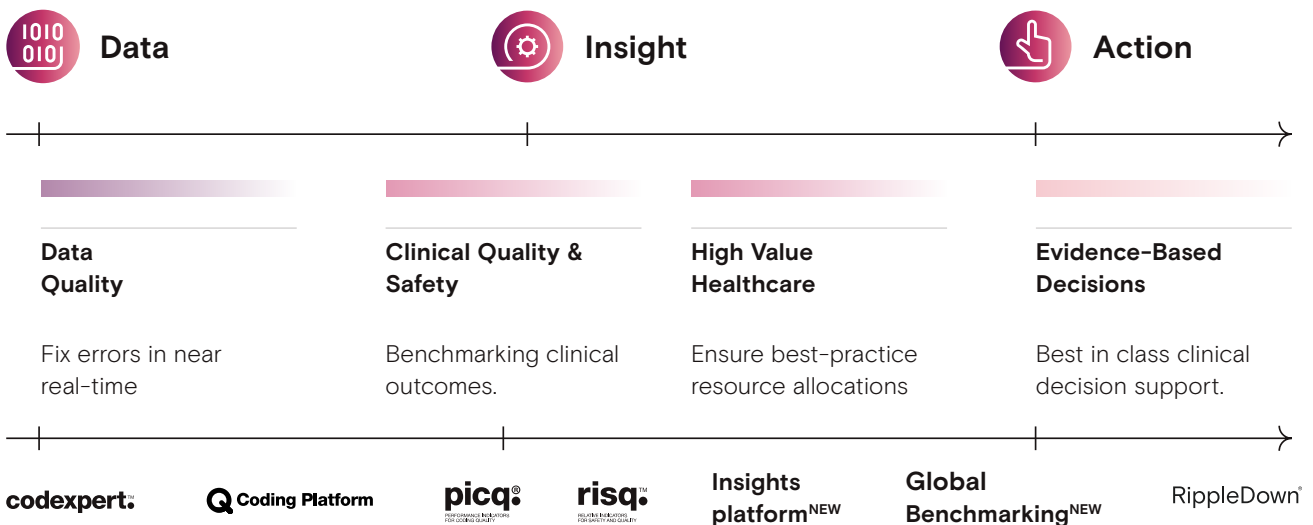
Computer-assisted coding is will continue to be one of the most important health data innovations of our lifetime and beyond.

It enables rapid improvement in the planning and sustainability of healthcare systems and services.

AI-assisted correlation between diagnostic processes and clinical care paths is the foundation on which genomics can enter the mainstream of clinical medicine. It has the ability to solve the core challenge of precision medicine – access to high-quality real-time reference data to support clinical interpretation of genetic variants.

At Beamtree, we are privileged to support the vital work of our customers and the communities they serve. We aspire to help patients and their care teams make better decisions together. That's not just a clinical or economic priority. Above all, it's a human imperative.

We are proud to play our part in the development of a truly caring, efficient and learning health system environment.



## Product value

### **codexpert™**

## Foundation for quality coding

Codexpert™ is our bespoke web-based application which provides the full health-data classification reference data using ICD-10 AM. This facilitates clinical coding of patient records. ICD-10 AM is an expanded version of the World Health Organization's ICD-10 (ICD being the global system to classify diseases and other health problems). ICD-10 AM reflects Australian modifications for disease and health interventions used across the Australian health system and 20 global markets including Ireland, Singapore and Saudi Arabia.

### **picq®**

## Auditing the quality of clinical data

PICQ® is designed to examine admitted patient data coded using ICD-10 (diagnoses) and intervention codes (medical treatment). PICQ® adds value to performance management, coding quality, audit, and monitoring. This helps customers develop a full picture of a patient's treatment journey through the healthcare system and helps to allocate resources.

### **Q Coding Platform**

## Classifying clinical data

Q Coding Platform is a complete, end-to-end management system which enables classification of clinical data. This clinical coding management tool helps our customers manage workflow, using ICD-10 AM classification to cross-reference and link to up-to-date coding standards and rules, integrating audit and reporting and real-time feedback on indicators, including Hospital Acquired Complications.

**“The coding auditing services (Beamtree) provided at our health service was exceptional.**

**Our coders found receiving feedback from (Senior Clinical Coding Auditor/ Educator) to be a really positive experience and a great education opportunity.**

**... from start to finish the communication, auditing, reports and support provided by (Beamtree) was fantastic and I would highly recommend their services.”**

Riverland General Hospital

## Helping identify where risk can be managed and patient outcomes improved

### Benchmarking best practice in clinical outcomes

RISQ™ is a comprehensive HAC measurement and auditing tool enabling benchmarking against best practice and peer groups. It allows customers to monitor overall HAC rates by drilling down into data by specific groups or select records for review to track actual and potential coding errors.

RISQ™ can identify focus areas and help organizations set targets, with systems able to monitor improvements over time.

RISQ™ assists customers in eliminating data issues and so concentrate on preventing real clinical harm. It is a key tool in our drive to improve health information, data management and the delivery of clinical care – with the ultimate and important goal of helping to reduce overall HAC rates.

We're on a mission to reduce HACs and provide the best care. It starts with good data.

RISQ™ has helped drive a 16% reduction in overall hospital acquired complications and reduce pressure injuries by 70%.”

St Vincents Hospitals Australia

## Advisory and Auditing

### International best practice data quality methodology

The Beamtree Data Maturity Index (Australian designed and globally recognized) and our commitment to audit comparison with international best practice are together focused on people, processes, and tools.

Our audit methods include the Performance Indicators for Coding Quality (PICQ®) tool, compliance with classification coding standards and measures covering non-specific code assignment.

We also review Relative Indicators for Coding Quality (RISQ™) Hospital Acquired Complications (HACS).

Our tools interrogate the quality of the data that underpins HAC rates and benchmarks them against risk-adjusted peers.

### Key new customers:

- Quality improvement
- Targeted education
- Coding and practice benchmarking
- Recovery of revenue
- Accurate recognition of activity
- Quality of clinical documentation

### Examples:

**Health Service Executive Ireland**  
National Audit of 50 hospitals in Ireland  
**Ministry of Health Singapore**  
National Audit of Admitted Patients  
**Ministry of Health Kingdom of Saudi Arabia**  
National Audit of Admitted Patients and coding  
**Ramsay Healthcare**  
National Audit 72 hospitals  
**Independent Hospital Pricing Authority**  
Full data audit for all public hospitals in Australia





## RippleDown®

### Providing real-time clinical support

An intelligence system that allows any clinical domain expert – for example, a pathologist, radiologist or medical doctor – to automate human decision-making processes at scale to provide real-time clinical analysis and interpretation, allowing for the automation of treatment documentation and reporting.

RippleDown® improves quality of outcomes and financial efficiency for customers. It can be used to help with early detection of deteriorating patients and reduce readmission rates. It increases auto-validation, giving clinicians more time to focus on critical results. It can reduce errors in and improve revenue and billing outcome.

This Australian innovation uses an AI-powered rules engine that can be trained to act like a member of the team.

### Development

RippleDown® is being expanded to include machine learning tools and analytics to inform more complex clinical care and management decisions, while advanced work in acute clinical decision support is also being trialled.

**“Beamtree stands for great service, huge knowledge of the clinical laboratory market and innovative ideas!”**

Philips Benelux

**“RippleDown has led to considerable savings and revenue enhancements for Lancet: correcting errors identified, guiding clinicians and automating documentation. The financial and workforce benefits are incredible.”**

Lancet Laboratories,  
South Africa

**“All these strategies deployed reduced our debt from \$7.1 million to almost nothing. Besides tremendous teamwork, I credit our success to RippleDown. I really consider RippleDown as our saviour.”**

South East Area Laboratory Service,  
Australia

## Three pillars of growth



Domestic \$100m,  
International \$3.8bn

Domestic \$210m,  
International \$6.3bn

Domestic \$117m  
International \$3.5bn

### **Scale the Core – expansion**

Rapidly scale our core products and services with new functionality and global expansion along with comparative outcome analysis. Further alignments with channel partners.

### **Leverage the Core – innovation**

Develop new complementary products and services, including near real-time comprehensive benchmarking and visualisation to help healthcare professionals gain deeper insights into financial and clinical performance.

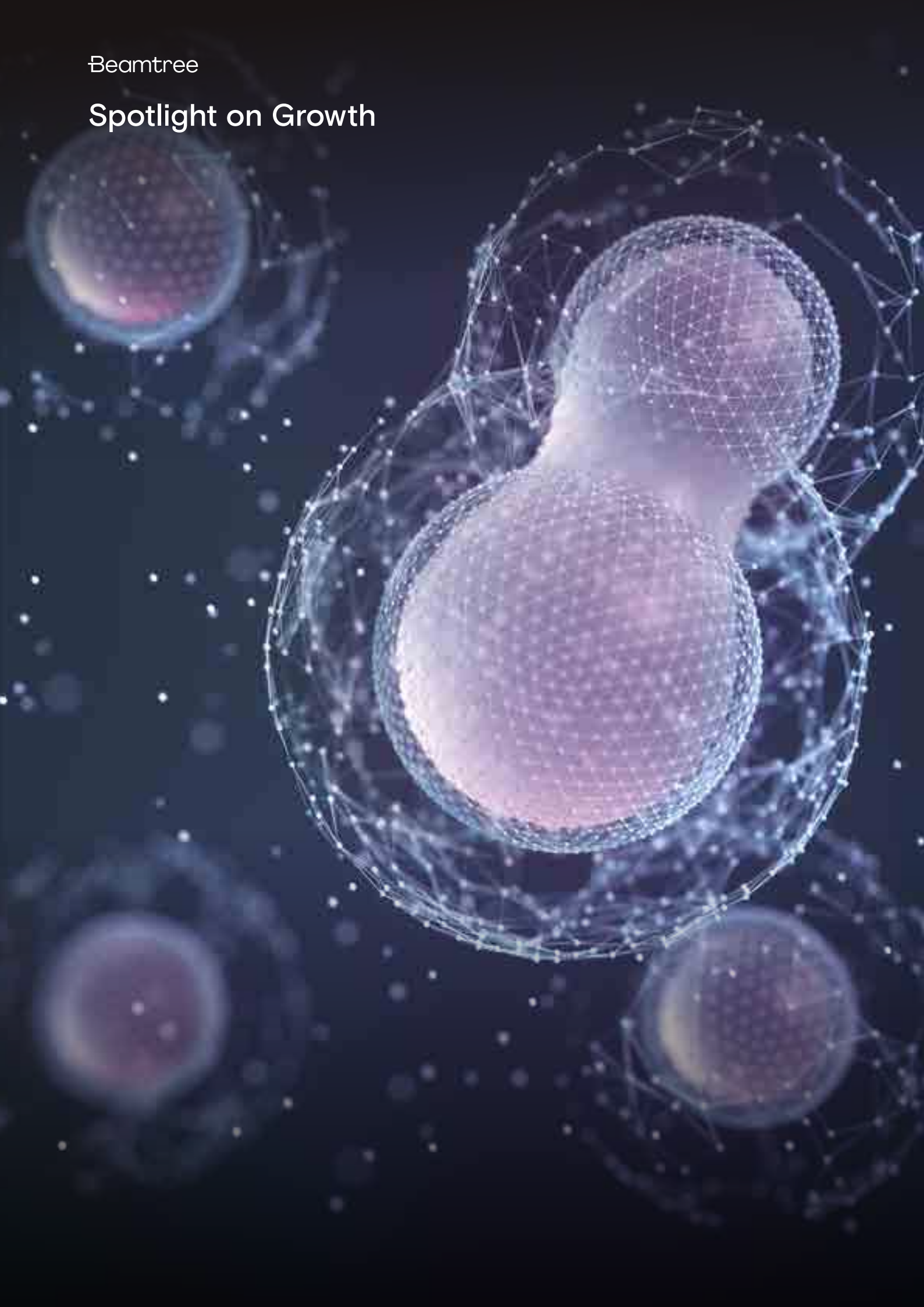
### **Expand the Core – transformation**

Accelerate R&D to change the shape of healthcare services, consigning outdated practices to obsolescence, while promoting automation, decision support and global learning.



Beamtree

# Spotlight on Growth



# Implementing the growth strategy: Spotlight on growth



The following pages describe 4 key areas of product development and expansion that are exciting for our company and health services around the world.

Automation of  
**coding**

Global **analytics**

AI **automation** and  
decision support

Building research  
and **thought  
leadership**

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Beamtree is proud to share how we are implementing and expanding on the **growth strategy**.

As we evolve our services to improve automation and aid health services with intelligent risk management and improving burdensome human processes, we are helping to ease the burden of health service delivery and improving care.

## Implementing the growth strategy: Spotlight on the automation of coding



At Beamtree we are working on a near-term future in which health systems start to move from a world of post-discharge data classification to concurrent computer-assisted coding. This will empower real-time data analysis and clinical decision support so that clinical and financial outcomes can be optimised.

We are developing a coding toolkit which will introduce AI to the coding process, helping the software think like a coder, recognising patterns of care and conditions from records to generate coding for validation and automation. This early work is now being implemented as a proof of concept in Australia and soon we expect to be able to share this progress broadly across the system and internationally.

Beamtree has always been **at the forefront of healthcare AI**. Now we're excited to be building AI technologies to support the automation of coding.



Clinically coded data is essential to ensure that resources are used and planned for efficiently and effectively in the health sector. There is wide recognition of the importance of good quality coded clinical data and the fundamental role it plays in health planning and hospital management around the world.

# Implementing the growth strategy: Spotlight on global analytics

## Insights Platform

### Tracking best practice, learning from peers and driving quality.

Beamtree is accelerating the concept and realisation of the learning health system, with cross-integration of information systems to provide visualisation of actionable insights for healthcare services. We will launch the Insight Platform in 2022 to improve care outcomes and efficiency.

Our current analyses include:

- Hospital acquired complications
- Avoidable hospital readmissions
- Reducing variance in length of stay
- High Impact users and preventable multiple admissions
- End of life care excellence and futility
- Care against best practice pathways for hip fracture
- Equity of treatment across populations

Beamtree is proud to announce the new insights platform for better health service delivery. The new platform is the most advanced offering of integrated information systems, designed to overcome barriers across clinical and non-clinical information sets to align serving across care events. It will provide advanced analytic insights tailored to the user to ensure information is turned into action relevant to your service context.

## Global Insights

### Decades of combined experience, with unique science to show and tell health data stories

Beamtree is developing global insights and expanding on the learning health system with hospitals across the globe, to compare best practice, efficiency and equity. All in the interests of nurturing knowledge and improving healthcare around the world.



# Implementing the growth strategy: Spotlight on AI automation and decision support



**Beamtree has been successful in implementing long-term use of artificial intelligence in clinical services around the globe for over 20 years.**

The unique rule writing properties of RippleDown® will be leveraged to support advances in Clinical Decision Support (CDS) in many areas this coming year.

Beamtree is extending our pathology solution in microbiology labs to increase automation and treatment recommendations, to embed efficiency in laboratories deeper than ever before. CDS is being tested in analytics tools to trigger actions and highlight risks for quality management purposes and support the learning health system. RippleDown® is being used to detect risk in acute patient care to predict a problem before it causes harm. RippleDown® is the backbone of our model to automate the coding process and free up the human workforce.

We are developing a machine learning (ML) module for advanced rule writing to further boost automation. ML will propose rules where automation cannot be completed without extra human nuance.

RippleDown® is to be integrated into CDS in pathology ordering, improving the efficient use of scarce resources.

Automated Critical Pathology Alerts Providing urgent attention to the things that matter – in real time.

RippleDown® will automate documentation and discharge summaries for efficient transfer of care, and freeing-up of clinical time.

Beamtree believes that access to high quality real time reference data can support clinical interpretation to the point where over 90% of automation is possible.

We are partnering with key health services across Australia in phase 1 trial implementations.

Beamtree's new offerings will provide **ground-breaking solutions** to real hospital pain points and generate better patient outcomes



## Implementing the growth strategy: Spotlight on building research and thought leadership



**Mark Britnell**

Beamtree will launch its Global Impact Committee in October 2021, to be chaired by international health expert, leader and award-winning author Dr Mark Britnell. Committee membership will be drawn from world-renowned thought leaders with a brief to improve patient outcomes and safety by mobilising the power of health data for a healthier, happier world.

### About the Global Impact Committee

The Global Impact Committee will provide advice on strategies and policies which promote best practice and innovation in health data, advancing Beamtree's mission to mobilise the power of data to drive better healthcare outcomes.

Dr Mark Britnell is one of the foremost global experts on healthcare systems and has led organizations at local, regional, national and global levels – provider and payer, public and private. He has worked in more than 80 countries.

### Beamtree and USYD pioneering data science team to improve health outcomes

Together Beamtree and the University of Sydney will ensure health data research is accelerated to improve the health outcomes and efficient use of healthcare resources, while developing and improving methods of analysis and utilisation to positively impact changing models for research and analytics.

Beamtree and the University of Sydney have established a pioneering collaborative, commencing with a cornerstone appointment of a Senior Research Academic, The Beamtree Associate Professor in Clinical Informatics. This senior academic role will be embedded with Biomedical Informatics and Digital Health, with support from Australia's largest comprehensive research and teaching group in biomedical informatics, with expertise spanning bioinformatics, data science, and human factors and implementation science.

"Beamtree has a strong history with the university sector and a growing body of evidence in the use of data analysis and artificial intelligence. The alliance with the University of Sydney is a perfect partnership to ensure we grow this exciting area of research and development for Australia, with the capacity to commercialise in ways that maximise positive impacts on health outcomes," said Robyn Ward, Executive Dean and Pro Vice-Chancellor, Faculty of Medicine and Health, University of Sydney

- Automated processing and extraction of information
- Application and development of localised health vocabularies
- New methods for making patient data available to support clinical decision support tools
- Better mapping patient data to assist in research and clinical surveillance activities
- Applying machine learning and other data science models to patient data.



**People. Culture. Values.**

# People. Culture. Values.

At Beamtree, our primary asset is our people – and in FY21 we continued to build a world-class team, growing our workforce by 83%.

Beamtree recruits for long-term impact and innovation, with emphasis on quality people who have demonstrated exceptional expertise in their fields. Our people and culture team have grown our values driven structure and performance management systems to ensure we develop our staff to excel personally and deliver on our strategic aims.

We are committed to supporting diversity and inclusion in our teams and leadership. Key hires for the year included CEO Tim Kelsey, CSO Cheryl McCullagh, Non-Executive Director Jim Birch and a host of senior and specialist hires across software engineering, UX design, clinical expertise, international experience and marketing.

## New Executive Members



CEO  
**Tim Kelsey**

Prior to joining Beamtree, Tim was Senior VP, Analytics International at HIMSS, supporting digital empowerment globally. Before that he worked in public service leading national health strategies in – Australia, as CE of the Australian Digital Health Agency (2016–20) and England, as NHS Director for Patients and Information (2012–15). Tim was National Information Director – Health and Care in England, Chair of the National Information Board and Executive Director of Transparency and Open Data. Tim was the inaugural chair of the Global Digital Health Partnership linking 35 countries and the WHO.

## New Board Member



Non-Executive Director  
**Jim Birch**

Jim, with over 30 years of health leadership at the coalface and consulting to global providers and government, has extensive experience in implementing technological change in the healthcare industry, having previously served as Chair of the Australian digital Health Agency, Deputy Chair of the Independent Hospital Pricing Authority, CEO of the SA Department of Health, and global healthcare leader for EY. Jim is currently Chair of the Little Company of Mary Health Care (Calvary), the Australian Red Cross Blood Service (now Lifeblood), the SA Women’s and Children’s Health Network and Clevertar Pty Ltd.



Chief Strategy Officer  
**Cheryl McCullagh**

Cheryl most recently worked with NSW Health as the Interim CE of Sydney Children’s Hospitals Network. She is an experienced Executive Director in health with a distinguished history of operational management, technology implementation, strategic planning and implementation science research. Cheryl has a clinical background in Nursing, with a Master’s Degree in Health Services Administration. With 30 years of health experience she serves on the Australian Digital Health Agency- Clinical and Technical Advisory Board and holds affiliations with Macquarie University and The University of Sydney.

## New Team Members



Senior UX Designer  
**Jude McCarthy**

Jude McCarthy is an experienced Senior UX Designer, she has strong experience leading the design of SAAS software solutions in the healthcare, automotive and financial services industries. Jude brings experience delivering complex, cross-functional design and high-impact user focused products that meet business goals.



Lead Architect  
**Erik Pragt**

A Technical Architect of more than 20 years Erik has spanned the finance, telecom and healthcare industries. Erik brings quality, technical leadership, an agile mindset and ability to create solutions that move industries toward excellence.



# People. Culture. Values.

Driven by the thrill of **solving challenges**, Beamtree's people, products and services are focused on creating tangible improvements in the health of the societies we serve.

## Proactive problem-solver

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### Collaborative

We work together internally and with our clients to get things done.

We invite the opinions and experience of others to the table.

Our aim is to turn our collaboration with all our partners into solutions with real human impact.

We are determined to create ever more intuitive interfaces, more intelligent programs and more responsive teams to rise to the global healthcare challenge.

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### Conscientious

We don't cut corners when it comes to our products or servicing our clients.

We're thorough in getting to know your business and its interconnected components.

We care deeply about everything we do – and it shows.

We come at things from all angles – no stone is left unturned.

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### Curious

We love learning about new things, getting under the skin of every organisation we work with to explore how to make things run more efficiently.

We don't sit around waiting for things to become obsolete – we're always on the front foot actively looking for new and better ways of doing things.

We address the future needs of our clients, not just their needs today, through original and applied thinking.

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**83% employee growth**



**Workforce  
59% male 41% female**

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The background of the entire page is a dense, abstract pattern of glowing fiber optic cables. The cables are primarily red and blue, with some white and yellow highlights, creating a complex, web-like structure that fills the frame. The cables appear to be bundled together and are illuminated from within, giving them a soft, ethereal glow. The overall effect is one of intricate connectivity and data flow.

Beamtree

# Financial Results FY21

Beamtree Holdings Limited

ABN 42 627 071 121

## Corporate directory

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### Directors

Michael Hill  
Ronald Van der Pluijm (resigned 14 March 2021)  
Andrew Gray  
Paul Williams  
Brad Lancken  
Stephen Borness  
James Birch (appointed 14 March 2021)

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### Company secretary

Maggie Niewidok (resigned 13 April 2021)  
Belinda Cleminson (appointed 13 April 2021)

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### Notice of annual general meeting

The details of the annual general meeting of Beamtree Holdings Limited are:  
16 Eveleigh Street  
Redfern, NSW 2016  
28 October 2021

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### Registered office

16 Eveleigh Street  
Redfern, NSW 2016

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### Principal place of business

16 Eveleigh Street  
Redfern, NSW 2016

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### Share register

Automic Pty Ltd  
Level 5  
126 Phillip Street  
Sydney, NSW 2000

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### Auditor

BDO Audit Pty Ltd

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### Solicitors

Automic Pty Ltd

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### Bankers

Commonwealth Bank of Australia

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### Website

[www.beamtree.com.au](http://www.beamtree.com.au)

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### Corporate Governance Statement

[www.beamtree.com.au/our-company/corporate-governance/](http://www.beamtree.com.au/our-company/corporate-governance/)

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## **Directors' report** **30 June 2021**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Beamtree Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

### **Directors**

The following persons were directors of Beamtree Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Michael Hill  
Ronald Van der Pluijm (resigned 14 March 2021)  
Andrew Gray  
Paul Williams  
Brad Lancken  
Stephen Borness  
James Birch (appointed 14 March 2021)

### **Principal activities**

The principal activity of the consolidated entity during the year was the provision of software services to the healthcare industry.

### **Dividends**

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

### **Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$383,619 (30 June 2020: profit of \$382,902).

A full review of operations is presented on page 8.

### **Likely developments and expected results of operations**

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

### **Events after the reporting period**

On 26 August 2021, the Company has completed acquisition of AINSOFF Pty Ltd, a clinical-led healthcare analytics company with an upfront completion payment of \$350,000 and 1,625,000 full paid ordinary shares.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Notwithstanding the above, the consolidated entity is considered as an essential service and will continue to operate through these challenging periods. Both the Clinical Decision Software (CDS) and the audit and risk management software are primarily used by pathology laboratories and hospitals in the healthcare sector around the world.

The consolidated entity also has a high proportion of recurring revenue and predictable costs and therefore, a strong view on trading and cashflow. As at 30 June 2021, the consolidated entity has a strong positive cash balance of \$14,117,444 and expect revenue to continue to grow in the coming financial years.

Apart from the impact of the COVID-19 pandemic, no other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## **Environmental regulation**

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## **Information on directors**

Name:	Michael Hill
Title:	Non-Executive Chairman
Experience and expertise:	Formerly a Partner of Ernst & Young, Mike has been involved in working with management teams and boards across a number of companies and industries for more than 20 years. He is the MD & CIO, Founder of the Bombora Special Investment Growth Fund. Prior to Bombora he was an Investment Partner with Ironbridge, a private equity investment fund which invested \$1.5bn. Mike has served as Chairman of multiple ASX-listed companies over the past eight years. He is a member of the Institute of Chartered Accountants in Australia.
Other current directorships:	Design Milk Co Limited (Non-Executive Chairman) Janison Education Group Limited (Non-Executive Chairman) Mad Paws Holdings Limited (Non-Executive Director) Gratific Limited (Non Executive Director)
Former directorships (last 3 years):	Rhipe Limited (Non-Executive Chairman) resigned on 26 March 2019 Acrow Formwork and Construction Limited (Non-Executive Director) resigned on 19 September 2019
Special responsibilities:	Chairperson Member Remuneration and Nomination Committee Member Audit Remuneration and Risk Committee
Interests in shares:	1,367,000 ordinary shares*
Name:	Ronald Van der Pluijm
Title:	Managing Director and Chief Executive Officer (resigned 14 March 2021)
Experience and expertise:	Ron is recognised as a highly adaptable and energetic commercial leader with a very successful track record in start-up, turnaround, multinational and ASX listed corporate environments focusing on the life science industry. He has a successful track record in building and growing operational companies through business development, partnerships and licensing and M&A resulting in strong sales and profit growth. As CEO Australia /New Zealand at Actavis (now Allergan) he successfully turned the business around and put it on the path to growth. He was part of the ASX listed Psirom team (subsequently renamed Viralytics) which acquired the oncolytic immunotherapy which was acquired by MSD in 2019 for \$500 million.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	398,312 ordinary shares**
Interests in options:	800,000 options
Contractual rights to shares:	800,000 performance rights

## Directors' report 30 June 2021

**Name:** Andrew Gray  
**Title:** Non-Executive Director  
**Experience and expertise:** Andrew Gray is a Managing Director of Potentia, a technology-focused private equity investment firm. Before founding Potentia, Andrew was a Managing Director at Archer Capital, an Australian based private equity firm with more than \$3 billion in capital under management. While at Archer Capital, Andrew led the firm's largest investment into software business MYOB (its largest ever return to investors). Before joining Archer Capital, Andrew was a partner with Francisco Partners, a technology-focused global private equity firm with over US\$10 billion in capital under management. Andrew serves as Chairman of Ascender HCM, a leading payroll software provider and Chairman of Linkly, a provider of payments integration software. He is also a Director of Micromine, a general mine planning software business. Andrew has a Degree in Aeronautical Engineering with First Class Honours from the University of Sydney and an MBA from The Harvard Business School.

**Other current directorships:** None  
**Former directorships (last 3 years):** None  
**Special responsibilities:** Member Remuneration and Nomination Committee  
**Interests in shares:** 7,100,000 ordinary shares\*\*\*  
**Contractual rights to shares:** 2,000,000 performance rights

**Name:** Paul Williams  
**Title:** Non-Executive Director  
**Experience and expertise:** Paul has a proven history of ICT managerial performance across the health, transport, logistics and resources industries. Before retiring from full time employment, his last role was as Chief Information Officer at Healthscope Ltd where he was responsible for all ICT activities at Australia's largest provider of integrated healthcare, covering 44 private hospitals across Australia, national and international pathology services and 50 medical centres. He has extensive experience in delivering innovation, change and reform within large and complex businesses. Prior to Healthscope, Paul was the Head of Information Services at the National E-Health Transition Authority and National IT Manager, Pathology for Mayne/Symbion/Primary.

**Other current directorships:** None  
**Former directorships (last 3 years):** None  
**Special responsibilities:** Chairperson Audit and Risk Committee  
**Interests in shares:** 250,000 ordinary shares  
**Interests in options:** 150,000 options  
**Contractual rights to shares:** 400,000 performance rights

**Name:** Brad Lancken  
**Title:** Non-Executive Director  
**Experience and expertise:** Brad is an experienced private and public company executive with over 15 years' experience and is a Managing Partner of Liverpool Partners with former roles at Archer Capital and Seven Group Holdings Limited. Brad has global experience in the technology and SaaS sector including currently acting as a Director of Seisma Technology Services and former roles on the advisory board of China Media Capital Partners and as a Board Director of Onesource Group and iseekplant.com.au. He also has domestic health care experience having led investments in the aged care sector, currently a Director of residential aged care provider CraigCare and serves the community as a Director of the NSW Institute of Sport.

**Other current directorships:** None  
**Former directorships (last 3 years):** None  
**Special responsibilities:** Chairperson Remuneration and Nomination Committee  
**Interests in shares:** 1,000,000 ordinary shares\*\*\*\*  
**Interests in options:** 375,000 options  
**Interests in rights:** 1,000,000 performance rights

## Directors' report 30 June 2021

Name: Stephen Borness  
 Title: Non-Executive Director  
 Experience and expertise: Mr Borness has founded and directed strategy for several technology and health related private companies, and was Board Chair and Finance Director of Pavilion Health before it merged with PKS (now Beamtree Holdings Limited). He has led projects and has expertise in implementation of digital technologies, health system analytics and cybersecurity. Prior to focusing on the health and technology sectors Mr Borness worked as an investment banker across the Australian, European and U.S. markets. Mr Borness is a Fellow of the Australian Institute of Company Directors and holds a Bachelor of Business (Accounting), MBA and CPA.

Other current directorships: Gratifii Limited  
 Former directorships (last 3 years): None  
 Interests in shares: 11,297,984 ordinary shares\*\*\*\*\*

Name: James Birch (appointed 14 March 2021)  
 Title: Non-Executive Director  
 Experience and expertise: Mr Birch has more than 30 years' experience in implementing technological change in the healthcare industry, having previously served as Chair of the Australian digital Health Agency, Deputy Chair of the Independent Hospital Pricing Authority, CEO of the SA Department of Health, and global healthcare leader for consulting firm EY. Jim is currently Chair of the Little Company of Mary Health Care (Calvary), the Australian Red Cross Blood Service (now known as Lifeblood), the SA Women's and Children's Health Network and Clevertar Pty Ltd.

Other current directorships: Little Company of Mary Health Care  
 Clevertar Pty Ltd  
 Australian Red Cross  
 Women's and Children's Health Network SA  
 Lifeblood  
 Cancer Council of SA  
 Former directorships (last 3 years): Independent Hospital Pricing Authority  
 Australian Digital Health Agency

Interests in shares: *Note, all directorships listed for James Birch are for unlisted entities.*  
 None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

\* Michael Hill holds 617,000 interests in shares indirectly through Jarumitoti Superannuation Fund Pty Ltd - Jarumitoti Super Fund A/C and 750,000 interests in shares indirectly through Malolo Holdings Pty Ltd - Malolo Holdings A/C, both of which he is the ultimate controlling party.

\*\* Ronald Van der Pluijm holds his interests in shares indirectly through Perfume Only Pty Ltd - Tiger A/C, of which he is the ultimate controlling party.

\*\*\* Andrew Gray holds 1,250,000 interests in shares indirectly through Caladan Capital Pty Ltd and 5,750,000 interests in shares indirectly through HSBC Nominees (Australia) Limited on behalf of Arrakis Nominees ATF Arrakis Family Trust, both of which he is the ultimate controlling party.

\*\*\*\* Brad Lancken holds 50,000 interests in shares indirectly through Conchord Pty Ltd, 50,000 interests in shares indirectly through Neo Camelot Holdings NO 2 Pty Ltd and 900,000 interests in shares indirectly through HSBC Custody Nominees.

\*\*\*\*\* Stephen Borness holds 11,297,984 interest in shares indirectly through Celerity Investments Pty Ltd.

## Directors' report 30 June 2021

### Company secretaries

Maggie Niewidok is an admitted lawyer who works at Automic Group across the Automic Legal and Company Secretarial teams. She works closely with a number of boards of both listed and unlisted public companies. Maggie holds a double degree, Bachelor of Laws and Bachelor of Commerce majoring in Finance and is in the final stages of completing her Graduate Diploma of Applied Corporate Governance from the Governance Institute.

Belinda Cleminson is an employee of Automic Group. She is the company secretary of various public and private companies, across a range of industries. Belinda is a member of the Governance Institute of Australia, and a Member of the Australian Institute of Company Directors.

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
Michael Hill	13	13	2	2	4	6
Ronald Van der Pluijm*	9	9	-	-	3	3
Andrew Gray	10	13	1	2	1	1
Paul Williams	13	13	-	-	6	6
Brad Lancken	12	13	2	2	-	1
Stephen Borness	13	13	1	2	6	6
James Birch**	3	3	-	-	1	1

\* Resigned 14 March 2021

\*\* Appointed 14 March 2021

### Remuneration report (audited)

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

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

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

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

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

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency



## Directors' report 30 June 2021

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

### *Non-executive directors remuneration*

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

### *Executive remuneration*

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and company performance and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

### *Details of remuneration*

#### *Amounts of remuneration*

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

## Directors' report 30 June 2021

The key management personnel of the consolidated entity consisted of the following directors of Beamtree Holdings Limited:

- Michael Hill - Non-Executive Chairman
- Ronald Van der Pluijm (resigned 14 March 2021) - Managing Director and Chief Executive Officer
- Andrew Gray - Non-Executive Director
- Paul Williams - Non-Executive Director
- Brad Lancken - Non-Executive Director
- Stephen Borness - Non-Executive Director
- James Birch (appointed 14 March 2021) - Non-Executive Director

2021	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Annual leave \$	Super-annuation \$	Long service leave \$	Equity-settled \$	
<i>Non-Executive Directors:</i>							
Michael Hill (Chairman)	73,059	-	-	6,941	-	-	80,000
Andrew Gray	54,795	-	-	5,205	-	101,826	161,826
Paul Williams	54,795	-	-	5,205	-	20,365	80,365
Brad Lancken	54,795	-	-	5,205	-	85,813	145,813
Stephen Borness	60,000	-	-	-	-	-	60,000
James Birch	16,438	-	-	1,562	-	-	18,000
<i>Executive Directors:</i>							
Ronald Van der Pluijm*	181,087	48,889	-	18,059	-	102,763	350,798
<i>Other Key Management Personnel:</i>							
Douglas Henry**	95,129	-	7,511	9,037	44	(10,882)	100,839
Paul O'Connor**	95,129	-	7,511	9,037	44	(10,882)	100,839
Michael Pollitt**	95,129	-	4,479	9,037	44	(21,763)	86,926
Tim Kelsey	195,677	75,000	15,627	10,847	89	275,434	572,674
	<u>976,033</u>	<u>123,889</u>	<u>35,128</u>	<u>80,135</u>	<u>221</u>	<u>542,674</u>	<u>1,758,080</u>

\* resigned as a Director on 14 March 2021.

\*\* Douglas Henry, Paul O'Connor and Michael Pollitt ceased being KMP from 1 December 2020.

Directors' report  
30 June 2021

2020	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Annual leave \$	Super-annuation \$	Long service leave \$	Equity-settled** \$	
<i>Non-Executive Directors:</i>							
Michael Hill (Chairman)	73,059	-	-	6,941	-	-	80,000
Andrew Gray	54,795	-	-	5,205	-	111,917	171,917
Neil Broekhuizen*	50,228	-	-	4,772	-	111,917	166,917
Paul Williams	54,795	-	-	5,205	-	22,383	82,383
Brad Lancken	38,637	-	-	3,671	-	7,523	49,831
Stephen Borness	5,000	-	-	-	-	-	5,000
<i>Executive Directors:</i>							
Ronald Van der Pluijm	292,230	-	21,413	27,762	342	59,214	400,961
<i>Other Key Management Personnel:</i>							
Douglas Henry	19,026	-	2,596	1,807	10	10,882	34,321
Paul O'Connor	19,026	-	2,596	1,807	10	10,882	34,321
Michael Pollitt	19,026	-	2,596	1,807	10	21,763	45,202
	<u>625,822</u>	<u>-</u>	<u>29,201</u>	<u>58,977</u>	<u>372</u>	<u>356,481</u>	<u>1,070,853</u>

\* resigned 31 May 2020.

\*\* Equity settled share based payments have been restated from the comparative period expense of \$147,432 due to revisions in the vesting periods of options issued.

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

Name	Fixed remuneration		Performance related		At risk - LTI	
	2021	2020	2021	2020	2021	2020
<i>Non-Executive Directors:</i>						
Michael Hill	100%	100%	-	-	-	-
Andrew Gray	37%	35%	63%	65%	-	-
Neil Broekhuizen*	-	33%	-	67%	-	-
Paul Williams	75%	73%	25%	27%	-	-
Brad Lancken	41%	85%	59%	15%	-	-
Stephen Borness	100%	100%	-	-	-	-
James Birch	100%	-	-	-	-	-
<i>Executive Directors:</i>						
Ronald Van der Pluijm**	57%	85%	43%	15%	-	-
<i>Other Key Management Personnel:</i>						
Douglas Henry	68%	68%	32%	32%	-	-
Paul O'Connor	68%	68%	32%	32%	-	-
Michael Pollitt	51%	52%	49%	48%	-	-
Tim Kelsey	39%	-	61%	-	-	-

\* resigned 31 May 2020.

\*\* resigned as a Director on 14 March 2021.

## Directors' report 30 June 2021

### *Service agreements*

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Michael Hill
Title:	Non-Executive Chairman
Agreement commenced:	31 May 2019
Details:	\$80,000 per annum including superannuation. No notice period.
Name:	Ronald Van der Pluijm (resigned 14 March 2021)*
Title:	Managing Director and Chief Executive Officer
Agreement commenced:	31 May 2019
Details:	\$320,000 per annum including superannuation. 3 months' termination notice.
Name:	Andrew Gray
Title:	Non-Executive Director
Agreement commenced:	31 May 2019
Details:	\$60,000 per annum including superannuation. No notice period.
Name:	Paul Williams
Title:	Non-Executive Director
Agreement commenced:	31 May 2019
Details:	\$60,000 per annum including superannuation. No notice period.
Name:	Brad Lancken
Title:	Non-Executive Director
Agreement commenced:	18 October 2019
Details:	\$60,000 per annum including superannuation. No notice period.
Name:	Stephen Borness
Title:	Non-Executive Director
Agreement commenced:	10 June 2020
Details:	\$60,000 per annum including superannuation. No notice period
Name:	James Birch (appointed 14 March 2021)
Title:	Non-Executive Director
Agreement commenced:	14 March 2021
Details:	\$60,000 per annum including superannuation. No notice period
Name:	Douglas Henry
Title:	Executive
Agreement commenced:	10 June 2020
Details:	\$250,000 per annum including superannuation. 3 months' termination notice.
Name:	Michael Pollitt
Title:	Executive
Agreement commenced:	10 June 2020
Details:	\$250,000 per annum including superannuation. 3 months' termination notice.
Name:	Paul O'Connor
Title:	Executive
Agreement commenced:	10 June 2020
Details:	\$250,000 per annum including superannuation. 3 months' termination notice.
Name:	Tim Kelsey
Title:	Chief Executive Officer
Agreement commenced:	14 December 2020
Details:	\$375,000 per annum including superannuation. 4 months' termination notice.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

## Directors' report 30 June 2021

\* Resigned as Chief Executive Officer as of 14 December 2020. Non-Executive Director from 14 December through 14 March 2021. Resigned as Director on 14 March 2021.

### Share-based compensation

#### Issue of shares

There were no shares issued to directors as part of compensation during the period ended 30 June 2021.

#### Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and KMP in this financial period or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Ronald Van der Pluijm*	800,000	30/05/2019	29/05/2021	29/05/2024	\$0.20	\$0.058
Paul Williams	150,000	30/05/2019	29/05/2021	29/05/2024	\$0.20	\$0.058
Brad Lancken	375,000	29/05/2020	29/05/2022	10/06/2025	\$0.20	\$0.095

\* resigned as Director on 14 March 2021.

The options will vest if each of the following conditions are satisfied:

- the holder must be employed and/or engaged by the company for at least two years from the date of issue of the options; and
- the 5 day VWAP of the company's share price is 40 cents or above for more than 30 days.

Options with a vesting date prior to 30 June 2021 have also vested based on the above vesting conditions.

All shares allotted upon the exercise of options will upon allotment rank pari passu in all respects with other shares.

#### Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and KMP in this financial period or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Expiry date	Share price hurdle for vesting	Fair value per right at grant date
Ronald Van der Pluijm* **	800,000	30/05/2019	29/05/2021	29/05/2024	\$0.40	\$0.090
Andrew Gray**	2,000,000	30/05/2019	29/05/2021	29/05/2024	\$0.40	\$0.090
Paul Williams**	400,000	30/05/2019	29/05/2021	29/05/2024	\$0.40	\$0.090
Douglas Henry***	1,000,000	29/05/2020	30/06/2021	10/06/2023	\$0.00	\$0.180
Paul O'Connor***	1,000,000	29/05/2020	30/06/2021	10/06/2023	\$0.00	\$0.180
Michael Pollitt***	2,000,000	29/05/2020	30/06/2021	10/06/2023	\$0.00	\$0.180
Brad Lancken**	1,000,000	29/05/2020	29/05/2022	10/06/2025	\$0.00	\$0.136
Tim Kelsey****	650,000	6/10/2020	30/08/2021	16/11/2025	\$0.00	\$0.154
Tim Kelsey****	1,450,000	6/10/2020	29/08/2022	16/11/2025	\$0.00	\$0.161
Tim Kelsey****	1,450,000	6/10/2020	28/08/2023	16/11/2025	\$0.00	\$0.162
Tim Kelsey****	1,450,000	6/10/2020	28/08/2024	16/11/2025	\$0.00	\$0.164

\* resigned as Director on 14 March 2021.

\*\* The performance rights will vest if each of the following conditions are satisfied:

## Directors' report 30 June 2021

- (a) the holder must be employed and/or engaged by the company for at least two years from the date of issue of the performance rights; and
- (b) the 5 day VWAP of the company's share price is 40 cents or above for more than 30 days.

Performance rights with a vesting date of 29/05/2021 have vested based on the above vesting conditions.

\*\*\* The performance rights were forfeited during the period as the non-market performance condition was not satisfied.

These performance rights were to vest if each of the following conditions were satisfied:

- (a) the holder must be employed and/or engaged by the company for at least two years from the date of issue of the performance rights; and
- (b) the budgeted revenue target must be met for the 2021 financial year.

\*\*\*\* Refer to 'Additional disclosures relating to key management personnel' for vesting conditions.

All shares allotted upon the conversion of performance rights will upon allotment rank pari passu in all respects with other shares.

### **Additional information**

The earnings of the consolidated entity for the three years to 30 June 2021 are summarised below:

	2021	2020	The period from 26 June 2018 to 30 June 2019
	\$	\$	\$
Total income	8,940,073	4,272,159	300,127
EBITDA	1,017,157	845,011	(811,714)
EBIT	(479,650)	335,941	(842,699)
(Loss)/profit after income tax	(383,619)	382,902	(932,360)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2021	2020	The period from 26 June 2018 to 30 June 2019
Share price at financial year end (\$)	0.42	0.17	0.19
Basic earnings per share (cents per share)	(0.19)	0.30	(5.05)
Diluted earnings per share (cents per share)	(0.19)	0.26	(5.05)

*Additional disclosures relating to key management personnel*

*Shareholding*

The number of shares in the company held during the financial period by each director of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Michael Hill	1,367,000	-	-	-	1,367,000
Ronald Van der Pluijm	250,000	-	148,312	-	398,312
Andrew Gray	1,350,000	-	5,750,000	-	7,100,000
Paul Williams	250,000	-	-	-	250,000
Brad Lancken	1,000,000	-	-	-	1,000,000
Stephen Borness*	9,705,127	-	1,592,857	-	11,297,984
Douglas Henry**	17,896,624	-	-	-	17,896,624
Paul O'Connor***	18,932,213	-	-	-	18,932,213
Michael Pollitt****	3,579,547	-	-	-	3,579,547
	<u>54,330,511</u>	<u>-</u>	<u>7,491,169</u>	<u>-</u>	<u>61,821,680</u>

\* Stephen Borness elected to put 4,727,563 shares in voluntary escrow for 24 months from date of issuance.

\*\* Douglas Henry elected to put 8,948,312 shares in voluntary escrow for 24 months from date of issuance.

\*\*\* Paul O'Connor elected to put 9,466,106 shares in voluntary escrow for 24 months from date of issuance.

\*\*\*\* Michael Pollitt elected to put 1,789,773 shares in voluntary escrow for 24 months from date of issuance.

Refer to 'information on directors' for portions held indirectly.

*Option holding*

The number of options over ordinary shares in the company held during the financial period by each director of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Ronald Van der Pluijm*	800,000	-	-	-	800,000
Andrew Gray	750,000	-	(750,000)	-	-
Paul Williams	150,000	-	-	-	150,000
Brad Lancken	375,000	-	-	-	375,000
	<u>2,075,000</u>	<u>-</u>	<u>(750,000)</u>	<u>-</u>	<u>1,325,000</u>

\* resigned as a Director on 14 March 2021.

## Directors' report 30 June 2021

### Performance rights holding

The number of performance rights over ordinary shares in the company held during the financial period by each director and key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
Ronald Van der Pluijm*	800,000	-	-	-	800,000
Andrew Gray	2,000,000	-	-	-	2,000,000
Paul Williams	400,000	-	-	-	400,000
Douglas Henry	1,000,000	-	-	(1,000,000)	-
Paul O'Connor	1,000,000	-	-	(1,000,000)	-
Michael Pollitt	2,000,000	-	-	(2,000,000)	-
Brad Lancken	1,000,000	-	-	-	1,000,000
Tim Kelsey**	-	5,000,000	-	-	5,000,000
	<u>8,200,000</u>	<u>5,000,000</u>	<u>-</u>	<u>(4,000,000)</u>	<u>9,200,000</u>

\* resigned as a Director on 14 March 2021.

\*\* appointed on 14 December 2020

The performance rights granted during the period will vest if each of the following conditions are satisfied in each respective vesting period:

- (a) achievement of budgeted revenue target, subject to a minimum 20% growth year on year;
- (b) achievement of budgeted EBITDA target; and
- (c) achievement of strategic and performance initiatives within the annual budget.

The above conditions are subject to a total shareholder return hurdle of a 20% compound annual growth rate, which is determined by comparing the 30-day volume weighted average price (VWAP) of BMT shares prior to the release of the relevant financial year results, against the reference VWAP. The reference VWAP has been deemed as the one month period prior to the grant date of performance rights issued. The holder must be employed and/or engaged by the company during the entire vesting period.

All shares allotted upon the conversion of performance rights will upon allotment, rank pari passu in all respects with other shares.

***This concludes the remuneration report, which has been audited.***

### Shares under option

Unissued ordinary shares of Beamtree Holdings Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
01/10/2018	30/09/2023	\$0.10	6,000,000
30/05/2019	29/05/2024	\$0.20	2,925,000
29/05/2020	10/06/2025	\$0.20	375,000
			<u>9,300,000</u>

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



## Directors' report 30 June 2021

### Shares under performance rights

Unissued ordinary shares of Beamtree Holdings Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
30/05/2019	29/05/2024	\$0.00	4,200,000
29/05/2020	29/05/2025	\$0.00	1,000,000
6/10/2020	16/11/2025	\$0.00	5,000,000
			10,200,000

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

The total fair value of performance rights granted during the period is \$834,930.

### Shares issued on the exercise of options

The following ordinary shares of Beamtree Holdings Limited were issued during the year ended 30 June 2021 and up to the date of this report on the exercise of options granted:

Date options granted	Date of issue	Exercise price	Number of shares issued
01/10/2018	22/09/2020	\$0.10	1,000,000
30/05/2019	28/06/2021	\$0.20	750,000

### Shares issued on the exercise of performance rights

There were no ordinary shares of Beamtree Holdings Limited issued on the exercise of performance rights during the year ended 30 June 2021 and up to the date of this report.

### Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

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

### Indemnity and insurance of auditor

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

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

### Proceedings on behalf of the company

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

## Directors' report 30 June 2021

### Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial period by the auditor are outlined in note 25 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 25 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

### Officers of the company who are former directors of BDO Audit Pty Ltd

There are no officers of the company who are former directors of BDO Audit Pty Ltd.

### Auditor's independence declaration


A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

### Auditor

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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Michael Hill  
Chairman

27 August 2021

**DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF BEAMTREE HOLDINGS LIMITED**

As lead auditor of Beamtree Holdings Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Beamtree Holdings Limited and the entities it controlled during the period.



**Gareth Few**  
**Director**

**BDO Audit Pty Ltd**

Sydney

27 August 2021

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## General information

The financial statements cover Beamtree Holdings Limited as a consolidated entity consisting of Beamtree Holdings Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is Beamtree Holdings Limited's functional and presentation currency.

Beamtree Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

### Registered office

16 Eveleigh Street  
Redfern, NSW 2016

### Principal place of business

16 Eveleigh Street  
Redfern, NSW 2016

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 August 2021. The directors have the power to amend and reissue the financial statements.

**Consolidated statement of profit or loss and other comprehensive income  
For the year ended 30 June 2021**

	Note	Consolidated 2021 \$	2020 \$
<b>Revenue</b>	3	8,386,045	4,124,724
Other income	4	554,028	147,435
<b>Expenses</b>			
Employee benefits expense		(4,378,922)	(1,228,353)
Depreciation and amortisation expense		(1,496,807)	(509,070)
Finance costs	5	(14,288)	(5,746)
Sales and marketing		(191,216)	(162,507)
Occupancy costs		(86,324)	(15,260)
Professional fees		(1,102,116)	(1,088,137)
Share based payment expense		(532,715)	(314,708)
Consultancy, hosting and other direct costs		(1,241,209)	(245,521)
Other expenses		(388,233)	(371,765)
<b>(Loss)/profit before income tax benefit</b>		(491,757)	331,092
Income tax benefit	6	108,138	51,810
<b>(Loss)/profit after income tax benefit for the year attributable to the owners of Beamtree Holdings Limited</b>	20	(383,619)	382,902
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net change in the fair value of cash flow hedges taken to equity, net of tax		(28,101)	-
Foreign currency translation		(3,745)	20,057
Other comprehensive income for the year, net of tax		(31,846)	20,057
<b>Total comprehensive income for the year attributable to the owners of Beamtree Holdings Limited</b>		(415,465)	402,959
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	36	(0.19)	0.30
Diluted earnings per share	36	(0.19)	0.26

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

## Consolidated statement of financial position As at 30 June 2021

	Note	Consolidated 2021 \$	Consolidated 2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		14,117,444	4,204,932
Trade and other receivables	7	2,132,129	1,221,970
Contract assets	8	1,118,903	19,211
Current tax assets	6	-	100,000
<b>Total current assets</b>		<b>17,368,476</b>	<b>5,546,113</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	626,423	83,291
Right-of-use assets	9	812,351	41,167
Intangibles	11	27,070,465	26,085,037
Deferred tax assets	6	1,177,206	887,881
<b>Total non-current assets</b>		<b>29,686,445</b>	<b>27,097,376</b>
<b>Total assets</b>		<b>47,054,921</b>	<b>32,643,489</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	942,402	754,687
Contract liabilities	13	1,893,698	1,651,138
Lease liabilities	14	276,306	44,273
Derivative financial instruments	15	28,101	-
Current tax liability	6	153,777	11,220
Employee benefits	16	463,607	346,198
<b>Total current liabilities</b>		<b>3,757,891</b>	<b>2,807,516</b>
<b>Non-current liabilities</b>			
Lease liabilities	14	523,051	-
Deferred tax liabilities	6	596,747	593,853
Employee benefits	16	36,144	26,817
Other provisions	17	50,000	-
<b>Total non-current liabilities</b>		<b>1,205,942</b>	<b>620,670</b>
<b>Total liabilities</b>		<b>4,963,833</b>	<b>3,428,186</b>
<b>Net assets</b>		<b>42,091,088</b>	<b>29,215,303</b>
<b>Equity</b>			
Issued capital	18	42,189,013	29,363,535
Reserves	19	839,546	405,620
Accumulated losses	20	(937,471)	(553,852)
<b>Total equity</b>		<b>42,091,088</b>	<b>29,215,303</b>

Refer to note 30 for detailed information on restatement of comparatives.

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

**Consolidated statement of changes in equity  
For the year ended 30 June 2021**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2019	20,907,473	197,810	(932,360)	20,172,923
Adjustment for change in accounting policy - adoption of AASB 16 <i>Leases</i>	-	-	(6,349)	(6,349)
Balance at 1 July 2019 - restated	20,907,473	197,810	(938,709)	20,166,574
Profit after income tax benefit for the year	-	-	382,902	382,902
Other comprehensive income for the year, net of tax	-	20,057	-	20,057
Total comprehensive income for the year	-	20,057	382,902	402,959
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 33)	-	189,708	-	189,708
Issue of shares for the acquisition of Pavilion Health	8,425,633	-	-	8,425,633
Issue of shares for advisory services rendered in connection to acquisition of Pavilion Health (note 17)	125,000	-	-	125,000
Transaction costs, net of tax	(94,571)	-	-	(94,571)
Transfer to accumulated losses	-	(1,955)	1,955	-
Balance at 30 June 2020	<u>29,363,535</u>	<u>405,620</u>	<u>(553,852)</u>	<u>29,215,303</u>
<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2020	29,363,535	405,620	(553,852)	29,215,303
Loss after income tax benefit for the year	-	-	(383,619)	(383,619)
Other comprehensive loss for the year, net of tax	-	(31,846)	-	(31,846)
Total comprehensive loss for the year	-	(31,846)	(383,619)	(415,465)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 18)	12,758,535	-	-	12,758,535
Share-based payments (note 33)	-	532,715	-	532,715
Options exercised	66,943	(66,943)	-	-
Balance at 30 June 2021	<u>42,189,013</u>	<u>839,546</u>	<u>(937,471)</u>	<u>42,091,088</u>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**Consolidated statement of cash flows**  
**For the year ended 30 June 2021**

	Note	Consolidated 2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		7,351,345	3,831,338
Payments to suppliers and employees (inclusive of GST)		<u>(7,714,698)</u>	<u>(2,836,853)</u>
		(363,353)	994,485
Government grants received		479,235	100,000
Interest received		2,434	897
Interest and other finance costs paid		(14,288)	(5,746)
Income taxes refunded/(paid)		<u>136,622</u>	<u>(43,059)</u>
Net cash from operating activities	32	<u>240,650</u>	<u>1,046,577</u>
<b>Cash flows from investing activities</b>			
Cash from purchase of business, net of cash acquired	30	-	221,847
Payments for property, plant and equipment	10	(598,507)	(20,665)
Payments for intangibles	11	(2,284,491)	(1,052,040)
Payments for security deposits		(94,864)	-
Proceeds from disposal of property, plant and equipment		<u>-</u>	<u>1,364</u>
Net cash used in investing activities		<u>(2,977,862)</u>	<u>(849,494)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	18	13,298,889	-
Share issue transaction costs		(540,354)	-
Repayment of lease liabilities		<u>(108,811)</u>	<u>(128,493)</u>
Net cash from/(used in) financing activities		<u>12,649,724</u>	<u>(128,493)</u>
Net increase in cash and cash equivalents		9,912,512	68,590
Cash and cash equivalents at the beginning of the financial year		<u>4,204,932</u>	<u>4,136,342</u>
Cash and cash equivalents at the end of the financial year		<u><u>14,117,444</u></u>	<u><u>4,204,932</u></u>

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



## Notes to the consolidated financial statements 30 June 2021

### Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

#### *Conceptual Framework for Financial Reporting (Conceptual Framework)*

The consolidated entity has adopted the revised Conceptual Framework from 1 January 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

#### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

#### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

#### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Beamtree Holdings Limited ('company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Beamtree Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

#### **Foreign currency translation**

The financial statements are presented in Australian dollars, which is Beamtree Holdings Limited's functional and presentation currency.

## Notes to the consolidated financial statements 30 June 2021

### Note 1. Significant accounting policies (continued)

#### *Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

#### **Derivative financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

#### *Cash flow hedges*

Cash flow hedges are used to cover the consolidated entity's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

#### **Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

## Notes to the consolidated financial statements 30 June 2021

### Note 1. Significant accounting policies (continued)

#### Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

The loss allowance is recognised in profit or loss.

#### Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *Share-based payment transactions*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

#### *Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

#### *Estimation of useful lives of assets*

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

## Notes to the consolidated financial statements 30 June 2021

### Note 2. Critical accounting judgements, estimates and assumptions (continued)

#### *Goodwill and other indefinite life intangible assets*

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 11. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

#### *Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

#### *Income tax*

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

#### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

#### *Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

#### *Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

#### *Employee benefits provision*

As discussed in note 16, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

## Notes to the consolidated financial statements 30 June 2021

### Note 2. Critical accounting judgements, estimates and assumptions (continued)

#### *Capitalisation of intangibles*

Development projects where knowledge and understanding gained from research and practical experience are directed towards developing new products or processes, are recognized as intangible assets in the statement of financial position when they meet the criteria for capitalization. Development costs may be capitalized if the company can demonstrate the technical and commercial feasibility of completing the product or process, the intention and ability to complete the development and use or sell the asset. It must also be probable that future economic benefits related to the asset will flow to the consolidated entity and the acquisition cost can be reliably measured. The reported value includes all directly attributable costs, such as those for materials and services as well as compensation to employees. Individual assessment is made of major ongoing research and development projects to determine whether these criteria have been met.

However, because it may be difficult to distinguish between research and development projects, this judgment can be affected by individual interpretations.

#### *Lease make good provision*

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

#### *Business combinations*

As discussed in note 30, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

#### *Impact of COVID-19 pandemic*

As at 30 June 2021, the consolidated entity performed an assessment of the impact of the uncertainties around the outbreak of the novel strain of the coronavirus, specifically identified as COVID-19 pandemic, on projects, assets and liabilities. This assessment, which required the use of significant judgements and estimates, had no material impact on the consolidated financial statements for the fiscal year ended 30 June 2021. The estimates will continue to be reviewed during fiscal year 2022.

### Note 3. Revenue

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Initial licence fees	92,581	104,134
License and subscription fees	2,779,791	891,991
Usage fees	3,358,313	2,895,900
Consulting, training and other fees	1,707,797	165,063
Service fees	447,563	67,636
	<hr/>	<hr/>
Revenue	<b>8,386,045</b>	<b>4,124,724</b>
	<hr/> <hr/>	<hr/> <hr/>

Notes to the consolidated financial statements  
30 June 2021

Note 3. Revenue (continued)

*Disaggregation of revenue*

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

	Initial licence fees \$	License and subscription fees \$	Usage fees \$	Consulting, training and other fees \$	Service fees \$	Total \$
<b>Consolidated - 2021</b>						
<i>Sales channels</i>						
Direct	-	2,495,646	2,864,405	1,706,484	447,563	7,514,098
Global partners	92,581	284,145	493,908	1,313	-	871,947
	<u>92,581</u>	<u>2,779,791</u>	<u>3,358,313</u>	<u>1,707,797</u>	<u>447,563</u>	<u>8,386,045</u>
<i>Geographical regions</i>						
Australia	6,737	2,327,512	1,705,547	256,484	447,563	4,743,843
Europe	65,776	344,575	326,820	-	-	737,171
Rest of the world	20,068	107,704	1,325,946	1,451,313	-	2,905,031
	<u>92,581</u>	<u>2,779,791</u>	<u>3,358,313</u>	<u>1,707,797</u>	<u>447,563</u>	<u>8,386,045</u>
<i>Timing of revenue recognition</i>						
Revenue recognised at a point in time	92,581	-	-	-	-	92,581
Services transferred over time	-	2,779,791	3,358,313	1,707,797	447,563	8,293,464
	<u>92,581</u>	<u>2,779,791</u>	<u>3,358,313</u>	<u>1,707,797</u>	<u>447,563</u>	<u>8,386,045</u>
<b>Consolidated - 2020</b>						
<i>Sales channels</i>						
Direct	-	537,917	2,463,727	45,006	67,636	3,114,286
Global partners	104,134	354,074	432,173	120,057	-	1,010,438
	<u>104,134</u>	<u>891,991</u>	<u>2,895,900</u>	<u>165,063</u>	<u>67,636</u>	<u>4,124,724</u>
<i>Geographical regions</i>						
Australia	7,422	430,473	1,378,499	26,017	67,636	1,910,047
Europe	82,028	397,913	236,730	35,998	-	752,669
Rest of the world	14,684	63,605	1,280,671	103,048	-	1,462,008
	<u>104,134</u>	<u>891,991</u>	<u>2,895,900</u>	<u>165,063</u>	<u>67,636</u>	<u>4,124,724</u>
<i>Timing of revenue recognition</i>						
Revenue recognised at a point in time	104,134	-	-	-	-	104,134
Services transferred over time	-	891,991	2,895,900	165,063	67,636	4,020,590
	<u>104,134</u>	<u>891,991</u>	<u>2,895,900</u>	<u>165,063</u>	<u>67,636</u>	<u>4,124,724</u>

## Notes to the consolidated financial statements 30 June 2021

### Note 3. Revenue (continued)

#### *Accounting policy for revenue from contracts with customers*

The entity recognises sales revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer, which is when the customer receives the product upon installation. The amount of revenue recognised reflects the consideration to which the entity is or expects to be entitled in exchange for those goods or services.

Contracts with customers can include various combinations of products and services, which are distinct and accounted for as separate performance obligations. The revenue associated with each obligation is calculated based on its stand-alone selling price.

Revenue is recognised over time if the customer simultaneously receives and consumes the benefits as the entity performs. If this is not the case, revenue is recognised at a point in time.

The entity recognises revenue predominantly from the following sale of software and services:

#### *Initial licence fees*

Products are sold as ready to use products and are usable by the customer at the time of installation. The performance obligation is satisfied once the customer is provided with installed products. This initial licence revenue is recognised at the point in time at which the installation is functionable. At this point in time, the customer has control of the asset.

#### *Annual licence fees*

Contracts may include the provision of regular upgrades, maintenance and support. Upgrades are the result from minor maintenance and customers are able to elect whether to upgrade or continue using their existing product version. These services are on-going and the performance obligation is satisfied over the year. Licence revenue from these services is recognised on a pro-rata basis.

#### *Usage fee*

Customer contracts may include fees based on the number of interpretations at a specified rate or an agreed monthly or quarterly amount. Revenue based on usage is recognised over time as the customer simultaneously receives and consumes the benefits. The performance obligation is satisfied during the provision of the service to the customer.

#### *Training and other services*

Training and other services are typically provided when requested by the customer and may vary depending on the expertise of the customer. Contracts typically include charge rates for training and are invoiced once the training has been conducted. The performance obligation is satisfied over the period in which the training is conducted, and revenue is recognised over the same period.

#### *Consulting and development revenue*

Consulting and development services are specific to the customer and are charged at contracted rates. These projects may include off line static analysis for rule building, support such as assistance with complex rule building, dashboard development, specific integration or marketing and pre-sales support to channel partners. The performance obligation is satisfied over the period in which the service is provided and revenue is recognised over the same period.

### Note 4. Other income

	Consolidated	
	2021	2020
	\$	\$
Net foreign exchange gain	-	3,474
Net gain on disposal of property, plant and equipment	-	1,364
Government grants	551,594	141,700
Interest received	2,434	897
	554,028	147,435
Other income	554,028	147,435

Notes to the consolidated financial statements  
30 June 2021

Note 4. Other income (continued)

*Accounting policy for other income*

*Interest income*

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

*Government grants*

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

Note 5. Expenses

	Consolidated 2021 \$	2020 \$
(Loss)/profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	16,973	4,083
Plant and equipment	31,166	15,354
Fixtures and fittings	6,894	4,523
Buildings right-of-use assets	142,711	125,250
Total depreciation	197,744	149,210
<i>Amortisation</i>		
Patents and trademarks	188	-
Software	773,323	220,235
Capitalised development costs	506,826	139,625
Customer list	18,726	-
Total amortisation	1,299,063	359,860
Total depreciation and amortisation	1,496,807	509,070
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	14,541	5,746
<i>Net foreign exchange loss</i>		
Net foreign exchange loss	49,675	-
<i>Leases</i>		
Short-term lease payments	50,964	6,139
<i>Superannuation expense</i>		
Defined contribution superannuation expense	320,444	188,237



Notes to the consolidated financial statements  
30 June 2021

Note 5. Expenses (continued)

*Accounting policy for finance costs*

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

*Accounting policy for defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 6. Income tax

	Consolidated	
	2021	2020
	\$	\$
<i>Income tax benefit</i>		
Current tax	51,921	-
Deferred tax - origination and reversal of temporary differences	(160,059)	(51,810)
Aggregate income tax benefit	<u>(108,138)</u>	<u>(51,810)</u>
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets	(162,953)	(42,555)
Increase/(decrease) in deferred tax liabilities	2,894	(9,255)
Deferred tax - origination and reversal of temporary differences	(160,059)	(51,810)
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
(Loss)/profit before income tax benefit	(491,757)	331,092
Tax at the statutory tax rate of 26% (2020: 27.5%)	(127,857)	91,050
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	-	158,805
Share-based payments	138,506	-
Non-taxable income	-	(27,500)
Hedging	1,189	-
Entertainment expenses	4,305	-
	16,143	222,355
Current year tax losses not recognised	-	26,768
Prior year tax losses not recognised now recouped	-	(168,156)
Other items	(124,281)	(132,777)
Income tax benefit	<u>(108,138)</u>	<u>(51,810)</u>
	Consolidated	
	2021	2020
	\$	\$
<i>Amounts charged/(credited) directly to equity</i>		
Deferred tax assets	(126,372)	94,571

Notes to the consolidated financial statements  
30 June 2021

Note 6. Income tax (continued)

	Consolidated	
	2021	2020
	\$	\$
<i>Deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Allowance for expected credit losses	5,846	12,211
Employee benefits	120,271	102,579
Lease liabilities	199,839	12,175
Provision for lease make good	12,500	-
Accrued expenses	36,184	41,486
Contract liabilities	466,435	454,063
Software development and capitalised development expenditure	25,978	27,107
Patents and trademarks	-	5,805
Unrealised foreign exchange gain	-	3,527
Tax losses available to offset against future income	-	26,768
Blackhole capital expenditures	-	35,272
	867,053	720,993
Amounts recognised in equity:		
Transaction costs on share issue	310,153	166,888
Deferred tax asset	1,177,206	887,881
Movements:		
Opening balance	887,881	391,344
Credited to profit or loss	162,953	42,555
Credited/(charged) to equity	126,372	(94,571)
Additions through business combinations (note 30)	-	548,553
Closing balance	1,177,206	887,881

Notes to the consolidated financial statements  
30 June 2021

Note 6. Income tax (continued)

	Consolidated	
	2021	2020
	\$	\$
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Prepayments	63,341	59,744
Right-of-use assets	203,088	11,321
Capitalised development expenditures	-	120,788
Brand name	274,500	329,400
Customer relationship	55,818	72,600
	<u>596,747</u>	<u>593,853</u>
Deferred tax liability		
	<u>596,747</u>	<u>593,853</u>
Movements:		
Opening balance	593,853	192,481
Charged/(credited) to profit or loss	2,894	(9,255)
Additions through business combinations (note 30)	-	410,627
	<u>596,747</u>	<u>593,853</u>
Closing balance		
	<u>596,747</u>	<u>593,853</u>
<i>Current tax assets</i>		
Current tax assets	-	100,000
	<u>-</u>	<u>100,000</u>
<i>Provision for income tax</i>		
Provision for income tax	153,777	11,220
	<u>153,777</u>	<u>11,220</u>

**Accounting policy for Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

**Notes to the consolidated financial statements**  
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**Note 6. Income tax (continued)**

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Beamtree Holdings Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

**Note 7. Trade and other receivables**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Trade receivables	1,781,867	939,729
Less: Allowance for expected credit losses	<u>(23,384)</u>	<u>(44,404)</u>
	1,758,483	895,325
Other receivables	20,908	94,786
Deposits and prepayments	<u>352,738</u>	<u>231,859</u>
	<u>2,132,129</u>	<u>1,221,970</u>

Deposits and prepayments includes a bank guarantee for the Tenancy 3, Level 1, Eveleigh Street, Redfern NSW premises for the amount of \$94,864. This has been deposited for 12 months at an interest rate of 0.35%p.a.

*Allowance for expected credit losses*

No expected credit losses were recognised in profit or loss for the period ended 30 June 2021 as there have been no historically impaired receivables. The provision for expected credit losses below reflects those debts that are over 6 months overdue.

The ageing of the impaired receivables provided for above are as follows:

Notes to the consolidated financial statements  
30 June 2021

Note 7. Trade and other receivables (continued)

	Consolidated 2021 \$	2020 \$
0 to 3 months overdue	-	-
3 to 6 months overdue	-	36,406
Over 6 months overdue	23,384	7,998
	<u>23,384</u>	<u>44,404</u>

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2021 \$	2020 \$
Opening balance	44,404	-
Additions through business combinations	-	44,404
Unused amounts reversed	(21,020)	-
Closing balance	<u>23,384</u>	<u>44,404</u>

The ageing of the past due but not impaired receivables are as follows:

	Consolidated 2021 \$	2020 \$
Under 30 days overdue	82,987	-
31-60 days overdue	694,021	175,520
Over 60 days overdue	34,352	308,221
	<u>811,360</u>	<u>483,741</u>

**Accounting policy for trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 8. Contract assets

	Consolidated 2021 \$	2020 \$
<i>Current assets</i>		
Contract assets	<u>1,118,903</u>	<u>19,211</u>

**Note 8. Contract assets (continued)**

**Accounting policy for contract assets**

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

**Note 9. Right-of-use assets**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Buildings - right-of-use	913,895	271,478
Less: Accumulated depreciation	(101,544)	(230,311)
	<u>812,351</u>	<u>41,167</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	Buildings right-of-use \$	Total \$
Balance at 1 July 2019	-	-
Additions	271,478	271,478
Depreciation expense	(230,311)	(230,311)
Balance at 30 June 2020	41,167	41,167
Additions	913,895	913,895
Depreciation expense	(142,711)	(142,711)
Balance at 30 June 2021	<u>812,351</u>	<u>812,351</u>

*Accounting policy for right-of-use assets*

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

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

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

**Notes to the consolidated financial statements  
30 June 2021**

**Note 9. Right-of-use assets (continued)**

Refer to note 2 for key estimates and judgements surrounding the lease term and incremental borrowing rate.

Refer to note 14 for disclosure of lease liabilities.

**Note 10. Property, plant and equipment**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Leasehold improvements - at cost	202,299	66,298
Less: Accumulated depreciation	<u>(50,360)</u>	<u>(33,387)</u>
	151,939	32,911
Furniture, fixtures and fittings - at cost	251,720	106,411
Less: Accumulated depreciation	<u>(83,863)</u>	<u>(76,969)</u>
	167,857	29,442
Property and equipment - at cost	563,771	246,916
Less: Accumulated depreciation	<u>(257,144)</u>	<u>(225,978)</u>
Total property, plant and equipment	<u>306,627</u>	<u>20,938</u>
	<u>626,423</u>	<u>83,291</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	Leasehold improvements \$	Furniture, fixtures and fittings \$	Property and equipment \$	Total \$
Balance at 1 July 2019	25,567	33,583	9,221	68,371
Additions	-	-	20,665	20,665
Additions through business combinations (note 30)	11,426	389	6,530	18,345
Exchange differences	-	(7)	(123)	(130)
Depreciation expense	<u>(4,082)</u>	<u>(4,523)</u>	<u>(15,355)</u>	<u>(23,960)</u>
Balance at 30 June 2020	32,911	29,442	20,938	83,291
Additions	136,001	145,327	317,179	598,507
Exchange differences	-	(18)	(324)	(342)
Depreciation expense	<u>(16,973)</u>	<u>(6,894)</u>	<u>(31,166)</u>	<u>(55,033)</u>
Balance at 30 June 2021	<u>151,939</u>	<u>167,857</u>	<u>306,627</u>	<u>626,423</u>

***Accounting policy for property, plant and equipment***

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

## Notes to the consolidated financial statements 30 June 2021

### Note 10. Property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	4-10 years
Plant and equipment	3-10 years
Furniture, fixtures and fittings	4-20 years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

### Note 11. Intangibles

	Consolidated	
	2021	2020
	\$	\$
<i>Non-current assets</i>		
Goodwill - at cost	18,582,123	18,582,123
Capitalised development costs - at cost	4,152,394	1,870,908
Less: Accumulated amortisation	(728,682)	(221,856)
	3,423,712	1,649,052
Patents and trademarks - at cost	3,005	-
Less: Accumulated amortisation	(188)	-
	2,817	-
Software - at cost	4,756,902	4,756,902
Less: Accumulated amortisation	(1,016,363)	(243,040)
Total intangibles	3,740,539	4,513,862
Brand name - at cost	1,098,000	1,098,000
Customer list - at cost	242,000	242,000
Less: Accumulated amortisation	(18,726)	-
	223,274	242,000
	27,070,465	26,085,037



**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 11. Intangibles (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	Goodwill \$	Capitalised developmen t costs \$	Software \$	Brand name \$	Customer list \$	Patents and trademarks \$	Total \$
Balance at 1 July 2019	12,658,188	736,637	2,183,306	-	-	-	15,578,131
Additions	-	1,052,040	-	-	-	-	1,052,040
Additions through business combinations (note 30)	5,923,935	-	2,550,791	1,098,000	242,000	-	9,814,726
Amortisation expense	-	(139,625)	(220,235)	-	-	-	(359,860)
Balance at 30 June 2020	18,582,123	1,649,052	4,513,862	1,098,000	242,000	-	26,085,037
Additions	-	2,281,486	-	-	-	3,005	2,284,491
Amortisation expense	-	(506,826)	(773,323)	-	(18,726)	(188)	(1,299,063)
Balance at 30 June 2021	<u>18,582,123</u>	<u>3,423,712</u>	<u>3,740,539</u>	<u>1,098,000</u>	<u>223,274</u>	<u>2,817</u>	<u>27,070,465</u>

Refer to note 30 for the restatement of prior period comparatives arising from the provisional accounting adjustments.

Goodwill relates to the acquisition of Pacific Knowledge Systems Pty Ltd. ("PKS") in May 2019 and acquisition of Pavilion Health Australia Pty Ltd. ("Pavilion") in May 2020. For the purpose of impairment testing, goodwill is allocated to the group of cash-generating units ("CGUs") which represent the lowest level within the consolidated entity at which goodwill is monitored by internal management as follows:

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>CGUs</b>		
Clinical Decision Support	12,658,188	12,658,188
Pavilion	5,923,935	5,923,935
	<u>18,582,123</u>	<u>18,582,123</u>

*Review of carrying value*

The recoverable amount of goodwill has been determined on a value-in-use basis using a discounted cash flow approach, and projections based on financial budgets approved by the Board, and four-year forward plans supplied by management.

*Key assumptions – Clinical Decision Support*

- Compound Annual Growth Rate ('CAGR') of 23.7%
- Discount rates (pre-tax): 13%
- Terminal growth rate: 2.5%

Based on the key assumptions above, the recoverable amount of the Clinical Decision Support CGU exceeds the carrying amount of the CGU. Consequently, no impairment is recognised.

*Key assumptions – Pavilion*

- Compound Annual Growth Rate ('CAGR') of 23.7%
- Discount rates (pre-tax): 13%
- Terminal growth rate: 2.5%

**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 11. Intangibles (continued)**

Based on the key assumptions above, the recoverable amount of the Pavilion CGU exceeds the carrying amount of the CGU. Consequently, no impairment is recognised.

*Sensitivity to change in assumptions*

The calculation of value in use is most sensitive to the following assumptions:

- Discount rates
- CAGR during the forecast period
- Terminal growth rate used to extrapolate cash flow beyond forecast period

*Discount rates* – Discount rates represent the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying cash flows expected from CGU being assessed. CGU specific risk is incorporated by applying individual beta factors. The discount rate calculation is based on the specific circumstances of the consolidated entity and its CGUs and is derived from the weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment by the consolidated entity’s investors. Noting that the consolidated entity had no debt at 30 June 2021, the cost of debt is based on the capital structure that could be expected from a similar market participant.

*Revenue growth* – Revenue projections have been constructed with reference to the FY22 budget and four-year forward looking plans.

*Terminal growth rate* – A terminal growth rate of 2.5% has been applied for future cash flow growth beyond the four-year forecast period. The terminal value is discounted to present values using the discount rate specific to each CGU.

*Sensitivity analysis* – Management has performed a sensitivity analysis and assessed reasonable changes for key assumptions and has not identified any instances that could cause the carrying amount of the group of CGUs, over which goodwill is monitored, to exceed its recoverable amount.

If discount rates were changed to the rates detailed in the table below with no change to any of the other assumptions, the estimated recoverable amount would approximately equal the carrying amount.

If forecast revenue used was changed by the amounts noted in the table below with no change to any of the other assumptions the estimated recoverable amount would approximately equal the carrying amount.

	Clinical Decision Support %	Pavilion %
Discount rate – change discount rates to	17.10%	20.10%
Change in CAGR – reduce CAGR to	20.00%	19.70%

***Accounting policy for intangible assets***

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

## Note 11. Intangibles (continued)

### Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

### Capitalised development expenditures

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 to 10 years.

### Software

Software acquired through business combinations were independently valued and recognised at fair value. Software is amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

### Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

The brand name recognised above has an indefinite useful life. For the purpose of impairment testing, the brand name is allocated to the consolidated entity's Pavilion CGU, which represents the lowest level within the consolidated entity at which the brand name is monitored by internal management.

The recoverable amount of the brand name has been determined on a value-in-use basis using a discounted cash flow approach, and projections based on financial budgets approved by the Board, and four-year forward plans supplied by management. The key assumptions applied within the impairment testing are aligned with the goodwill impairment testing disclosed above.

Management has performed a sensitivity analysis and assessed reasonable changes for key assumptions and has not identified any instances that could cause the carrying amount of the group of CGUs, over which goodwill is monitored, to exceed its recoverable amount.

### Customer lists

Customer lists acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Notes to the consolidated financial statements  
30 June 2021

Note 12. Trade and other payables

	Consolidated	
	2021	2020
	\$	\$
<i>Current liabilities</i>		
Trade payables	238,917	425,275
Accrued expenses	239,964	105,960
Other payables	463,521	223,452
	<u>942,402</u>	<u>754,687</u>

Refer to note 22 for further information on financial instruments.

**Accounting policy for trade and other payables**

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

Note 13. Contract liabilities

	Consolidated	
	2021	2020
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	<u>1,893,698</u>	<u>1,651,138</u>

*Reconciliation*

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Opening balance	1,651,138	506,585
Payments received in advance	2,615,624	1,045,140
Additions through business combinations (note 30)	-	1,608,090
Transfer to revenue – performance obligations satisfied during the period	(2,368,630)	(1,508,045)
Exchange rate differences	(4,434)	(632)
Closing balance	<u>1,893,698</u>	<u>1,651,138</u>

*Unsatisfied performance obligations*

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$1,893,698 as at 30 June 2021 (\$1,651,138 as at 30 June 2020) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2021	2020
	\$	\$
Within 6 months	1,327,101	1,095,410
6 to 12 months	566,597	555,728
	<u>1,893,698</u>	<u>1,651,138</u>

Notes to the consolidated financial statements  
30 June 2021

**Note 13. Contract liabilities (continued)**

**Accounting policy for contract liabilities**

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

**Note 14. Lease liabilities**

	Consolidated	
	2021	2020
	\$	\$
<i>Current liabilities</i>		
Lease liability	276,306	44,273
<i>Non-current liabilities</i>		
Lease liability	523,051	-
	<u>799,357</u>	<u>44,273</u>

Refer to note 22 for further information on financial instruments.

Refer to note 9 for disclosures relating to right-of-use assets.

	Less than 1 year	1 to 2 years	2 to 5 years	5 + years	Total
<b>2021</b>					
Lease payments	310,076	324,058	222,416	-	856,550
Finance costs	(33,769)	(19,311)	(4,113)	-	(57,193)
	<u>276,307</u>	<u>304,747</u>	<u>218,303</u>	<u>-</u>	<u>799,357</u>
<b>2020</b>					
Lease payments	44,731	-	-	-	44,731
Finance costs	(458)	-	-	-	(458)
	<u>44,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,273</u>

**Accounting policy for lease liabilities**

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

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Notes to the consolidated financial statements  
30 June 2021

Note 15. Derivative financial instruments

	Consolidated 2021 \$	2020 \$
<i>Current liabilities</i>		
Forward foreign exchange contracts - cash flow hedges	28,101	-

Refer to note 22 for further information on financial instruments.

Refer to note 23 for further information on fair value measurement.

Note 16. Employee benefits

	Consolidated 2021 \$	2020 \$
<i>Current liabilities</i>		
Annual leave	339,217	234,979
Long service leave	124,390	111,219
	<u>463,607</u>	<u>346,198</u>
<i>Non-current liabilities</i>		
Long service leave	36,144	26,817
	<u>499,751</u>	<u>373,015</u>

**Accounting policy for employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Notes to the consolidated financial statements  
30 June 2021

Note 17. Other provisions

	Consolidated 2021 \$	2020 \$
<i>Non-current liabilities</i>		
Lease make good	50,000	-

**Accounting policy for provisions**

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 18. Issued capital

	2021 Shares	Consolidated 2020 Shares	2021 \$	2020 \$
Ordinary shares - fully paid	225,411,400	186,370,231	42,189,013	29,363,535

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 July 2019	121,141,000		20,907,473
Issue of shares for the acquisition of Pavilion Health	5 June 2020	64,812,564	\$0.13	8,425,633
Issue of shares for advisory services rendered in connection to the acquisition of Pavilion Health	5 June 2020	416,667	\$0.30	125,000
Share issue transaction costs, net of tax		-	\$0.00	(94,571)
Balance	30 June 2020	186,370,231		29,363,535
Exercise of options	22 September 2020	1,000,000	\$0.10	100,000
Issue of share to Managing Director	2 December 2020	148,312	\$0.33	48,889
Issue of shares	1 March 2021	27,942,857	\$0.35	9,780,000
Issue of shares	29 March 2021	2,857,143	\$0.35	1,000,000
Issue of shares	23 April 2021	6,342,857	\$0.35	2,220,000
Exercise of options	25 June 2021	750,000	\$0.20	150,000
Share issue transaction costs, net of tax		-	\$0.00	(540,354)
Transfer from share based payments reserve for options exercised		-	\$0.00	66,943
Balance	30 June 2021	225,411,400		42,189,013

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

**Notes to the consolidated financial statements  
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**Note 18. Issued capital (continued)**

*Capital risk management*

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

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

**Accounting policy for share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Note 19. Reserves**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Foreign currency reserve	16,312	20,057
Hedging reserve - cash flow hedges	(28,101)	-
Share based payments reserve	851,335	385,563
	<u>839,546</u>	<u>405,620</u>

*Foreign currency reserve*

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

*Hedging reserve - cash flow hedges*

The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

*Share based payments reserve*

The share based payments reserve is used to recognise the value of equity benefits provided to directors and employees as part of their remuneration, and other parties as part of their compensation for services.



Notes to the consolidated financial statements  
30 June 2021

Note 19. Reserves (continued)

*Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below:

<b>Consolidated</b>	Share based payments reserve \$	Foreign currency reserve \$	Hedge Reserve \$	Total \$
Balance at 1 July 2019	197,810	-	-	197,810
Foreign currency translation	-	20,057	-	20,057
Share based payments to directors and employees	64,708	-	-	64,708
Share based payments to other parties	125,000	-	-	125,000
Transfer to accumulated losses	(1,955)	-	-	(1,955)
Balance at 30 June 2020	385,563	20,057	-	405,620
Foreign currency translation	-	(3,745)	-	(3,745)
Net movement in cash flow hedge	-	-	(28,101)	(28,101)
Share based payments to directors and employees	532,715	-	-	532,715
Options exercised	(66,943)	-	-	(66,943)
Balance at 30 June 2021	<u>851,335</u>	<u>16,312</u>	<u>(28,101)</u>	<u>839,546</u>

Note 20. Accumulated losses

	<b>Consolidated 2021 \$</b>	<b>2020 \$</b>
Accumulated losses at the beginning of the financial year	(553,852)	(932,360)
Adjustment for change in accounting policy - adoption of AASB 16 <i>Leases</i>	-	(6,349)
Accumulated losses at the beginning of the financial year - restated	(553,852)	(938,709)
(Loss)/profit after income tax benefit for the year	(383,619)	382,902
Transfer from options reserve	-	1,955
Accumulated losses at the end of the financial year	<u>(937,471)</u>	<u>(553,852)</u>

Note 21. Dividends

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

Note 22. Financial instruments

***Financial risk management objectives***

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

**Notes to the consolidated financial statements  
30 June 2021**

**Note 22. Financial instruments (continued)**

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

**Market risk**

*Foreign currency risk*

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting.

In order to protect against exchange rate movements, the consolidated entity has entered into forward foreign exchange contracts. These contracts are hedging highly probable forecasted cash flows for the ensuing financial year. Management has a foreign exchange hedging policy, where there are pre-determined minimum and maximum hedging ratios, expressed as a percentage of the notional foreign currency exposure, in addition to the adoption of set timeframes. The mix of which, determines the amount to be hedged for a given tenor.

Timeframe	Hedging threshold
0-3 months	50-100%
3-6 months	50-75%
6-12 months	25-50%

If a foreign currency pair varies a certain distance from the reference period's open price, the consolidated entity has the discretion to overhedge or to not hedge. If the currency variation is less than 15%, the discretion lies with management. If the currency variation exceeds 15%, the decision lies with the Board of Directors.

The maturity, settlement amounts and the average contractual exchange rates of the consolidated entity's outstanding forward foreign exchange contracts at the reporting date were as follows:

	Sell US dollars 2021 \$	Average exchange rates 2021
<b>Buy Australian dollars</b>		
Maturity:		
0 - 3 months	138,321	0.7638
3 - 6 months	538,321	0.7670
6 - 12 months	480,000	0.7702

The average exchange rates and reporting date exchange rates applied were as follows:

	Average exchange rates		Reporting date exchange rates	
	2021	2020	2021	2020
<b>Australian dollars</b>				
US dollars	0.7468	0.6714	0.7518	0.6863
Euro	0.6260	0.6069	0.6320	0.6111

Notes to the consolidated financial statements  
30 June 2021

Note 22. Financial instruments (continued)

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Assets		Liabilities	
	2021 \$	2020 \$	2021 \$	2020 \$
US dollars	763,971	2,182,598	49,300	-
Euro	-	80,911	-	-
	<u>763,971</u>	<u>2,263,509</u>	<u>49,300</u>	<u>-</u>

A sensitivity analysis of the movement in exchange rate (based on the closing balance of the asset) is presented below:

Consolidated - 2020	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit before tax \$	Effect on equity \$		Effect on profit before tax \$	Effect on equity \$
US dollars	10%	76,397	76,397	10%	4,930	4,930
Euro	10%	-	-	10%	-	-
		<u>76,397</u>	<u>76,397</u>		<u>4,930</u>	<u>4,930</u>

*Price risk*

The consolidated entity is not exposed to any significant price risk.

*Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

*Liquidity risk*

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Notes to the consolidated financial statements  
30 June 2021

Note 22. Financial instruments (continued)

*Remaining contractual maturities*

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

<b>Consolidated - 2021</b>	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade and other payables	-	942,402	-	-	-	942,402
<i>Interest-bearing - variable</i>						
Lease liability	5.00%	310,076	324,058	222,416	-	856,550
Total non-derivatives		<u>1,252,478</u>	<u>324,058</u>	<u>222,416</u>	-	<u>1,798,952</u>
<b>Derivatives</b>						
Forward foreign exchange contracts	-	28,101	-	-	-	28,101
Total derivatives		<u>28,101</u>	-	-	-	<u>28,101</u>
<b>Consolidated - 2020</b>						
<b>Consolidated - 2020</b>	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade and other payables	-	734,686	-	-	-	734,686
<i>Interest-bearing - variable</i>						
Lease liability	5.00%	44,731	-	-	-	44,731
Total non-derivatives		<u>779,417</u>	-	-	-	<u>779,417</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

***Fair value of financial instruments***

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 23. Fair value measurement**

*Fair value hierarchy*

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

<b>Consolidated - 2021</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Liabilities</i>				
Forward foreign exchange contracts	-	28,101	-	28,101
Total liabilities	-	28,101	-	28,101

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

*Accounting policy for fair value measurement*

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

**Note 24. Key management personnel disclosures**

*Directors*

The following persons were directors of Beamtree Holdings Limited during the financial year:

- Michael Hill
- Ronald van Der Pluijm (resigned 14 March 2021)
- Andrew Gray
- Paul Williams
- Brad Lancken
- Stephen Borness
- James Birch (appointed 14 March 2021)

## Notes to the consolidated financial statements 30 June 2021

### Note 24. Key management personnel disclosures (continued)

#### *Other key management personnel*

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Douglas Henry\*  
Paul O'Connor\*  
Michael Pollitt\*  
Tim Kelsey (appointed 14 December 2020)

\* ceased being KMP from 1 December 2020.

#### *Compensation*

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2021	2020
	\$	\$
Short-term employee benefits	1,135,050	655,023
Post-employment benefits	80,135	58,977
Long-term benefits	221	372
Share-based payments	542,674	356,481
	1,758,080	1,070,853
	1,758,080	1,070,853

### Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company:

	Consolidated	
	2021	2020
	\$	\$
<i>Audit services - BDO Audit Pty Ltd (2020: HLB Mann Judd Assurance (NSW) Pty Ltd)</i>		
Audit or review of the financial statements	77,799	77,000
<i>Other services - HLB Mann Judd</i>		
Preparation of the tax return & other advisory services	14,899	19,150
	92,698	96,150

### Note 26. Contingent liabilities

There were no contingent liabilities relating to the consolidated entity as at 30 June 2021 (30 June 2020: nil).

### Note 27. Commitments

There were no commitments relating to the consolidated entity as at 30 June 2021 (30 June 2020: nil).

## Notes to the consolidated financial statements 30 June 2021

### Note 28. Related party transactions

#### *Parent entity*

Beamtree Holdings Limited is the parent entity.

#### *Subsidiaries*

Interests in subsidiaries are set out in note 31.

#### *Key management personnel*

Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

#### *Transactions with related parties*

The following transactions occurred with related parties:

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Other transactions:		
Directors fees paid to Celerity Associates Pty Limited, a company related to Stephen Borness	60,000	-

#### *Receivable from and payable to related parties*

Amount payable to Celerity Associates Pty Limited, a company related to Stephen Borness is \$5,000 (2020: \$5,000) for the services rendered.

There were no other trade receivables from or trade payables to related parties at the current and previous reporting date.

#### *Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

#### *Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

### Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

#### *Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(117,334)	(334,971)
Total comprehensive loss	(117,334)	(334,971)

## Notes to the consolidated financial statements 30 June 2021

### Note 29. Parent entity information (continued)

#### Statement of financial position

	Parent	
	2021	2020
	\$	\$
Total current assets	106,394	126,471
Total assets	42,417,951	28,613,951
Total current liabilities	254	91,173
Total liabilities	24,650	91,173
Equity		
Issued capital	42,216,706	29,378,688
Share based payments reserve	1,528,424	385,563
Accumulated losses	(1,351,829)	(1,241,473)
Total equity	<u>42,393,301</u>	<u>28,522,778</u>

#### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 (30 June 2020: \$Nil).

#### Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 (30 June 2020: \$Nil).

#### Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

### Note 30. Business combinations

#### Prior period acquisition – Pavilion Health Australia Pty Ltd

On 31 May 2020, Beamtree Holdings Limited acquired 100% of the ordinary shares of Pavilion Health Australia Pty Ltd ('Pavilion') through the issuance of ordinary shares. When the consolidated entity issued its 30 June 2020 annual report, the purchase price allocation was incomplete.

The values identified in relation to the acquisition of Pavilion were provisional as at 30 June 2020.

Subsequent to the 30 June 2020 financial statements, during the provisional accounting period, the consolidated entity identified additional facts and circumstances not included in the provisional acquisition accounting. These include:

- Identification of assets on acquisition which were determined based on third-party valuation and where appropriate required amortised over their anticipated effective useful life.
- Revision of deferred taxes as a result of the revision of fair value of the assets acquired.
- Revision of accrued expenditures previously unidentified at the date of acquisition.



**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 30. Business combinations (continued)**

The impact of prior period comparatives of the above provisional accounting adjustments are as follows:

	2020 Reported	Adjustment	2020 Restated
Cash and cash equivalents	221,847	-	221,847
Trade and other receivables	798,406	-	798,406
Allowance of credit losses	(44,404)	-	(44,404)
Property, plant and equipment	18,345	-	18,345
Software	791	2,550,000	2,550,791
Brand name	-	1,098,000	1,098,000
Customer relationships	-	242,000	242,000
Deferred tax	539,926	(402,000)	137,926
Trade and other payables	(724,632)	(20,000)	(744,632)
Contract liabilities	(1,608,090)	-	(1,608,090)
Provision for income tax	(11,220)	-	(11,220)
Employee benefits	(133,318)	-	(133,318)
Foreign exchange translation reserve	(23,953)	-	(23,953)
Net liabilities acquired	<u>(966,302)</u>	<u>3,468,000</u>	<u>2,501,698</u>
Goodwill	<u>9,391,935</u>	<u>(3,468,000)</u>	<u>5,923,935</u>
Acquisition-date fair value of the total consideration transferred	<u><u>8,425,633</u></u>	<u><u>-</u></u>	<u><u>8,425,633</u></u>

***Accounting policy for Business Combination***

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and the fair value of the consideration transferred is recognised as goodwill. If the consideration transferred is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 31. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021 %	2020 %
DPP Holdings Pty Ltd	Australia	100.00%	100.00%
Pacific Knowledge Systems Pty Ltd	Australia	100.00%	100.00%
Pavilion Health Australia Pty Ltd	Australia	100.00%	100.00%
Pavilion Health Technology Pty Ltd	Australia	100.00%	100.00%
Pavilion Health Services Pty Ltd	Australia	100.00%	100.00%
Pavilion Health Europe PTE Limited	Ireland	100.00%	100.00%

**Note 32. Reconciliation of (loss)/profit after income tax to net cash from operating activities**

	Consolidated	
	2021 \$	2020 \$
(Loss)/profit after income tax benefit for the year	(383,619)	382,902
Adjustments for:		
Depreciation and amortisation	1,496,900	509,070
Net gain on disposal of property, plant and equipment	-	(1,364)
Share-based payments	532,715	314,708
Foreign exchange differences	(3,736)	(3,767)
Expected credit losses	(21,020)	-
Accrued R&D incentive income	(72,359)	-
Other	240	-
Change in operating assets and liabilities:		
Increase in contract assets	(1,099,692)	(12,108)
Increase in deferred tax assets	(286,432)	(51,809)
(Increase)/decrease in trade and other receivables	(794,274)	659,860
Decrease/(increase) in current tax assets	100,000	(43,060)
Increase/(decrease) in trade and other payables	187,718	(312,185)
Increase in provision for income tax	214,916	-
Increase in employee benefits	126,732	67,863
Decrease/(increase) in contract liabilities	242,561	(463,533)
Net cash from operating activities	<u>240,650</u>	<u>1,046,577</u>

**Note 33. Share-based payments**

During the financial year, a number of unlisted performance rights were issued to management of the consolidated entity.

The issue of the unlisted performance rights for the period are detailed as follows:

**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 33. Share-based payments (continued)**

- 4 tranches of unlisted performance rights issued with a grant date of 6 October 2020, expiry date of 16 October 2025 and an exercise price of nil:
  - 650,000 performance rights, vesting date of 30 August 2021
  - 1,450,000 performance rights, vesting date of 29 August 2022
  - 1,450,000 performance rights, vesting date of 28 August 2023
  - 1,450,000 performance rights, vesting date of 28 August 2024.
- 100,000 unlisted performance rights issued with a grant date of 2 November 2020, expiry date of 19 November 2023, vesting date of 30 June 2021 and an exercise price of nil.

Set out below are summaries of options granted during the period:

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
01/10/2018	30/09/2023	\$0.10	7,000,000	-	(1,000,000)	-	6,000,000
30/05/2019	29/05/2024	\$0.20	3,775,000	-	(750,000)	(100,000)	2,925,000
29/05/2020	10/06/2025	\$0.20	375,000	-	-	-	375,000
			<u>11,150,000</u>	<u>-</u>	<u>(1,750,000)</u>	<u>(100,000)</u>	<u>9,300,000</u>
Weighted average exercise price			\$0.14	\$0.00	\$0.00	\$0.00	\$0.14

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
01/10/2018	30/09/2023	\$0.10	7,000,000	-	-	-	7,000,000
30/05/2019	29/05/2024	\$0.20	4,150,000	-	-	(375,000)	3,775,000
29/05/2020	10/06/2025	\$0.20	-	375,000	-	-	375,000
			<u>11,150,000</u>	<u>375,000</u>	<u>-</u>	<u>(375,000)</u>	<u>11,150,000</u>
Weighted average exercise price			\$0.14	\$0.20	\$0.00	\$0.20	\$0.14

The weighted average remaining contractual life of options outstanding at the end of the financial period was 2.52 years (2020: 3.52 years).

The options will vest if each of the following conditions are satisfied:

- the holder must be employed and/or engaged by the company for at least two years from the date of issue of the options; and
- the 5 day VWAP of the company's share price is 40 cents or above for more than 30 days.

Set out below are summaries of performance rights granted during the period:

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
30/05/2019	29/05/2024	\$0.00	4,200,000	-	-	-	4,200,000
29/05/2020	10/06/2023	\$0.00	4,000,000	-	-	(4,000,000)	-
29/05/2020	10/06/2025	\$0.00	1,000,000	-	-	-	1,000,000
06/10/2020	16/11/2025	\$0.00	-	5,000,000	-	-	5,000,000
02/11/2020	19/11/2023	\$0.00	-	100,000	-	(100,000)	-
			<u>9,200,000</u>	<u>5,100,000</u>	<u>-</u>	<u>(4,100,000)</u>	<u>10,200,000</u>

**Notes to the consolidated financial statements  
30 June 2021**

**Note 33. Share-based payments (continued)**

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
30/05/2019	29/05/2024	\$0.00	5,200,000	-	-	(1,000,000)	4,200,000
29/05/2020	10/06/2023	\$0.00	-	4,000,000	-	-	4,000,000
29/05/2020	10/06/2025	\$0.00	-	1,000,000	-	-	1,000,000
			<u>5,200,000</u>	<u>5,000,000</u>	<u>-</u>	<u>(1,000,000)</u>	<u>9,200,000</u>

The weighted average remaining contractual life of performance rights outstanding at the end of the financial period was 3.73 years (2020: 3.58 years).

The 1,000,000 performance rights issued on 29/05/2020 will vest if each of the following conditions are satisfied:

- (a) the holder must be employed and/or engaged by the company for at least two years from the date of issue of the performance rights; and
- (b) the 5 day VWAP of the company's share price is 40 cents or above for more than 30 days.

The 5,000,000 performance rights issued on 06/10/2020 will vest if each of the following conditions are satisfied:

- (a) achievement of budgeted revenue target, subject to a minimum 20% growth year on year;
- (b) achievement of budgeted EBITDA target; and
- (c) achievement of strategic and performance initiatives within the annual budget.

The above conditions are subject to a total shareholder return hurdle of a 20% compound annual growth rate, which is determined by comparing the 30-day volume weighted average price (VWAP) of BMT shares prior to the release of the relevant financial year results, against the reference VWAP. The reference VWAP has been deemed as the one month period prior to the grant date of performance rights issued. The holder must be employed and/or engaged by the company during the entire vesting period.

All performance rights for which vesting conditions have not been disclosed above have vested, been exercised, or are expired/forfeited/other.

For the unlisted performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
06/10/2020	16/11/2025	\$0.28	\$0.00	70.53%	-	0.33%	\$0.154
06/10/2020	16/11/2025	\$0.00	\$0.00	70.53%	-	0.33%	\$0.161
06/10/2020	16/11/2025	\$0.00	\$0.00	70.53%	-	0.33%	\$0.162
06/10/2020	16/11/2025	\$0.00	\$0.00	70.53%	-	0.33%	\$0.164
02/11/2020	19/11/2023	\$0.00	\$0.00	70.24%	-	0.33%	\$0.295

Total expense recognised in the profit or loss for the year ended 30 June 2021 amounted to \$532,715 (2020: \$314,708).

**Accounting policy for share-based payments**

Equity-settled share-based compensation benefits are provided to employee, directors and other parties.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

## Notes to the consolidated financial statements 30 June 2021

### Note 33. Share-based payments (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions. Expected price volatility of the underlying share is determined with reference to the historical volatility of the share price over the most recent period commensurate with the expected term of the underlying rights or options. The risk free interest rate has been determined with reference to government bond rates.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### Note 34. Events after the reporting period

On 26 August 2021, the Company has completed acquisition of AINSOFF Pty Ltd, a clinical-led healthcare analytics company with an upfront completion payment of \$350,000 and 1,625,000 full paid ordinary shares.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Notwithstanding the above, the consolidated entity is considered as an essential service and will continue to operate through these challenging periods. Both the Clinical Decision Software (CDS) and the audit and risk management software are primarily used by pathology laboratories and hospitals in the healthcare sector around the world.

The consolidated entity also has a high proportion of recurring revenue and predictable costs and therefore, a strong view on trading and cashflow. As at 30 June 2021, the consolidated entity has a strong positive cash balance of \$14,117,444 and expect revenue to continue to grow in the coming financial years.

Apart from the impact of the COVID-19 pandemic, no other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 35. Operating segments**

*Identification of reportable operating segments*

During the period, the consolidated entity restructured its operations into a singular reportable operating segment, combining the previously existing reportable operating segments of CDS and Pavilion. This is due to synergies created by the composition of the Board of Directors ('the Board') and Senior Management, shared workforce and the internal knowledge management platform. The single reportable operating segment is based on the internal reports that are reviewed and used by the Board (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. Accordingly, no reconciliation of operating segment information has been presented.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Details of revenue by channels and by geographical areas are disclosed in note 3.

*Accounting policy for operating segments*

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

**Note 36. Earnings per share**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
(Loss)/profit after income tax attributable to the owners of Beamtree Holdings Limited	<u>(383,619)</u>	<u>382,902</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.19)	0.30
Diluted earnings per share	(0.19)	0.26
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	198,515,576	125,597,687
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	-	<u>20,350,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>198,515,576</u>	<u>145,947,687</u>

*Accounting policy for earnings per share*

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Beamtree Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Potential ordinary shares are treated as dilutive only when their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. Options held over ordinary shares would decrease the loss per share reported above and hence, have been treated as antidilutive.

## Directors' declaration 30 June 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Michael Hill  
Chairman

27 August 2021

## INDEPENDENT AUDITOR'S REPORT

To the members of Beamtree Holdings Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Beamtree Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position as at 30 June 2021, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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



## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue Recognition

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in Note 3, the Group recognised initial license fees, license and subscription fees, usage fees, consulting, training and other fees, and services fees revenue of \$8,386,045 for the year ended 30 June 2021. Revenue was identified as a key audit matter as it is a key performance indicator to the users of the financial report and because of the high level of judgement involved in determining the timing and amounts recognised in revenue over the period the services and subscriptions were provided.</p>	<p>Our procedures, amongst others, included:</p> <ul style="list-style-type: none"> <li>• Considering whether the revenue recognition policies are in accordance with Australian Accounting Standards and the Group's accounting policies described in Note 1;</li> <li>• Selecting a sample of revenue transactions throughout the financial year and tracing to supporting documentation, cash receipts and verifying whether revenue was accounted for appropriately for the year ended 30 June 2021;</li> <li>• Obtaining and inspecting the deferred revenue schedules in order to ensure that correct adjustments were recorded to recognise the revenue in the appropriate reporting period; and</li> <li>• Assessed the appropriateness of the disclosures in Note 3 of the financial report.</li> </ul>

### Carrying value of Intangible Assets

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>At 30 June 2021, the carrying value of Intangible Assets was \$27,070,465 as disclosed in Note 11.</p> <p>The assessment of the carrying value of Intangible Assets requires management to make significant accounting judgements and estimates in producing the discounted cash flow models used to determine whether the assets are appropriately carried.</p> <p>An annual impairment test for Intangible Assets is required for indefinite life assets or where there are indicators of impairment</p>	<p>Our audit procedures to address the key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Analysing management's key assumptions used in the discounted cash flow models to determine their reasonableness;</li> <li>• Challenging the appropriateness of management's discount rates used in the discounted cash flow models which included engaging our valuation specialists;</li> <li>• Challenging assumptions around timing of future cash flows;</li> </ul>

<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>under Australian Accounting Standard (AASB) 136 <i>Impairment of Assets</i>. Refer to Note 11 for the detailed disclosures, which include the related accounting policies and the critical accounting judgements and estimates.</p>	<ul style="list-style-type: none"> <li>• Checking the mathematical accuracy of the discounted cash flow model;</li> <li>• Performing sensitivity analysis on key assumptions to determine if there would be a significant change to the carrying value of the asset;</li> <li>• Assessed the adequacy of the Group’s disclosures in respect of Intangible Assets’ carrying values and impairment assessment assumptions as disclosed in note 11 of the financial report; and</li> <li>• Considered any additional impairment indicators as per AASB 136 <i>Impairment of Assets</i> and the effects of such on management’s assumptions.</li> </ul>

### Share Based Payments

<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>As disclosed in the remuneration report and note 33 of the financial statements, during the year ended 30 June 2021 and in prior periods, the Company issued incentive options and performance rights to key and other management personnel, which the Company has accounted for as share-based payments.</p> <p>Share-based payments is a complex accounting area including assumptions utilised in the fair value calculations and judgements regarding the incentive options and performance shares issued during the year and the subsequent measurement of those issued in prior periods. There is a risk in the financial statements that amounts are incorrectly recognised and/or inappropriately disclosed.</p> <p>Refer to note 1 and 2 of the financial report for a description of the accounting policy and significant estimates and judgements applied to these transactions.</p>	<p>Our audit procedures to address the key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Ensured that any share based payments issued during the financial period have been valued appropriately as at grant date;</li> <li>• Performed a review of the key estimates and assumptions applied in the accounting for share based payments, making an assessment as to whether they remain appropriate for the current period;</li> <li>• Performed a review of the share based payments to ensure these are being accounted for appropriately across the vesting period;</li> <li>• Ensured that options have been accounted for appropriately in accordance with AASB 2 <i>Share Based Payments</i>; and</li> <li>• Ensured disclosure in the financial statements and remuneration report are adequate to meet the requirements of the applicable accounting standards and the <i>Corporations Act 2001</i>.</li> </ul>



### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

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

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

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

### **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.



## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Beamtree Holdings Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

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

**BDO Audit Pty Ltd**

A stylized signature of the BDO firm, written in a cursive script.

A handwritten signature of Gareth Few in a cursive script.

Gareth Few  
Director

Sydney, 27 August 2021

## Shareholder information 30 June 2021

The shareholder information set out below was applicable as at 30 July 2021.

### Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	40	0.01	-	-
1,001 to 5,000	349	0.49	-	-
5,001 to 10,000	263	0.92	-	-
10,001 to 100,000	744	12.23	4	21.05
100,001 and over	241	86.35	15	78.95
	<u>1,637</u>	<u>100.00</u>	<u>19</u>	<u>100.00</u>
Holding less than a marketable parcel	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>

### Equity security holders

#### *Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Paul Richard O'Connor	18,660,661	8.28
Freestate Holdings Pty Ltd	17,896,624	7.94
HSBC Custody Nominees (Australia) Limited	13,242,543	5.87
Mirrabooka Investments Limited	13,200,000	5.86
National Nominees Limited	13,100,000	5.81
Celerity Investments Pty Limited	11,297,984	5.01
Bombora Investment Management Pty Ltd	5,600,000	2.48
Sandhurst Trustees Ltd	4,005,321	1.78
Michael B Pollitt	3,579,547	1.59
Ancil Limited	3,542,274	1.57
Mohamed Hassan Khadra	3,456,275	1.53
Ozren Tosic	3,273,150	1.45
3rd Wave Investors Pty Ltd	3,250,000	1.44
Shorebrook Pty Ltd	2,950,000	1.31
J P Morgan Nominees Australia Limited	2,646,297	1.17
Mr Christopher Bell	2,499,000	1.11
David Bambach	2,073,545	0.92
Jamplat Pty Ltd	1,800,000	0.80
Castlereagh Equity Pty Ltd	1,783,569	0.79
Mary Ethna Black	1,728,144	0.77
	<u>129,584,934</u>	<u>57.48</u>

## Shareholder information 30 June 2021

### *Unquoted equity securities*

	Number on issue	Number of holders
Options over ordinary shares issued	23,700,000	19

### **Substantial holders**

Substantial holders in the company are set out below:

	Number held	Ordinary shares % of total shares issued
Paul Richard O'Connor	18,660,661	8.28
Freestate Holdings Pty Ltd	17,896,624	7.94
HSBC Custody Nominees (Australia) Limited	13,242,543	5.87
Mirrabooka Investments Limited	13,200,000	5.86
National Nominees Limited	13,100,000	5.81
Celerity Investments Pty Ltd	11,297,984	5.01

### **Voting rights**

The voting rights attached to ordinary shares are set out below:

#### *Ordinary shares*

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

There are no other classes of equity securities.

# Beamtree

