Beamtree

Half Year Investor Presentation

March 2022

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 growth YoY

Operational EBITDA loss of

$0.5 million

Investment in headcount for sales, product and technology capabilities

Customer Renewal

100%

Globally

Beamtree

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).

Building our international program – snapshot of progress

New contract wins in four countries. Groundbreaking strategic partnerships to develop new applications in computer-assisted clinical record coding and remote monitoring of patient deterioration

Australia	• Central Adelaide LHN has become the first public hospital to trial implementation of Ainsoff One following clinical trials in Sydney – live trial to start in March • Queensland Health due to launch Beamtree program in the next month
Europe	• UK – Three major NHS hospital trusts to trial auto coding, Ainsoff One, RippleDown® in pathology • Italy – discussions around potential application of Ainsoff One for elective waiting list management
Saudi Arabia	• Working with Saudi government and hospitals on a second phase of work to improve ongoing coding of clinical records and the secondary uses of this data
International Diagnostics	• New partnership with Abbott laboratories to significantly expand reach • Philips launch RippleDown® as integrated CDS in new LIS • South Africa – Ampath sign for RippleDown®.
AI decision support	• Regional systems and hospital partners plan implementation of breakthrough decision support applications in Hong Kong and USA.
Global Health Comparators	• Seventeen of the world's leading hospitals agree to build on existing collaboration and participate in international benchmarking programme.

Beamtree

Our growth strategy is based on global acceleration in five product and service domains

Beamtree delivers product and services that enable the power of **data, automation** and **people** to **improve health & wellbeing.**
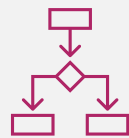
Diagnostic technology
We enable the efficient and effective delivery of the diagnostic services as they underpin the future of heath and personalised medicine.

Automation, coding and data integrity:
We digitize and automate workflows with data, classification, coding & technical expertise to improve information availability and quality.

Decision support
We bring artificial and human expertise together to enhance decisions that improve care, value and experience.

Analytics and knowledge networks:
Combining data analytics solutions with peer-to-peer alliances that accelerate innovation and knowledge diffusion.

Professional services:
Digital health advisory and research expertise, providing support in service to our client's success and sustainable impact.

The propositions have attractive fundamentals total market size of ~$120b in 2026/27

	SCALE & GROWTH	ACHIEVABILITY	STRATEGIC ALIGNMENT	COMPETITION / ENTRY	OVERALL ASSESSMENT
DIAGNOSTIC TECHNOLOGY	• Est 10% CAGR, ~$2.9b to 2027 (Diagnostic Support)	• High: especially through sound Channel Partner relationships	High	• Increasing competition • First mover advantage and business model protection	●
AUTOMATION, CODING & DATA INTEGRITY	• Est 10% CAGR, $370b to 2026 (BPO, Finance, Coding, Audit) • Assume Coding & Data related is ~$30-$50b	• Medium – lots of players seeking to disrupt • High development costs	High	• Competition from large players (3M, EMR, BPO) • Differentiated IP and solution capability	●
DECISION SUPPORT	• Est 11% CAGR, ~$2.2b to 2026 (all Clinical Decision Support)	• Medium – highly competitive, high development costs and targeted by disruptive technologies	High	• Competition from large players (EMR, Tech) • Differentiated IP and solution capability	◔
ANALYTICS & KNOWLEDGE NETWORKS	• Est 25% CAGR, ~$34b to 2026	• Existing capability and expertise • Market access	High	• Increasing competition • First mover advantage and business model protection	●
PROFESSIONAL SERVICES	• Medium • Underpins delivery & ongoing client success • 11% CAGR, ~$27b to 2026	• Medium • Speed of procurement • Low product development, high return / cross sell	High	• Highly fragmented market • General trend away from 'big brand' • Expect growth in data related projects	◔

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Better Has No Limit: the problems we solve

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

Complications are costly. One in nine patients who go to hospital suffer a complication, which costs Australian hospitals more than A$5 billion a year.
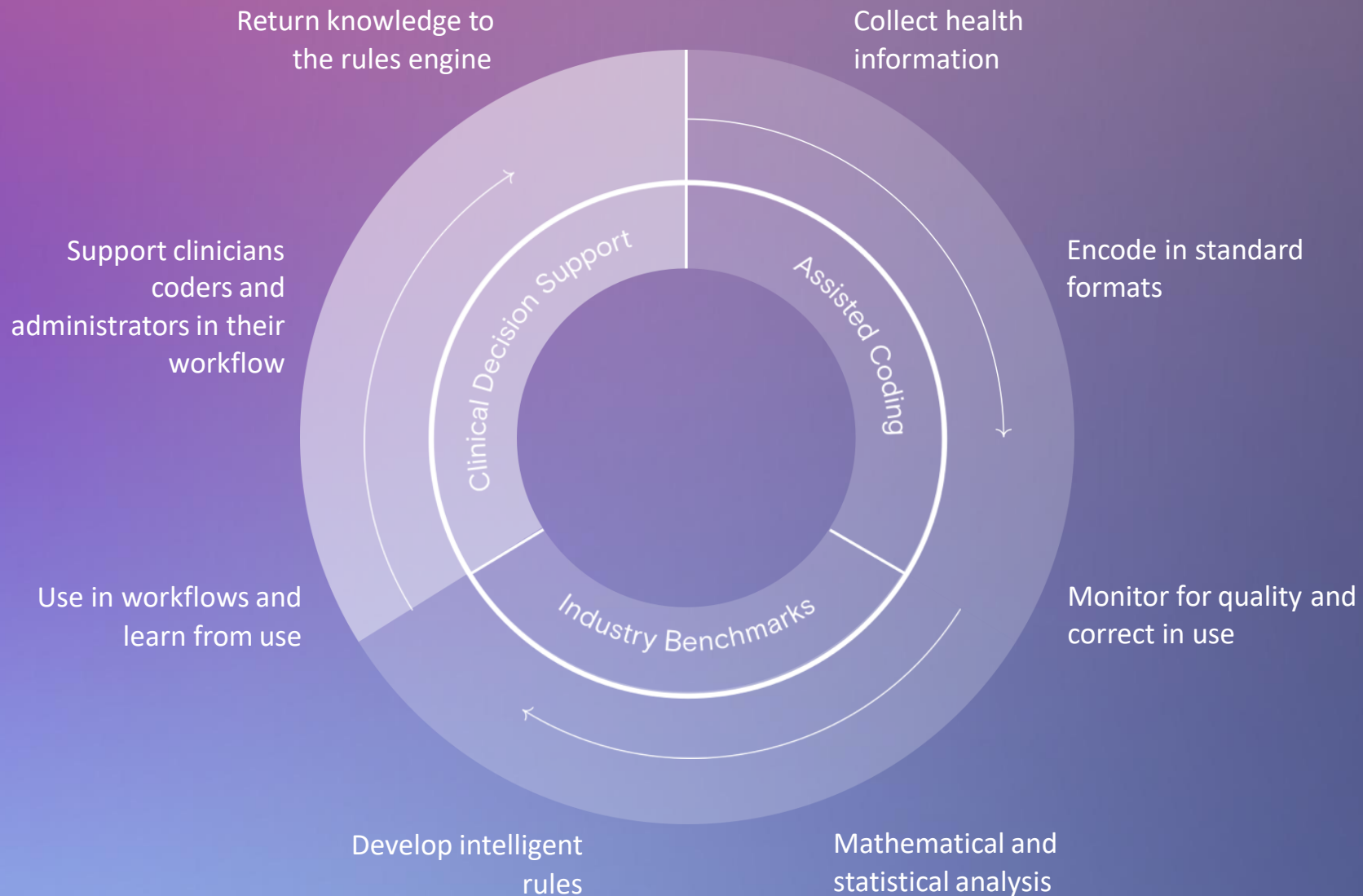
15 per cent of hospital expenditure in high-income countries is due to human error or patients being adversely affected while in hospital.

Beamtree can help:

- Tackle unwarranted variation

- Address equity of access and resource allocation

- Offer revenue assurance

- Manage risk

- Promote transparency

- Drive automation

How we create value: the Learning Health System

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

Return knowledge to the rules engine

Collect health information

Support clinicians coders and administrators in their workflow

Encode in standard formats

Use in workflows and learn from use

Monitor for quality and correct in use

Clinical Decision Support

Assisted Coding

Industry Benchmarks

Develop intelligent rules

Mathematical and statistical analysis

Data, insights and action for better healthcare

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

Improve quality and accuracy of clinical coding through automation

Analytics & Insights

Turn data into insight through comparative benchmarking and interactive dashboards

Automation & Decision Support

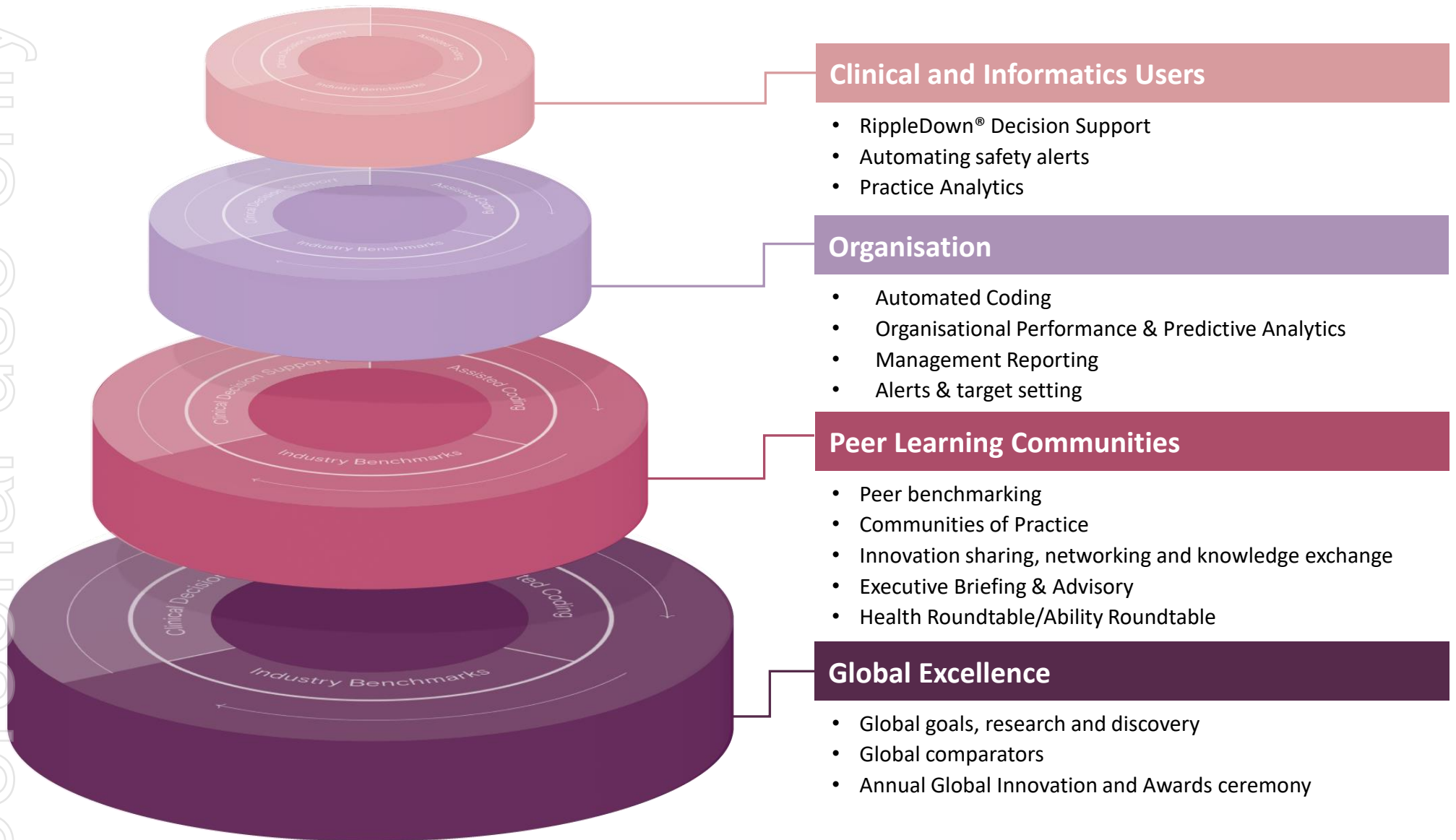Automate decision-making to transform clinical effectiveness and efficiency
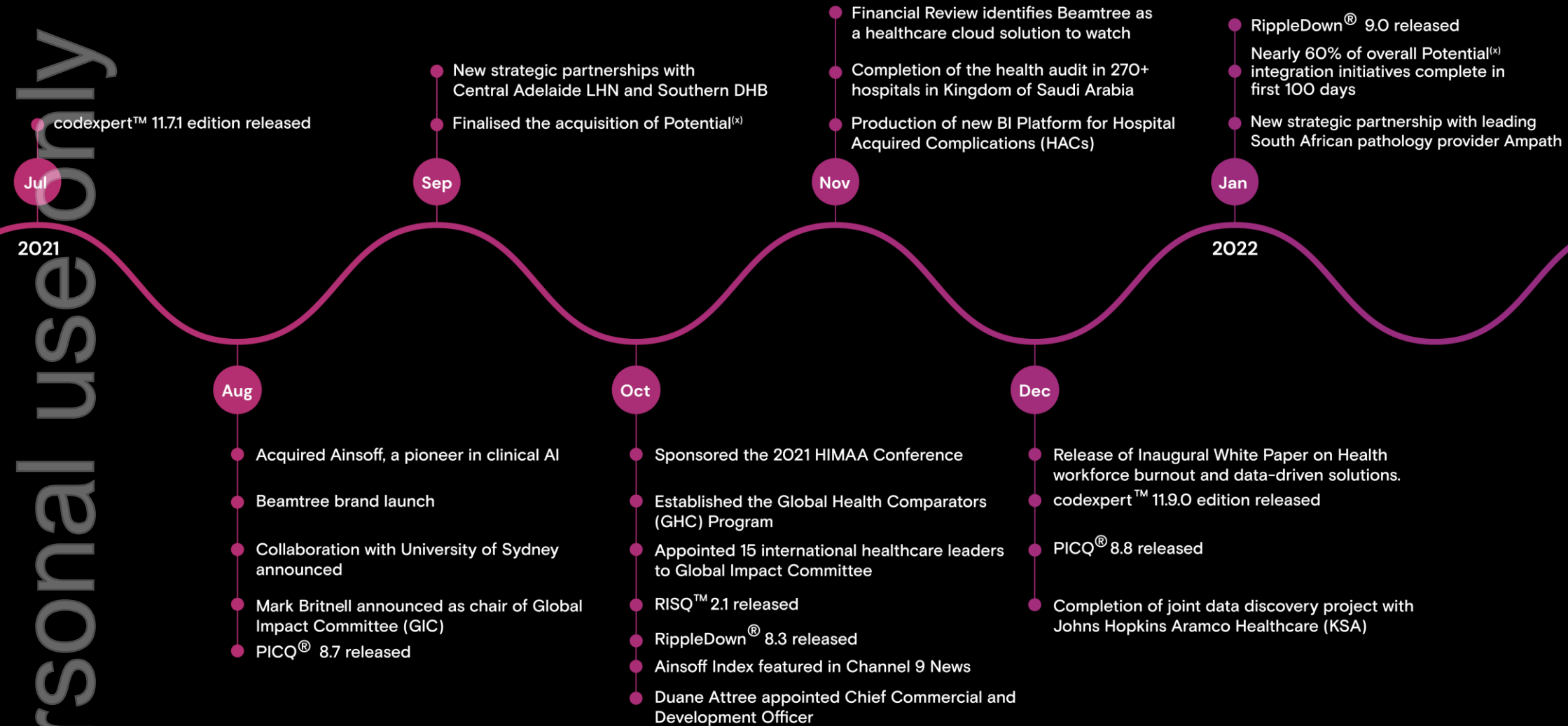
Advisory & Services

Transform insights into action through support, networking, education and research

Beamtree is creating next-generation solutions to enable the learning health system

Clinical and Informatics Users

- RippleDown® Decision Support
- Automating safety alerts
- Practice Analytics

Organisation

- Automated Coding
- Organisational Performance & Predictive Analytics
- Management Reporting
- Alerts & target setting

Peer Learning Communities

- Peer benchmarking
- Communities of Practice
- Innovation sharing, networking and knowledge exchange
- Executive Briefing & Advisory
- Health Roundtable/Ability Roundtable

Global Excellence

- Global goals, research and discovery
- Global comparators
- Annual Global Innovation and Awards ceremony

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Highlights of FY22

2021

Jul — 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(x)

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)

2022

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

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Media Mentions

New hospital system predicts the future of a patient's condition
Oct 28, 2021

https://www.9news.com.au/national/new-medical-system-for-hospitals-monitor-patients-warning-signs-new-south-wales/e1b8e92f-3b7b-4171-82f9-612f316dc84c

Healthcare cloud solutions to watch
Nov 2, 2021

https://www.afr.com/wealth/personal-finance/healthcare-cloud-solutions-to-watch-20211031-p594sh

"The beauty of the system is when you look at the single ward say 30 patients you can see instantly if there are any patients who are sick"

Dr Levi Bassin

Key Partnerships and International Expansion

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.

Collaborative Partnerships

As part of the acquisition of Potential[(x)], 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.

Thought Leadership & Collaboratives

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 it's 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.

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.

"Networking and sharing of best practices is the only solution to solve the type of enormous challenges we are facing in our world. The global network is an original, simple and effective opportunity for this".

Marco Albini, Chief of Quality Monitoring Office, Instituto Clinico Humanitas

Beamtree and Potential[(x)] Integration Rationale

1 — *Accelerate growth in new global markets and adjacent sectors*

2 — *Add value and market access for existing solutions and software*

3 — *Reduce barriers to entry in ANZ market*

4 — *Immediate market share, expertise and insight into public hospital sector*

5 — *Grow our people, leadership, industry and technical expertise*

6 — *Be cash flow positive and profitable*

7 — *Integration of Potential(x) analytics and insights into other software and markets*

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Beamtree and Potential$^{(x)}$ Integration Update

Scope of Post-Merger Integration (PMI) activity

To identify and action efficiencies in the organisational ways of working, value-creation, cost containment and avoidance, and organisation and operational alignment.

First 100 Days

The first 100 days of the PMI finished on track with nearly 60% of the overall integration initiatives identified for execution (pre and post first 100 days) completed. This includes:

- Rationalisation and consolidation of internal business-as-usual operational tools

- Aligned and unified methods of organisational ways-of-working

- Organisational structure and culture alignment

- Identification of synergies to enable early cross-sales opportunities to existing clients

New Executive Team

Tim Kelsey

Chief Executive Officer

Cheryl McCullagh

Chief Strategy Officer (Global)

Duane Attree

Chief Commercial and Development Officer

Cassandra Chen

Chief Financial Officer – Outgoing

Mark McLellan

Chief Financial Officer – Incoming

Financial Summary
1H FY22

1H FY22 – continued strong revenue growth

Comments

- Total Revenue growth of 91%, up to $7.1m supported by 23.5% organic revenue growth YoY (exc. Acquisitions) due to new contract wins and strong performance in advisory projects. Potential(x) contributed $2.5m revenue to the group for the half year.

- Annualised recurring revenue up +160% and increased to $16.8m. Recurring revenue exceeds 85% of total group revenue driven by growth in SaaS subscription revenue and the contribution from acquisition in data analytics platform.

- Strong revenue growth in consultancy and advisory revenue of $1m as successful conclusion of national clinical coding project in Saudi Arabia in Dec21

- Increase in Opex compared to pcp largely driven by $2m cost contributed from acquisition and $2.1m cost increase in headcount as the group invests in product, technology and direct sales capabilities

- Operational EBITDA loss of $0.5m as investment made in 2021 calendar year to accelerate future growth.

- Increase in D&A relates to product development and acquired amortisation of IP

$(,000)	1H FY22	1H FY21	YoY Var $	YoY Var%
Subscription, License & Usage Revenue - recurring	3,546	3,053	493	16%
Data Analytics - recurring	2,310	-	2,310	-
Service Revenue - recurring	203	221	(18)	(8)%
Consultancy & other	1,075	455	620	136%
Revenue	**7,134**	**3,729**	**3,405**	**91%**
Revenue (Organic)	*4,604*	*3,729*	*875*	*24%*
Other income	398	276	122	31%
Total Revenue	**7,532**	**4,005**	**3,526**	**47%**
Total Operating cost	**7,713**	**2,546**	**(5,167)**	**(67)%**
Operational EBITDA (Non-GAAP)*	**(181)**	**1,459**	**(1,641)**	**(112)%**
% margin	(2)%	36%		
listing, one-off and acquisition expenses	737	745	8	1%
Options & performance rights	129	326	197	153%
D&A	1,323	371	(952)	(72)%
Loss before tax	**(2,370)**	**17**		

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Revenue Composition

1H FY22 % of Recurring Revenue

$7.1m
Revenue

15%
85%

● Recurring   ● Non-recurring

Revenue Profile

$7.1m
Revenue

15%
3%
50%
32%

● Subscription, License & Usage - recurring

● Data Analytics - recurring   ● Coding Service - recurring
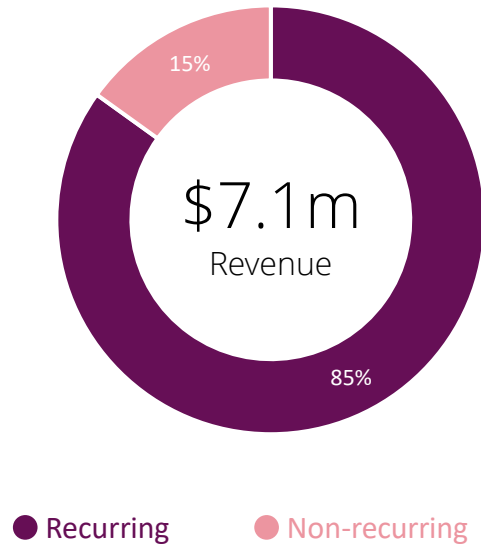
● Consultancy & Initial license fee Revenue
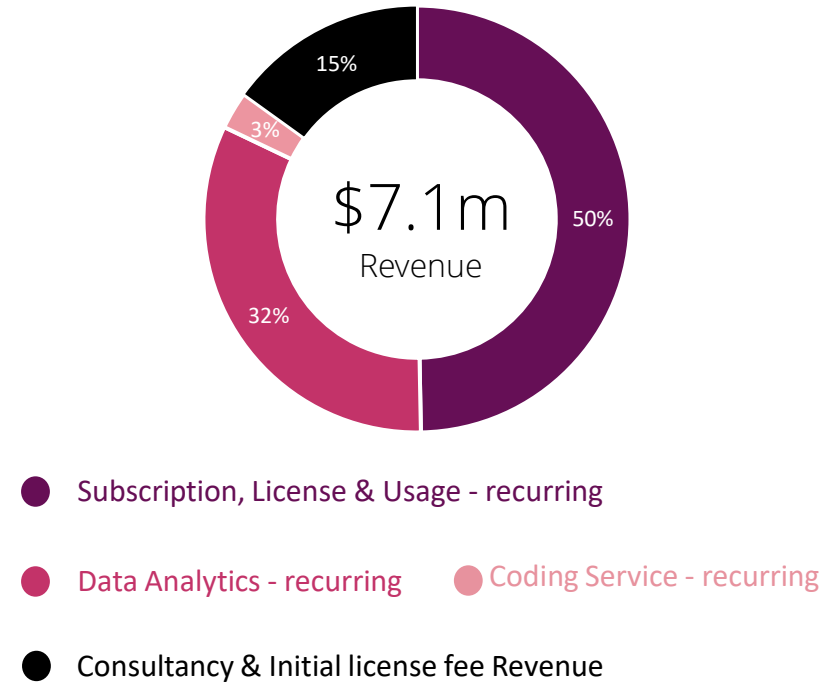
Comments

- Recurring revenue exceeds 85% of total revenue, in line with 1H FY21 as group continues to focus on recurring revenue generation

- Revenue from core SaaS products grew by 11%
  - *RippleDown growth 10%*
  - *PICQ growth 11%*
  - *RISQ growth 29%*

- Revenue from direct customers has further increased to 94% of total revenue, from 89% in 1H FY21. it underpins strong sales and go to market capabilities

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Annual Recurring Revenue Growth

Comments

- Annual Recurring Revenue (ARR) has increased at a CAGR of 72% since 1H FY20 on statutory basis.

- The acquisition of Potential(x) has substantially increased Beamtree's ARR through data analytics by adding $9.2m as at the half year.

- Increase in recurring subscriptions and coding services due to new clients and contract wins in Australia and globally which drives 17% growth YoY. Key clients include Central Adelaide Local Health Network, Children's Health Queensland Hospital, Southern DHB New Zealand

$,000

CAGR: 72%

1H FY20	1H FY21	1H FY22
3,322	6,477	16,814
		9,213
		7,601

● Subscriptions and coding services   ● Data analytics

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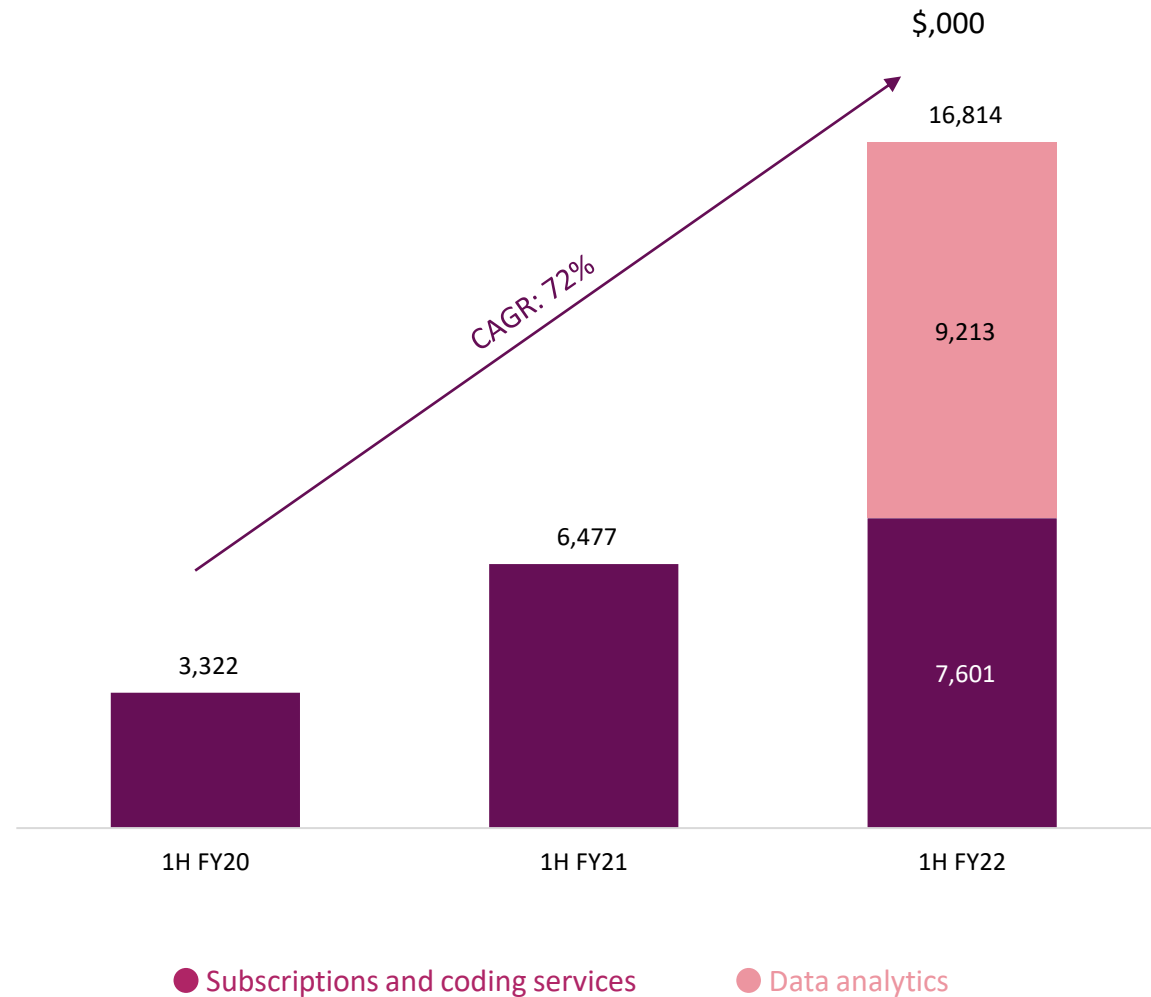
Statutory Balance Sheet

Comments

- $6.5m of net cash – position remains strong

- Debtors balance increased by $3.1m compared to 30 June 2021. Debtor balance of Potential(x) contributes $1.8m to the total of which $1.6m related to Health Roundtable and received post year end. The remaining of debtors balance relates to mainly the milestone payments from Saudi project which expect to receive in 2H

- Non current asset largely comprises of software intangibles, right-of-use asset from AASB16 and goodwill. Increase in intangible asset reflecting acquired assets through acquisitions and continued investment in product and innovation

- Increase in current liabilities are mainly driven by additional employee benefits as group headcount grows. Contract liabilities represents annual license and subscription invoiced to clients in advance and recognise as revenue over the following periods

- Increase in other-current liabilities are related to deferred shares from Potential(x) acquisition

$(,000)	31 Dec 2021	30 June 2021
Assets		
Current assets		
Cash and cash equivalents	7,038	14,117
Trade & other receivables	5,219	2,132
Contracts asset	488	1,119
Total current assets	12,745	17,368
Non-current assets	51,596	29,686
Total Assets	64,341	47,055
Liabilities		
Total current liabilities	5,865	3,758
Total non-current liabilities	7,422	1,206
Total liabilities	13,287	4,964
Net Assets	51,054	42,091

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Statutory Cashflow

Comments

Operating cashflow

- Net cash outflow is driven by timing in receiving $1.9m (USD $1.4m) from completion of Saudi project (expect to receive in 2H) and debtors balance of $1.6m related to Health Round Table (received post half year-end).

- Increase in operating cost driven by headcount grew

Investing cashflow

- $1.4m invested in research and product development

- $2.6m reflecting net upfront cash consideration paid for acquisition of AINSOFF and Potential[x]

Financing cashflow

- Net cashflow movement reflect proceeds from the exercise of options and lease payments.

$(,000)	1H FY22
Receipts from customers (inclusive of GST)	6,644
Payments to suppliers and employees (inclusive of GST)	(8,866)
Other	24
Net cash from / (used in) operating activities	**(2,198)**
Payment for purchase of business, net of cash acquired	(2,653)
Payments for property, plant and equipment	(12)
Payments for intangibles	(2,214)
Net cash from / (used in) investing activities	**(4,879)**
Repayments of lease liabilities	(242)
Proceeds from issuing of share capital	240
Net cash from / (used in) financing activities	**(2)**
Net cash movement	**(7,079)**
Opening Cash Balance	14,117
Closing Cash Balance	**7,038**

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