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# Beamtree

## ASX appendix 4D and Interim Report

Beamtree Holdings Limited

Six months ended 31 December 2021

Better has no limit

## Contents

About Beamtree	4
From the Chairman	7
A message from the CEO	9
Financial Summary 1H FY22	10
Growth Highlights 1H FY22	11
Highlights of FY22	12
Financial Report	16
Appendix 4D	18
Corporate directory	24
Directors' report	25
Auditor's independence declaration	26
General information	28
Statement of profit or loss and other comprehensive income	29
Statement of financial position	30
Statement of changes in equity	31
Statement of cash flows	32
Notes to the financial statements	33
Directors' declaration	41
Independent auditor's review report to the members of Beamtree Holdings Limited	42

# Beamtree

We help solve real world problems in healthcare by developing smart tools that improve patient outcomes. Our technology analyses, interprets and improves the efficiency of healthcare staff and resources, so they can make the most of their time and effort.

We believe it starts with better data and ends in better care – and for us, **better has no limit.**

## Beamtree empowers the Learning Health System – turning data into insight and action through automation

Our solutions and services help clients make the best use of their data. From improving the quality of the inputs, to better visualising the outputs and automating decisions, we help healthcare providers make informed decisions and improve patient outcomes.



Clinical Coding



Analytics & Insights

codexpert™ picq® Coding Platform™

ABC Activity BarCoding HACBi risq.™

Global Health Comparators Program  
Workforce Wellbeing Solution



Automation & Decision Support



Advisory & Services

Ainsoff Patient Deterioration Index  
Ainsoff Clinical Documentation  
Ainsoff Pathology Alerts  
RippleDown™ Auditor  
RippleDown™ Expert

Global Impact Committee  
Advisory & Consulting Services



**“Beamtree is pleased to report strong revenue performance with group reported revenue increasing by 91% to \$7.1m.**

**These results demonstrate evidence of the success of the Beamtree growth strategy.”**

Michael Hill

## From the Chairman

Dear Shareholders,

In the first six months of this financial year, we have been privileged to continue our support for health services around the world as they tackle the relentless and evolving challenges thrown up by the COVID-19 pandemic.

For the opening half of FY22, Beamtree is pleased to report strong revenue performance with group reported revenue increasing by 91% to \$7.1m. Beamtree’s total recurring revenue on a pro-forma basis exceeded 85% of total group revenue – testament to the customer loyalty our company and products inspire. Annual recurring revenue (ARR) has increased 160% year-on-year, with total ARR reaching \$16.8m.

These results demonstrate the success of Beamtree’s growth strategy, with new contract wins in four countries and ground-breaking strategic partnerships to develop new applications in computer-assisted clinical record coding and remote monitoring of patient deterioration. The first half also saw the completion of two acquisitions – Potential(x) and Ainsoff – making Beamtree Australia’s largest health data and AI decision support platform.

On behalf of the Beamtree board, I would like to thank our existing shareholders for their support – and extend a warm welcome to new investors. Finally, let me congratulate our staff in Australia and overseas for their hard work, passion and commitment.

Yours Sincerely,

Michael Hill  
Chairman



**“Beamtree’s mission is to support organisations around the world improve health outcomes through automation, AI decision support and comparative data analytics.”**

Tim Kelsey

## A message from the CEO

Dear Shareholders,

Beamtree’s mission is to support organisations around the world improve health outcomes through automation, AI decision support and comparative data analytics. We now operate in 23 countries providing cutting-edge technology which is supporting patient safety, improving the efficiency of health service delivery, and optimising the experience for patients and the professionals who serve them.

COVID-19 has underscored the critical importance of data quality, automation of administrative process and intelligent decision support in improving the quality and equity of care delivery. We remain committed more than ever to assisting our clients maintain system resilience and supporting system recovery from the pandemic.

The first six months of this year saw the completion of two key acquisitions of Ainsoff and Potential(x), who have greatly increased our goal to be the preeminent health data and AI decision support platform. Significant integration work has been undertaken by the team to move us toward our vision of being ‘One Beamtree’. I also thank our most valued service partner organisations, the Health Roundtable and the Ability Roundtable, for the privilege of supporting their vital work in empowering collaboration for service improvement and quality through comparative benchmarking and knowledge sharing.

Investment in product and technology, as well as workforce skills and scale, continue as we execute our growth strategy. Major feature releases of our core Beamtree products delivered performance improvements and service enhancements to our clients. New analytical, financial and wellbeing products were refined and released.

The first half also saw continued growth of Beamtree’s strategic incubator program, in which leading health systems are implementing breakthrough applications of AI decision support technology to support the automation of clinical record coding, new analytic services – building on the market-leading expertise of Potential(x) – and new applications to support patient safety in hospitals.

Expanding our presence in the international market has been a key focus with the establishment of the first international Beamtree office in the United Kingdom. November 2021 marked the successful conclusion of a year-long national clinical coding quality improvement project in the Kingdom of Saudi Arabia.

I’d like to pay tribute to the talent and passion of the Beamtree team, and our partners, and thank our Board for their wisdom. I’d like to thank our shareholders for their support.

Yours Sincerely,

Tim Kelsey

CEO

# Financial Summary 1H FY22

Growth and investment was the focus for the first half of FY22, despite ongoing challenges presented by the COVID-19 pandemic. Thanks to strong revenue performance and excellent customer retention rates, we were able to make significant investments across the business within our budgeted forecast. Our position remains strong as we enter the second half of FY22.

Strong total revenue performance

**\$7.1 million**

+91% growth in group's revenue and 24% YoY growth exc. acquisitions

Recurring revenue

**85%**

Exceeded management forecast

Net cash of

**\$6.5 million**

Position remains strong

ARR (annual recurring revenue)

**\$16.8 million**

Continued annualised recurring revenue growth YoY

Operational EBITDA loss of

**\$0.5 million**

Investment in headcount for sales, product and technology capabilities

Customer Renewal

**100%**

Globally

# Beamtree has seen continued growth in the first half of FY22



Key acquisition of Potential(x) making Beamtree Australia's largest health data and AI decision support platform.



Key acquisition of Ainsoff to drive AI product innovation.



100% of our retention and renewal goals for the first half of FY22.



94% increase in staff, due to the integration of Potential(x) and Ainsoff. Beamtree also invested in new skills with 20 new technical staff for product development and go to market professionals in 1H FY22.



We have continued to win major contracts and form strategic partnerships with organisations in Australia and internationally. These include Central Adelaide Local Health Network, Ampath (South Africa), and Southern DHB (NZ).

# Highlights of FY22

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2021

Jul

2021

Aug

Sep

Oct

Nov

Dec

Jan

2022

- codexpert™ 11.7.1 edition released

Aug

- Acquired Ainsoff, a pioneer in clinical AI
- Beamtree brand launch
- Collaboration with University of Sydney announced
- Mark Britnell announced as chair of Global Impact Committee (GIC)
- PICQ® 8.7 released

Sep

- New strategic partnerships with Central Adelaide LHN and Southern DHB
- Finalised the acquisition of Potential<sup>(x)</sup>

Oct

- Sponsored the 2021 HIMAA Conference
- Established the Global Health Comparators (GHC) Program
- Appointed 15 international healthcare leaders to Global Impact Committee
- RISQ™ 2.1 released
- RippleDown® 8.3 released
- Ainsoff Index featured in Channel 9 News
- Duane Attree appointed Chief Commercial and Development Officer

Nov

- Financial Review identifies Beamtree as a healthcare cloud solution to watch
- Completion of the health audit in 270+ hospitals in Kingdom of Saudi Arabia
- Production of new BI Platform for Hospital Acquired Complications (HACs)

Dec

- Release of Inaugural White Paper on Health workforce burnout and data-driven solutions.
- codexpert™ 11.9.0 edition released
- PICQ® 8.8 released
- Completion of joint data discovery project with Johns Hopkins Aramco Healthcare (KSA)

Jan

- RippleDown® 9.0 released
- Nearly 60% of overall Potential<sup>(x)</sup> integration initiatives complete in first 100 days
- New strategic partnership with leading South African pathology provider Ampath

# Operational Highlights

## Key Strategic Partnerships

- Strategic partnership with Central Adelaide Local Health Network (CALHN) in South Australia to implement its decision support platform.
- A strategic partnership with Southern DHB in New Zealand to implement proprietary data capture bar coding technology to support quality surveillance of outcomes in allied health.

## New Australian Clients

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

- Completion of the national clinical coding quality improvement audit in Kingdom of Saudi Arabia (TCV AUD \$2.25m), working with 73 Ministry of Health sites across the country.
- Completion of a data and analytics discovery project with Johns Hopkins Aramco Healthcare (a joint venture between Saudi Aramco and Johns Hopkins Medicine).
- International growth continues with key contract with leading South African pathology provider Ampath.



Photo from the Kingdom of Saudi Arabia Audit

## Collaborative Partnerships

As part of the acquisition of Potential<sup>(x)</sup>, Beamtree now provides services to the following organisations.



- Established in 2013, Ability Roundtable is a not-for-profit benchmarking and knowledge-sharing organisation in the disability sector.
- Continued service improvements have reduced the data turnaround time by two months and transitioned from PDFs to online analytics. This has resulted in a 30% YOY increase in revenue.



- Established in 1995, Health Roundtable is a not-for-profit benchmarking and knowledge-sharing organisation.
- Members include 90% of large (300+ bed) hospitals across every state and territory in Australia, all of New Zealand and the Abu Dhabi Health Authority.
- Independent Board provides oversight & governance.
- Renewals for the Health Roundtable track in line with historical trends, currently sitting at 85% completion for the calendar year of 2022. Recent introduction of multi-year subscriptions for HRT has seen commitments for 2023 and 2024 subscriptions from approximately 20% of Members.

## New Products & Enhancements

### Growth in microbiology and pathology

RippleDown® Artificial Intelligence (AI) decision support expanded into microbiology and pathology services in several new countries with channel partners Philips and Abbott.

### Improvements and enhancements

Major new releases for RippleDown®, PICQ® and RISQ™ have resulted in performance improvements and service enhancements.

### Production of hacBI platform

Development and implementation of a new business intelligence platform for Hospital Acquired Complications (HAC's) in partnership with a large private provider.

### Wellbeing product suite

The Wellbeing product is largely packaged and delivered through the Health Roundtable partnership, with the Royal Children's Hospital, Melbourne taking up the Beamtree version in late 2021.

## International Collaborative

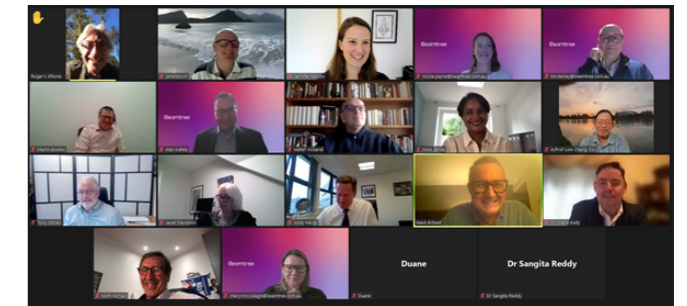
The Global Health Comparators Program empowers hospitals and hospital systems to look beyond their national boundaries to measure performance, explore variation and identify areas for improvement. It has incorporated hospitals from the Global Health Data@Work network from England, Italy, the USA and Belgium and is expected to grow quickly and organically. Initial discussions with hospitals from England, Wales, Italy and Belgium have been very positive.

## Thought Leadership

In partnership with Health Roundtable, industry recognised thought leaders were convened to discuss health staff burnout and offer solutions. The result is a white paper titled *Addressing Burnout. Bringing data-driven solutions, care and hope to the health workforce*, released in December 2021.

## Global Impact Committee

Chaired by Mark Britnell, this advisory board includes 15 international healthcare leaders from Australia, Canada, UK, Ireland, USA, Singapore, India, Italy and Sweden. Following the first meeting in October, the committee is working on its first research paper. The paper will consider the major issues facing health systems around the world and put forward solutions that can make a real difference to the quality of care.



Global Impact Committee on a virtual call



# Beamtree

Financial Report

# Beamtree Holdings Limited

Appendix 4D  
Half-year report

## 1. Company details

Name of entity:	Beamtree Holdings Limited
ABN:	42 627 071 121
Reporting period:	For the period ended 31 December 2021
Previous period:	For the period ended 31 December 2020

## 2. Results for announcement to the market

							\$
Revenues from ordinary activities	up	91.3%	to	7,133,810			
Loss from ordinary activities after tax attributable to the owners of Beamtree Holdings Limited	down	2034.1%	to	(1,861,997)			
Loss for the period attributable to the owners of Beamtree Holdings Limited	down	2034.1%	to	(1,861,997)			

### Comments

The loss for the consolidated entity after providing for income tax amounted to \$1,861,997 (31 December 2020: profit of \$96,272).

On 30 September 2021, Beamtree Holdings Limited acquired 100% of the ordinary shares of Potential(x) Holdings Pty Ltd and its controlled entities ('Potential(x)') for total consideration of \$19,600,000. Potential(x) is a health data analytics business and provides most public and private hospitals in the country with cutting edge comparative analytics that support improvements in quality and in the value of care. The values identified in relation to the acquisition of Potential(x) are provisional as at 31 December 2021.

	Actual 6 months ended 31 Dec 2021 \$'000	Actual 6 months ended 31 Dec 2020 \$'000
Subscription, license and usage revenue – recurring	3,546	3,053
Service revenue – recurring	203	221
Consultancy and initial license fee revenue	1,075	455
Data analytics	2,310	-
Revenue	7,134	3,729
Other income	398	276
<b>Total revenue and other income</b>	<b>7,532</b>	<b>4,005</b>
<b>Total operating expenses</b>	<b>(7,713)</b>	<b>(2,546)</b>
<b>Operational EBITDA (Non-GAAP)*</b>	<b>(181)</b>	<b>1,459</b>
% margin	(3%)	39%
Listing, one-off and acquisition expenses	(737)	(745)
Options and performance rights expenses	(129)	(326)
Depreciation and amortisation expenses	(1,323)	(371)
<b>Profit before tax</b>	<b>(2,370)</b>	<b>17</b>

\*Operational EBITDA excludes listing fees, acquisition expenses, options and performance rights related expenses, foreign exchange gain/loss and other one-off expenses.

### Dividends

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

# Beamtree Holdings Limited

Appendix 4D  
Half-year report

## 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.13	6.68

## 4. Control gained over entities

Name of entities (or group of entities)	Potential(x) Holdings Pty Ltd
Date control gained	30 September 2021
Name of entities (or group of entities)	Ainsoff Pty Ltd
Date control gained	26 August 2021
Name of entities (or group of entities)	Beamtree UK Ltd
Date control gained	7 September 2021

	\$
Profit contribution of Potential(X) Holdings Pty Ltd to Beamtree Holdings Limited's loss from ordinary activities before income tax during the period	461,927
Profit from ordinary activities before income tax of Potential(X) Holdings Pty Ltd for the whole of the previous period	1,829,434

## 5. Loss of control over entities

Not applicable.

## 6. Dividends

### Current period

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

### Previous period

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

## 7. Dividend reinvestment plans

Not applicable.

## 8. Details of associates and joint venture entities

Not applicable.

## 9. Foreign entities

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

Australian Accounting Standards

**10. Audit qualification or review**

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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**11. Attachments**

*Details of attachments (if any):*

The Interim Report of Beamtree Holdings Limited for the period ended 31 December 2021 is attached.

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**12. Signed**

Signed  \_\_\_\_\_

Date: 15 February 2022

Michael Hill  
Chairman

# Beamtree

Beamtree Holdings Limited

ABN 42 627 071 121

Interim Report – 31 December 2021

Directors	Michael Hill Andrew Gray Paul Williams Brad Lancken Stephen Borness James Birch
Company secretary	Belinda Cleminson
Registered office	16 Eveleigh Street Redfern, NSW 2016
Principal place of business	16 Eveleigh Street, Redfern NSW 2016
Share register	Automic Pty Ltd Level 5 126 Phillip Street Sydney, NSW 2000
Auditor	BDO Audit Pty Ltd
Solicitors	Automic Pty Ltd
Bankers	Commonwealth Bank of Australia
Stock exchange listing	Beamtree Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: BMT)
Website	www.beamtree.com.au

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 period ended 31 December 2021.

#### Directors

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

Michael Hill  
Andrew Gray  
Paul Williams  
Brad Lancken  
Stephen Borness  
James Birch

#### 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 period.

#### Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,861,997 (31 December 2020: profit of \$96,272).

On 30 September 2021, Beamtree Holdings Limited acquired 100% of the ordinary shares of Potential(x) Holdings Pty Ltd and its controlled entities ('Potential(x)') for total consideration of \$19,600,000. Potential(x) is a health data analytics business and provides most public and private hospitals in the country with cutting edge comparative analytics that support improvements in quality and in the value of care. The acquired business contributed revenues of \$2,529,510 and profit before tax of \$461,927 to the consolidated entity for the period from 1 October 2021 to 31 December 2021. If the acquisition occurred on 1 July 2021, the half-year contributions would have been revenues of \$4,888,824 and profit before tax of \$601,601. The values identified in relation to the acquisition of Potential(x) are provisional as at 31 December 2021.

On 27 August 2021, Beamtree Holdings Limited acquired 100% of the ordinary shares of Ainsoff Pty Ltd ('Ainsoff') for total consideration of \$1,146,250. Ainsoff is a clinician-led healthcare analytics company that is bridging the gap between clinical expertise and data science. Ainsoff's ready-for-market product applications reduces risk of death for seriously ill patients in hospital and automate other key clinical processes. This acquisition is classified as an asset acquisition in accordance with AASB 3 *Business Combinations*.

#### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial period.

#### Matters subsequent to the end of the financial period


No matter or circumstance has arisen since 31 December 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.

#### 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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Michael Hill  
Chairman

15 February 2022



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Sydney NSW 2000  
Australia

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

As lead auditor for the review of Beamtree Holdings Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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, 15 February 2022

# Beamtree Holdings Limited

General information

31 December 2021

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	Principal place of business
16 Eveleigh Street Redfern NSW 2016	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 15 February 2022.

# Beamtree Holdings Limited

Statement of profit or loss and other comprehensive income

For the period ended 31 December 2021

	Note	Consolidated	
		31 December 2021 \$	31 December 2020 \$
<b>Revenue</b>	3	7,133,810	3,729,033
Other income	4	397,731	279,287
<b>Expenses</b>			
Employee benefits expense		(5,161,812)	(1,819,125)
Depreciation and amortisation expense	5	(1,322,785)	(371,370)
Finance costs	5	(37,049)	(458)
Sales and marketing		(425,828)	(20,226)
Occupancy		(28,650)	(36,622)
Professional fees		(627,610)	(521,618)
Share based payment expense		(128,597)	(326,366)
Consultancy, hosting and other direct costs		(1,616,338)	(631,834)
Other expenses		(552,892)	(263,832)
<b>(Loss)/profit before income tax benefit</b>		(2,370,020)	16,869
Income tax benefit		508,023	79,403
<b>(Loss)/profit after income tax benefit for the period attributable to the owners of Beamtree Holdings Limited</b>		(1,861,997)	96,272
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Foreign currency translation		10,352	(1,199)
<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		(74,164)	-
Other comprehensive income for the period, net of tax		(63,812)	(1,199)
<b>Total comprehensive income for the period attributable to the owners of Beamtree Holdings Limited</b>		(1,925,809)	95,073
		<b>Cents</b>	<b>Cents</b>
Basic (loss)/earnings per share	17	(0.79)	0.05
Diluted (loss)/earnings per share	17	(0.79)	0.05

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

# Beamtree Holdings Limited

## Statement of financial position

As at 31 December 2021

Note	Consolidated	
	31 December 2021 \$	30 June 2021 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	7,038,458	14,117,444
Trade and other receivables	6 5,219,481	2,132,129
Contract assets	487,533	1,118,903
Total current assets	12,745,472	17,368,476
<b>Non-current assets</b>		
Property, plant and equipment	708,389	626,423
Right-of-use assets	845,725	812,351
Intangibles	7 48,355,607	27,070,465
Deferred tax	1,686,214	1,177,206
Total non-current assets	51,595,935	29,686,445
<b>Total assets</b>	<b>64,341,407</b>	<b>47,054,921</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	2,063,594	942,402
Contract liabilities	8 1,909,468	1,893,698
Lease liabilities	488,783	276,306
Derivative financial instruments	102,265	28,101
Income tax	167,380	153,777
Employee benefits	1,133,542	463,607
Total current liabilities	5,865,032	3,757,891
<b>Non-current liabilities</b>		
Investment bond payable	9 519,705	-
Lease liabilities	425,572	573,051
Deferred tax	649,942	596,747
Employee benefits	290,030	36,144
Deferred shares	10 5,537,000	-
Total non-current liabilities	7,422,249	1,205,942
<b>Total liabilities</b>	<b>13,287,281</b>	<b>4,963,833</b>
<b>Net assets</b>	<b>51,054,126</b>	<b>42,091,088</b>
<b>Equity</b>		
Issued capital	11 50,195,419	42,189,013
Contingent consideration	12 3,120,000	-
Reserves	13 538,175	839,546
Accumulated losses	(2,799,468)	(937,471)
<b>Total equity</b>	<b>51,054,126</b>	<b>42,091,088</b>

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

# Beamtree Holdings Limited

## Statement of changes in equity

For the period ended 31 December 2021

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$	
<b>Consolidated</b>					
Balance at 1 July 2020	29,363,535	405,620	(553,852)	29,215,303	
Profit after income tax benefit for the period	-	-	96,272	96,272	
Other comprehensive income for the period, net of tax	-	(1,199)	-	(1,199)	
Total comprehensive income for the period	-	(1,199)	96,272	95,073	
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	121,190	-	-	121,190	
Share-based payments	-	326,366	-	326,366	
Balance at 31 December 2020	29,484,725	730,787	(457,580)	29,757,932	
	Issued capital \$	Reserves \$	Contingent consideration \$	Accumulated losses \$	Total equity \$
<b>Consolidated</b>					
Balance at 1 July 2021	42,189,013	839,546	-	(937,471)	42,091,088
Loss after income tax benefit for the period	-	-	-	(1,861,997)	(1,861,997)
Other comprehensive income for the period, net of tax	-	(63,812)	-	-	(63,812)
Total comprehensive income for the period	-	(63,812)	-	(1,861,997)	(1,925,809)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 11)	7,400,250	-	-	-	7,400,250
Performance shares issued on acquisition of subsidiary (note 12)	-	-	3,120,000	-	3,120,000
Share based payments	-	128,597	-	-	128,597
Options exercised (note 11)	240,000	-	-	-	240,000
Performance rights and options transferred from reserve (note 11)	366,156	(366,156)	-	-	-
Balance at 31 December 2021	50,195,419	538,175	3,120,000	(2,799,468)	51,054,126

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



**Beamtree Holdings Limited**  
Statement of cash flows  
For the period ended 31 December 2021

	Note	Consolidated	
		31 December 2021 \$	31 December 2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		6,644,497	3,541,359
Payments to suppliers and employees (inclusive of GST)		(8,866,495)	(3,656,322)
		(2,221,998)	(114,963)
Interest received		161	186
Interest and other finance costs paid		(28,672)	(458)
Grant received		-	277,300
Income taxes refunded/(paid)		52,211	(11,219)
Net cash (used in)/from operating activities		(2,198,298)	150,846
<b>Cash flows from investing activities</b>			
Payment for purchase of business, net of cash acquired	15	(2,653,527)	-
Payments for property, plant and equipment		(11,573)	(58,234)
Payments for intangibles	7	(2,213,809)	(925,330)
Net cash used in investing activities		(4,878,909)	(983,564)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares, net of transaction costs	11	240,000	100,000
Repayment of lease liabilities		(241,779)	(44,273)
Net cash (used in)/from financing activities		(1,779)	55,727
Net decrease in cash and cash equivalents		(7,078,986)	(776,991)
Cash and cash equivalents at the beginning of the financial period		14,117,444	4,204,932
Cash and cash equivalents at the end of the financial period		7,038,458	3,427,941

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

**Beamtree Holdings Limited**  
Notes to the financial statements  
31 December 2021

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

**Note 2. Operating segments**

The consolidated entity is organised into 2 operating segments: BMT and Potential(x). These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The BMT segment has range of SaaS products that provide solutions to assist healthcare providers in improving efficiency of their services and delivering higher quality care for patients.

Potential(x) provides the majority of public and private hospitals in Australia with comparative analytics that support delivery of quality care outcomes.

In the previous period, management determined that the consolidated entity had only one operating segment, being the BMT segment. No other separate operating segments with discrete financial information were identified. In the current period, the CODM reviews discrete financial information for both the BMT segment and the Potential(x) segment, due to the acquisition of Potential(x) in the current financial period.

Segment assets, liabilities and taxation balances are not allocated to operating segments as they are reviewed by the CODM on a group basis.

	BMT \$	Potential(x) \$	Total \$
Segment income	5,002	2,530	7,532
Operating expenses	(5,691)	(2,022)	(7,713)
<b>Segment operational EBITDA</b>	<b>(689)</b>	<b>508</b>	<b>(181)</b>
Corporate costs			(457)
Transaction and other one-off costs			(243)
Share based payment expense			(129)
			(829)
<b>EBITDA</b>			<b>(1,010)</b>
Depreciation and amortisation			(1,323)
Finance costs			(37)
<b>Loss before tax</b>			<b>(2,370)</b>

# Beamtree Holdings Limited

Notes to the financial statements

31 December 2021

## Note 3. Revenue

	Consolidated	
	31 December 2021 \$	31 December 2020 \$
Initial licence fees	13,599	47,410
License and subscription fees	3,545,897	3,057,535
Consulting, training and other fees	1,061,747	407,098
Service fees	202,752	216,990
Data analytics	2,309,815	-
Revenue	7,133,810	3,729,033

### Disaggregation of revenue

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

Consolidated - 31 December 2021	Initial license fees \$	License and subscription fees \$	Consulting, training and other fees \$	Service fees \$	Data analytics \$	Total \$
<i>Sales channels</i>						
Direct customers	-	3,139,307	1,061,747	202,752	2,309,815	6,713,621
Global partners	13,599	406,590	-	-	-	420,189
	13,599	3,545,897	1,061,747	202,752	2,309,815	7,133,810
<i>Geographical regions</i>						
Australia	-	2,501,709	185,600	202,752	2,160,287	5,050,348
Europe	-	272,018	-	-	-	272,018
Rest of the world	13,599	772,170	876,147	-	149,528	1,811,444
	13,599	3,545,897	1,061,747	202,752	2,309,815	7,133,810
<i>Timing of revenue recognition</i>						
Revenue recognised at a point in time	13,599	-	7,080	-	588,451	609,130
Services transferred over time	-	3,545,897	1,054,667	202,752	1,721,364	6,524,680
	13,599	3,545,897	1,061,747	202,752	2,309,815	7,133,810

### Consolidated - 31 December 2020

	Initial licence fees \$	License and subscription fees \$	Consulting, training and other fees \$	Service fees \$	Total \$
<i>Sales channels</i>					
Direct customers	-	2,683,975	405,785	216,990	3,306,750
Global partners	47,410	373,560	1,313	-	422,283
	47,410	3,057,535	407,098	216,990	3,729,033
<i>Geographical regions</i>					
Australia	6,737	1,902,103	115,785	216,990	2,241,615
Europe	27,067	329,540	-	-	356,607
Rest of the world	13,606	825,892	291,313	-	1,130,811
	47,410	3,057,535	407,098	216,990	3,729,033

### Timing of revenue recognition

Revenue recognised at a point in time	47,410	-	-	-	47,410
Services transferred over time	-	3,057,535	407,098	216,990	3,681,623
	47,410	3,057,535	407,098	216,990	3,729,033

# Beamtree Holdings Limited

Notes to the financial statements

31 December 2021

## Note 4. Other income

	Consolidated	
	31 December 2021 \$	31 December 2020 \$
Net fair value gain on deferred shares at fair value through profit or loss	339,000	-
Government grants	-	277,300
Other income	58,570	1,800
Interest income	161	187
Other income	397,731	279,287

Refer to note 10 for further information on net fair value gain on deferred shares at fair value through profit or loss.

## Note 5. Expenses

	Consolidated	
	31 December 2021 \$	31 December 2020 \$
(Loss)/profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	10,341	13,089
Plant and equipment	124,057	4,571
Fixtures and fittings	6,367	2,234
Buildings right-of-use assets	229,222	41,167
Total depreciation	369,987	61,061
<i>Amortisation</i>		
Patents and trademarks	886	-
Software intangibles	367,815	310,309
Capitalised development costs	575,454	-
Customer list	8,643	-
Total amortisation	952,798	310,309
Total depreciation and amortisation	1,322,785	371,370
<i>Finance costs</i>		
Interest and finance charges paid/payable on investment bond payable	8,377	-
Interest and finance charges paid/payable on lease liabilities	22,345	458
Bank charges paid/payable	6,327	-
Finance costs expensed	37,049	458
<i>Superannuation expense</i>		
Defined contribution superannuation expense	231,623	207,824

## Note 6. Current assets - trade and other receivables

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
Trade receivables	4,492,885	1,781,867
Less: Allowance for expected credit losses	(70,929)	(23,384)
	4,421,956	1,758,483
Other receivables	165,140	20,908
Deposits and prepayments	632,385	352,738
	5,219,481	2,132,129

# Beamtree Holdings Limited

Notes to the financial statements

31 December 2021

## Note 7. Non-current assets - intangibles

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
Goodwill - at cost	37,770,164	18,582,123
Capitalised development costs - at cost	5,658,649	4,152,394
Less: Accumulated amortisation - capitalised development costs	(1,304,136)	(728,682)
	4,354,513	3,423,712
Patents and trademarks - at cost	14,496	3,005
Less: Accumulated amortisation - patents and trademarks	(1,074)	(188)
	13,422	2,817
Software - at cost	6,289,055	4,756,902
Less: Accumulated amortisation - software	(1,384,178)	(1,016,363)
	4,904,877	3,740,539
Brand name - at cost	1,098,000	1,098,000
Customer list - at cost	242,000	242,000
Less: Accumulated amortisation - customer list	(27,369)	(18,726)
	214,631	223,274
	48,355,607	27,070,465

### Reconciliations

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

Consolidated	Goodwill	Capitalised development costs	Patents and trademarks	Software	Brand name	Customer list	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	18,582,123	3,423,712	2,817	3,740,539	1,098,000	223,274	27,070,465
Additions	-	1,506,255	11,491	1,492,313	-	-	3,010,059
Additions through business combination (note 15)	19,188,041	-	-	44,742	-	-	19,232,783
Disposals	-	-	-	(4,902)	-	-	(4,902)
Amortisation expense	-	(575,454)	(886)	(367,815)	-	(8,643)	(952,798)
Balance at 31 December 2021	37,770,164	4,354,513	13,422	4,904,877	1,098,000	214,631	48,355,607

Goodwill relates to the acquisition of Pacific Knowledge Systems Pty Ltd in May 2019, the acquisition of Pavilion Health Australia Pty Ltd in May 2020 and the acquisition of Potential(x) Holdings Pty Ltd in September 2021. The identification and fair value measurement of the assets and liabilities acquired from the acquisition of Potential(x) Holdings Pty Ltd are provisional and amendments may be made to these figures up to 12 months following the date of acquisition if new information is obtained about the facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognised as of the date.

Included in software additions are \$1,146,250 related to assets acquired from Ainsoff Pty Ltd for its ready-for-market software application and AI index, of which \$796,250 was purchased via issuance of ordinary shares, refer to note 11.

Goodwill and brand name are subject to impairment testing on an annual basis or whenever there is an indication of impairment. Goodwill and brand name were subjected to impairment testing at 30 June 2021. Capitalised development costs, patents and trademarks, software and customer list are subject to impairment testing whenever there is an indication of impairment. A review of indicators of impairment relating to all intangible assets was performed at 31 December 2021. As a result of this review, no indicators of impairment were identified that would require a full impairment test to be performed as at 31 December 2021.

# Beamtree Holdings Limited

Notes to the financial statements

31 December 2021

## Note 8. Current liabilities - contract liabilities

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
Contract liabilities	1,909,468	1,893,698
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial period are set out below:		
Opening balance	1,893,698	1,651,138
Payments received in advance	1,427,126	2,615,624
Additions through business combinations (note 15)	838,100	-
Transfer to revenue - performance obligations satisfied during the period	(2,250,094)	(2,368,630)
Exchange rate differences	638	(4,434)
Closing balance	1,909,468	1,893,698

### 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 \$1,909,468 as at 31 December 2021 (\$1,893,698 as at 30 June 2021) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
Within 6 months	1,491,006	1,327,101
6 to 12 months	418,462	566,597
	1,909,468	1,893,698

## Note 9. Non-current liabilities - investment bond payable

	Consolidated	
	December 2021 \$	30 June 2021 \$
Investment bond payable	519,705	-

Bond payable to The Health Roundtable Limited, maturing on 30 August 2027, with an interest rate of 6.5% per annum.

## Note 10. Non-current liabilities - deferred shares

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
Deferred shares	5,537,000	-

Deferred shares are issuable in connection with the business acquisition disclosed in note 15. These are deferred for 24 months from transaction date as security against any warranty and indemnity claims. If any claims are made against the company in connection with the business acquisition within the 24 month deferral period, the number of deferred shares will be adjusted accordingly. Each deferred share will convert (1:1) to ordinary shares in the company. Deferred shares hold no voting rights until they are converted into ordinary shares.

Deferred shares are fair valued at the end of each reporting period, with fair value movements recorded through the statement of profit or loss.

Deferred shares are a level 2 financial instrument and have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

# Beamtree Holdings Limited

Notes to the financial statements

31 December 2021

## Note 11. Equity - issued capital

	Consolidated			
	31 December 2021 Shares	30 June 2021 Shares	31 December 2021 \$	30 June 2021 \$
Ordinary shares - fully paid	244,236,400	225,411,400	50,195,419	42,189,013

### Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	225,411,400		42,189,013
Exercise of share options	9 August 2021	400,000	\$0.20	80,000
Exercise of share options	12 August 2021	400,000	\$0.20	80,000
Exercise of share options	24 August 2021	400,000	\$0.20	80,000
Issue of ordinary shares	26 August 2021	1,625,000	\$0.49	796,250
Conversion of performance rights	26 August 2021	2,000,000	\$0.00	-
Shares issued subject to 12-month voluntary escrow	30 September 2021	12,700,000	\$0.52	6,604,000
Conversion of performance rights	1 October 2021	1,000,000	\$0.00	-
Conversion of performance rights	13 October 2021	300,000	\$0.00	-
Transfer from share based payments reserve for options exercised		-	\$0.00	366,156
Balance	31 December 2021	244,236,400		50,195,419

### 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.

### Share buy-back

There is no current on-market share buy-back.

## Note 12. Equity - contingent consideration

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
Contingent consideration	3,120,000	-

Contingent consideration relates to performance shares issued in connection with the business combination disclosed in note 15. Performance shares will convert (1:1) into ordinary shares on satisfaction of a vesting condition based on the achievement of revenue targets for FY22. Performance shares hold no voting rights until they are converted into ordinary shares.

## Note 13. Equity - reserves

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
Foreign currency reserve	26,664	16,312
Hedging reserve - cash flow hedges	(102,265)	(28,101)
Share-based payments reserve	613,776	851,335
	538,175	839,546

# Beamtree Holdings Limited

Notes to the financial statements

31 December 2021

## Note 14. Equity - dividends

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

## Note 15. Business combinations

On 30 September 2021, Beamtree Holdings Limited acquired 100% of the ordinary shares of Potential(x) Holdings Pty Ltd and its controlled entities ('Potential(x)') for total consideration of \$19,600,000. Potential(x) is a health data analytics business and provides most public and private hospitals in the country with cutting edge comparative analytics that support improvements in quality and in the value of care. The acquired business contributed revenues of \$2,529,510 and profit before tax of \$461,927 to the consolidated entity for the period from 1 October 2021 to 31 December 2021. If the acquisition occurred on 1 July 2021, the half-year contributions would have been revenues of \$4,888,824 and profit before tax of \$601,601. The values identified in relation to the acquisition of Potential(x) are provisional as at 31 December 2021.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	1,346,473
Trade and other receivables	1,822,128
Plant and equipment	207,028
Right-of-use assets	262,596
Software	44,742
Trade and other payables	(591,783)
Loan payable to Beamtree Holdings Limited	(511,328)
Contract liabilities	(910,175)
Lease liability	(306,776)
Current tax liability	(169,905)
Employee benefits	(785,697)
Foreign currency translation reserve	4,656
Net assets acquired	411,959
Goodwill	19,188,041
Acquisition-date fair value of the total consideration transferred	19,600,000
Representing:	
Cash paid or payable to vendor	4,000,000
Beamtree Holdings Limited ordinary shares issued to vendor (note 11)	6,604,000
Beamtree Holdings Limited performance shares issued to vendor (note 12)	3,120,000
Beamtree Holdings Limited deferred shares to be issued to vendor (note 10)	5,876,000
	19,600,000

## Beamtree Holdings Limited

Notes to the financial statements

31 December 2021

### Note 16. Events after the reporting period

No matter or circumstance has arisen since 31 December 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.

### Note 17. Earnings per share

	Consolidated	
	31 December 2021 \$	31 December 2020 \$
(Loss)/profit after income tax attributable to the owners of Beamtree Holdings Limited	(1,861,997)	96,272
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	235,889,117	186,943,325
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares*	-	19,450,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	235,889,117	206,393,325
	<b>Cents</b>	<b>Cents</b>
Basic (loss)/earnings per share	(0.79)	0.05
Diluted (loss)/earnings per share	(0.79)	0.05

\*Options over ordinary shares have been omitted from the above calculation as they are anti-dilutive.

## Beamtree Holdings Limited

Directors' declaration

31 December 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial period 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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Michael Hill  
Chairman

15 February 2022

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Beamtree Holdings Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Beamtree Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the financial report

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

#### Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd



Gareth Few  
Director

Sydney, 15 February 2022

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