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Beamtree[®]

Annual Report 2022

Better has no limit[®]

Beamtree®

Creating a better future for health

We provide decision support and data insights solutions to support healthcare providers globally. We believe in creating a better future for health by turning data into insights and action through automation.

We believe it starts with better data and ends in better care – and that **better has no limit.**®

Beamtree®

Level 1, 16 Eveleigh St. Redfern, NSW Australia 2016

Tel. +61 2 8313 9990

beamtree.com.au

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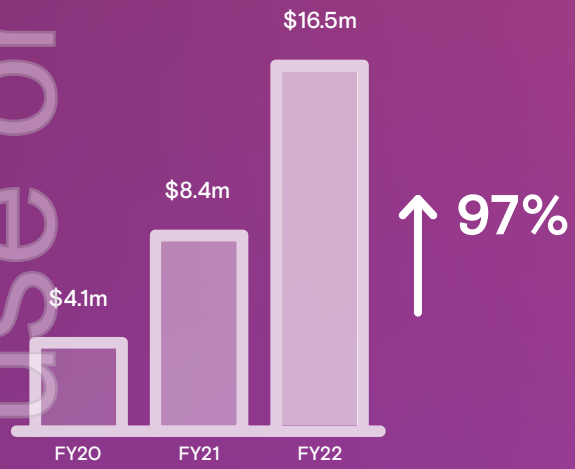
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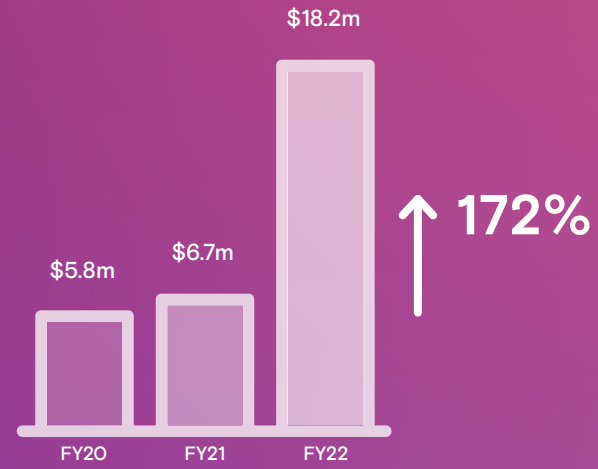
August 2022

FY22 Financial Highlights

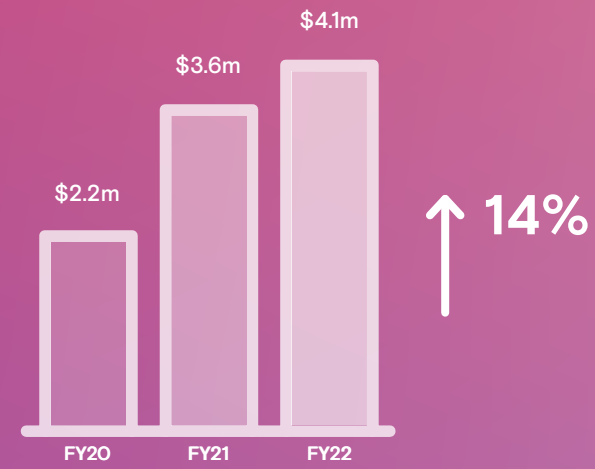
Reported Revenue



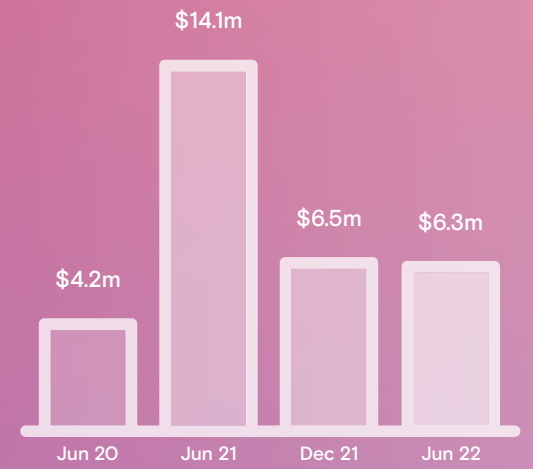
Annual Recurring Revenue



International Revenue



Cash



Beamtree Highlights

We support 175+ clients who operate across



6
Continents



25
Countries



1100+
Locations

Our People



80%
Employee Increase



48%

Diversity



52%



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Letter from Chair

Beamtree was launched at the beginning of FY22, a new enterprise bringing together four outstanding Australian companies into one: a field leader in data and decision support with global reach and opportunity. Beamtree has had a pivotal year in FY22. The importance of harnessing the power of the modern information revolution and improving the reliability of data to empower automation in healthcare has never been more evident. COVID-19 continues to put global healthcare under unprecedented pressure and it has reinforced the urgency of exploring how better data analytics and decision support can reduce waste, alleviate pressure on the workforce and support new models of care. For these reasons, demand for Beamtree is growing both in Australia and international markets as our products have proven credentials to support improved quality and reduce costs. We now serve more than 175 clients who operate in over 1,100 locations across 25 countries with around 25% of our revenue now being made overseas.

In FY22, Beamtree has continued to focus on its growth strategy by winning new landmark international sales in countries such as the United Kingdom, South Africa and Hong Kong and by growing its core in Australia and New Zealand. Overall we have reported 30% growth in organic ARR (annual recurring revenue) as well as 97% growth in total revenue. During the year we acquired Potential(x) Pty Ltd, an Australian pioneer in health data with market-leading expertise in the benchmarking of clinical and financial outcomes. The acquisition of Potential(x) has almost doubled our revenue base and provided client relationships with over 300 health service providers in Australia, New Zealand and the United Arab Emirates. It has also given Beamtree the privilege of serving Australia's leading knowledge networks in health and human services including the Health Roundtable – the premier benchmarking and hospital improvement cooperative in Australia and New Zealand. We look forward to realising member benefit from current services but also to adding value through innovation in advanced data analytics, international collaboration and participation in research.

Organically we have also won new clients and continue to demonstrate the quality and ongoing value of our services in solving real-world client problems.

“FY22 has been another year of great progress for Beamtree. We continue to invest in our core products, invest in new products and invest in our capabilities to grow internationally.”

Beamtree has made material investment in product, research and go-to-market capacity during the year to drive growth and this investment has built solid foundations for continued revenue growth going forward. Importantly though, and despite the continued investment, the Company's operational cash burn has reduced substantially in the second half of the year. At the year-end, Beamtree has a cash balance of \$6.35m which is expected to fund the business operations until it is cash flow positive.

On behalf of the board, I would like to thank all our shareholders for their support. We remain committed to our mission and our growth strategy and expected continued success in the future. I would also like to thank all Beamtree staff – in Australia and overseas – for their hard work, passion and commitment.

Yours Sincerely,

Mike Hill

Chairman

CEO Report

Beamtree's mission is to serve the health ecosystem by turning data into positive action through insights and automation. Our vision is to become a global leader in the design of Learning Health Systems, enabled by our people, expertise and technologies.

We help leading healthcare systems across the world tackle unwarranted variation in outcomes, supporting the safety and wellbeing of patients by using automation and data analytics to drive improvements and quality. Beamtree also assists providers reduce waste and inefficiency – and improve revenue assurance – through data accuracy, while fostering greater transparency and supporting equity of access for patients.

The direct benefit to patient outcomes was recently highlighted by the first public hospital implementation of the Ainsoff Deterioration Index™ (ADI). This is a pioneering application to detect and enable early clinical intervention with deteriorating patients. The program in South Australia demonstrated early warning capability with mean early alert times reported as 20 hours prior to a standard Medical Emergency Response (MER) call. This is significant, as traditional early warning systems ability to alert peaks at 4 hours prior to adverse events. One local doctor described it as 'the most important development in her 35 years as a practising clinician'. Whilst this product is in an early stage of its development, it is gaining interest internationally and is an example of our new product investment success. The site of the original ADI clinical trial in Australia has now implemented the software on a recurrent licence in its hospital operations.

FY22, an unprecedented year of growth and investment

The acquisition of Potential(x) – a specialist health & human services analytics firm with 27 years of history in the collection, standardisation and integration of big data from disparate administrative, clinical and service delivery systems – is a major milestone for Beamtree. We now serve the Health Roundtable, the world's leading quality improvement network of over 200 hospitals across Australia, New Zealand and the Abu Dhabi Health Services Authority (SEHA) – and our largest single customer and partner. Working with the Health Roundtable we have the opportunity to add value to existing member benefits with our advanced data and AI technologies but also to open new

global markets and develop new products and services. We have successfully integrated the brilliant teams of PKS and Potential(x) together into One Beamtree, bringing complementary skills, expertise and a collective vision to put data and technology to best use for improving the quality and value of global health and human services.

Beamtree has four product segments – Diagnostic Technology, Clinical Decision Support, Coding Assistance and Data Quality, Analytics and Knowledge Networks – and the impact of our products is proven.

Diagnostic Technology In FY22, we secured the largest single contract in the company's history with a new international pathology network. The USD\$7m five-year contract underlines the unique and proven value of RippleDown® as a world-leading technology. Across multiple RippleDown® clients, analyses have shown that 90% to 100% of clinical interpretations can be automated to create significant capacity and savings. During FY22 we were able to significantly enhance the RippleDown® product with development, for example, of a new application for microbiology labs, which we will market in FY23.

Clinical Decision Support We continue to invest in a number of AI applications based on the RippleDown® product, like the Ainsoff Deterioration Index™ (ADI), to support improved outcomes in acute healthcare. We secured our first Australian and international contracts for these products during FY22.

Coding Assistance and Data Quality There were major new client wins for PICQ® (automating the audit of hospital data) and RISQ™ (automated benchmarking of care quality) in Australia. We have also agreed our first contract with the NHS in England to investigate the application of Beamtree coding services in new regions.

We won significant contracts with state government health services in Australia, and with providers in the NHS in England to investigate the automation of clinical record coding using Beamtree technologies.

Analytics and Knowledge Networks Beamtree services Health Roundtable and the Ability Roundtable, the leading collaborative in disability provision. In FY22, we launched the Global Health Comparators™ Program to enable leading international hospital benchmarking.

“Beamtree is a public company with a core public service mission: to improve health outcomes through best use of data and technology. Our continued expansion is the direct result of the investments we have made in our products and people. Our software solutions and services deliver proven clinical and financial returns for our clients.”

The pace of sales pipeline growth in FY22 has significantly exceeded our internal expectations and this reflects early benefits of the investment made in product, technology and go-to-market capacity, including recruitment in a number of key overseas markets to support client success. This pipeline will support our continued growth phase.

Our key priority is our team – our first asset and without whom we could not deliver the progress we have made. In FY21, we grew our workforce by ~90% and this year we have almost doubled our size again following the acquisition of Potential(x) as well as through organic growth. Investment in the development of our people continues to be a key priority as well as ensuring we have a diverse workforce (48% women/ 52% men).

Beamtree is committed to creating a better future for health. I would like to thank members of our Beamtree Global Impact Committee (GIC) for their support in advising on how best we can support governments and providers around the world – but also for their thought leadership. The first report of the GIC has now been published.

I would like to thank our clients 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 everything they do to inspire and deliver our collective success.

Yours Sincerely,

Tim Kelsey

CEO



Beamtree helps solve problems...

We tackle big problems in healthcare, supporting services to flourish thanks to sound data and world-class analytics.

We help leading healthcare systems tackle unwarranted variation in outcomes, supporting the safety and wellbeing of patients by using automation to drive improvements and quality.

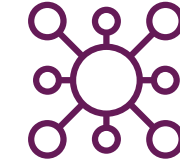
Our solutions equip providers with the tools they need to solve their most pressing challenges in areas such as: clinical quality & safety; high value healthcare; data quality; and evidence-based decisions.



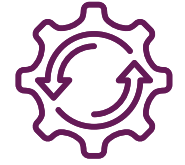
Tackle unwarranted variation



Offer revenue assurance



Promote transparency



Drive automation



Address equity of access and resource allocation



Bridge knowledge gaps



Increase efficiency, reducing mistakes



Improve quality of data

Return new knowledge to the system

Collect health information

Improve quality care

Encode in standard formats

Alert to variation

Monitor for quality

Support health teams

Statistical analysis

Learn in workflow

Apply intelligent rules

A better future for health

...and empowers Learning Health Systems

Our technologies empower the Learning Health System. These systems drive continuous improvement in safety, quality and efficiency through better access to accurate healthcare information.



“The more you empower your employees with knowledge about the clinical situation, the more you help them to prioritise care.”

Sydney Adventist Hospital, Australia

Our Strategy (2022-2026)

Beamtree's Strategy over the next four years is centred on us investing in our people, enriching our solution suite, delighting and inspiring health providers, and **providing value to our investors and clients.**

Our ability to assist healthcare providers transition from raw data to deep insights and action is captured by our product strengths in four key segments: **Diagnostic Technology; Clinical Decision Support; Coding Assistance and Data Quality; Analytics and Knowledge Networks.**



Diagnostic Technology

We enable the efficient and effective delivery of diagnostic services as they underpin the future of health and personalised medicine.



Clinical Decision Support

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



Coding Assistance and Data Quality

We digitise and automate workflows with data, classification, coding & technical expertise to improve information standardisation, quality and timeliness.



Analytics and Knowledge Networks

We combine data analytics solutions with peer-to-peer alliances that accelerate innovation and knowledge diffusion.

Our Impact

Our strategic vision and progress will be measured against, three horizons. Horizon One, **Expansion**, focuses on the immediate 1-2 years and is where we have invested most of our resources over the past 12 months. Horizon Two, **Innovation**, looks forward to years 2-3, where we have commenced work on a few key developments in FY22. Horizon Three, **Transformation**, takes us to 2026 and will place Beamtree at the heart of transformative healthcare. FY22 saw significant delivery of our plan, leveraging success in our core business and securing cash flow in an immediate and long-term pipeline; expanding our reach in existing and new country markets; and improving our solutions, processes and customer experience.

Expansion

Beamtree acquired Potential(x), invested in our people and grew our international footprint. Existing solutions have been implemented across Australasia, Europe, the Middle East and Africa. New solutions include pilot projects focusing on a Clinical Decision Support application in the acute setting and assisted coding. We also facilitated global best practice networks through our Global Health Comparators™ Program by continuing to service Health Roundtable and Ability Roundtable.

Innovation

Beamtree has invested in pilot product development which responds proactively to key problems identified by our client base and addresses their developing needs. We are at the beginning of this phase to see a drive to improve productivity – improving the end-to-end customer journey and investigating new applications of existing technology. We have progressed several innovation partnerships globally.

Transformation

We are investing in academic partnerships and research opportunities while we develop new technologies, that adapt to evolving healthcare thinking centred on high-growth markets, informed by the needs of our clients, the changing landscape of health and work, and the direction of the Global Impact Committee.

For more information on Beamtree's 2022-2026 Strategy, visit our [website](#).



“Our Trust is determined to provide the best possible services... that starts with making sure we use the best possible data to inform both our clinical decision making and our ongoing patient care. This partnership is testament to our commitment to patient safety, transparency and the smart allocation of resources.”

Milton Keynes University Hospital, United Kingdom

Our People

Beamtree's People & Culture strategy reflects our commitment to our team.

Our Talent

Expansion

We have invested in recruiting and retaining the right talent to help achieve our strategic goals. We move forward into FY23 with a plan shaped by a program of training and skills development. In response to the challenges the COVID-19 pandemic has presented, the company has explored hybrid and flexible working arrangements to suit the talents and life choices of our emerging global team – all tailored to fostering a happy, loyal workforce with shared values and the ability to become thought leaders in their chosen fields.

Innovation

Our ambition is to expand both our workforce and the locations within which our people work, mirroring our global growth objectives. We now have employees in five countries and have opened a UK office. We have also started implanting performance processes enabling us to retain the best people.

Transformation

The third phase focuses on proving Beamtree as a global healthcare knowledge leader. We have published our first thought leadership report through the Global Impact Committee (refer to page 23) and are continuing to generate new data-driven knowledge and host creative workplaces to fuel innovation.

Our Values

Beamtree's culture is supported by our core values. Our beliefs and behaviours must reflect that we are: **trusted, creative, collaborative, deliberate.**



Trusted: We believe that trust is a foundational element of our organisation. Strong working relationships are built on trust that provides a safe space for everyone to contribute and feel heard. Trusting relationships create a positive working environment which will attract and retain the right people for our team. We want our clients to know we are reliable and transparent in our dealings.



Creative: We believe that being creative means a willingness to do things that stretch the status quo. Creativity is openly supported and encouraged by our leadership. New approaches are understood and evaluated transparently through established processes. Ideas are opportunities to learn – we listen to our clients to ensure we are successful in meeting their needs.



Collaborative: We believe that collaboration is at the heart of what we do and that teamwork is the best way of achieving our goals. By working together with our clients, being kind and sharing our knowledge, we create solutions that have a tangible impact and positive health outcomes.



Deliberate: We are sure of our purpose to create a better future for health and act transparently with intention after careful consideration of what is best for our people and our stakeholders in a moral, legal and ethical manner. We intentionally align our work with our strategic aims and values.

Our Clients

Beamtree has worked with healthcare organisations around the world for more than 25 years.

Our Commitment

Expansion

We established ourselves as the solution provider of choice for healthcare systems in multiple countries. We have evolved our plans to provide investment for international clients and reinvested in our long-term supporters in Australia and New Zealand. We continue to reflect our clients' requests in product development, remaining a market leader in continuous data management. Beamtree is working with governments and private providers to grow our global market share, supported by our participation in international healthcare events. By delivering on our promises and listening intently, we seek to exceed client expectations and demonstrate robust ROI.

Innovation

Work has begun to ensure Beamtree solutions are recognised around the world as crucial to the pursuit of healthcare quality and safety. Governments and private providers have started to link the Beamtree brand with their service needs. We support the search for complimentary acquisitions and strategic office locations in growing client regions. Our presence at international events has increased and Beamtree's clients have started to become our champions and partners in research and development.

Transformation

Establishing new markets with next generation solutions and services is in progress, as we continue to forge partnerships with global organisations. The company's strong international presence is exemplified by innovation events which cement our reputation as a global leader in technology supporting health services. Beamtree's clients are firmly embedded in our thought leadership work with collaboration continuing to bring their best ideas to life.



“Love seeing the passion for good data and reporting from the Beamtree team – very helpful and supportive. Thank you for continuing to touch base with your clients and keeping them engaged with your great programs.”

Feedback from the PICQ® & RISQ™ User Group, held 30th March 2022

International Growth

Beamtree's international growth continued in FY22 with the establishment of Beamtree UK Limited in September 2021 and a London office. Pavilion Health Europe Pte Ltd was renamed Beamtree Europe Pte Ltd in May 2022. Beamtree now has **staff operating permanently in five countries.**



Significant progress in international markets



“It’s an incredibly exciting opportunity to leverage the collective global healthcare IQ to improve care for patients.”

UChicago Medical Centre, USA

Kingdom of Saudi Arabia: November 2021 marked the successful conclusion of Beamtree's* multi-year engagement to review the quality of data in all public hospitals in the Kingdom of Saudi Arabia (KSA). The contract was worth AUD \$2.25 million. Beamtree also completed a joint data discovery project in the region.

South Africa: a five-year contract in the region was signed in May 2022 for the provision of our Diagnostic product RippleDown®. The partnership follows a successful proof-of-concept pilot that examined how RippleDown® can support pathology services improve safety and value for money.

Hong Kong: contracted for an offline audit to explore the implementation of the Ainsoff Deterioration Index™ (ADI) across hospitals in the region.

Republic of Ireland: Beamtree supports data quality and activity reporting for every public hospital in the Republic, with the Healthcare Pricing Office (HPO) continuing to deploy the PICQ® tool.

*Beamtree were operating as Pavilion Health for the duration of this project.

United Kingdom: In March 2022, Beamtree announced its first partnerships with NHS hospitals in England. This included implementing proof-of-concept programs centred on the application of Beamtree RippleDown® technology and data analytics; trialing the Ainsoff Deterioration Index™ and Ailert™; a six-month proof-of-concept to trial RippleDown® in pathology networks and partnering with a Trust to conduct a quality review of clinically coded acute mental health data.

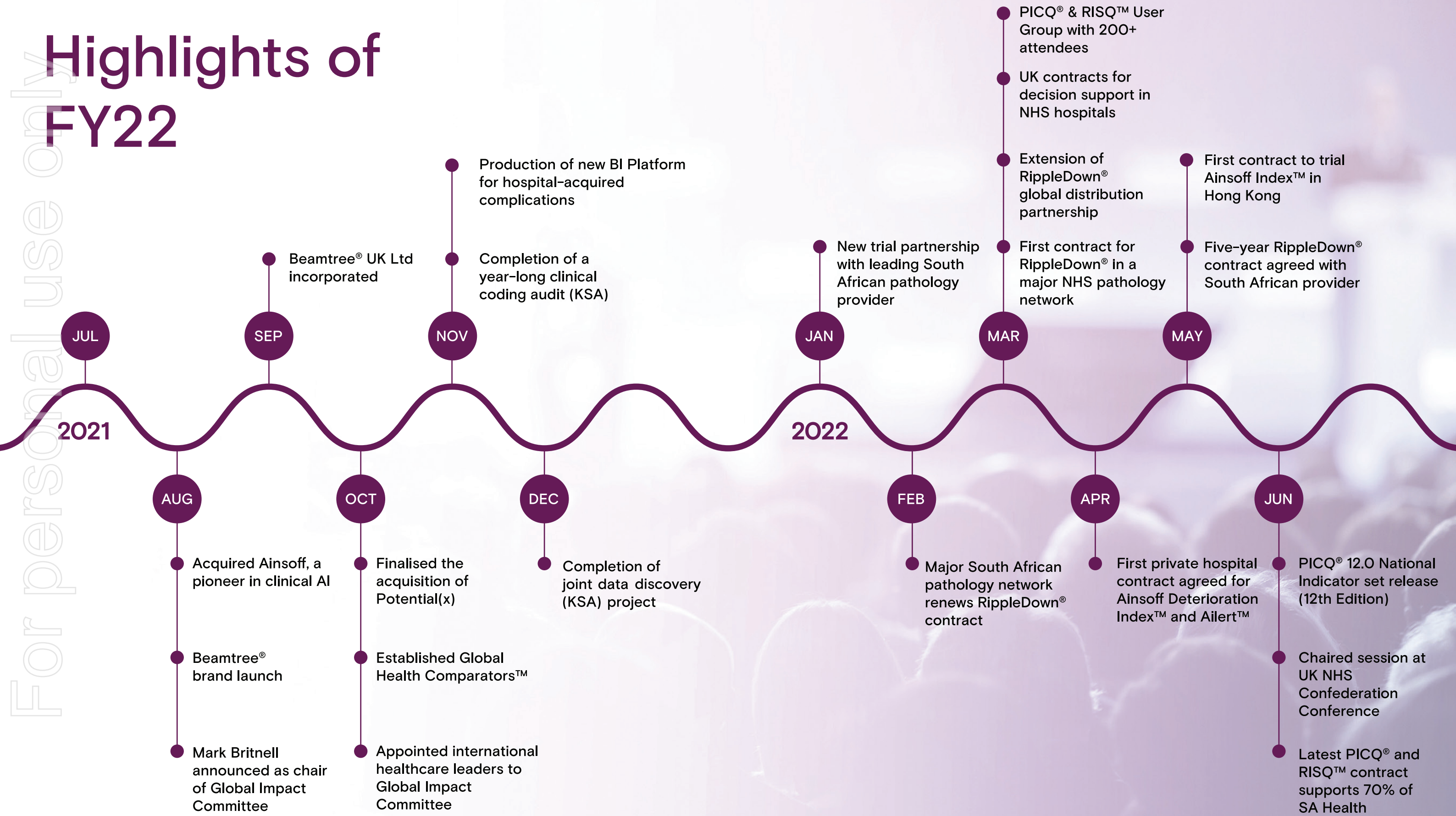
Beamtree continues to build on previous work in the Kingdom of Saudi Arabia, Singapore, Hong Kong and Europe and is working to secure new contracts in these regions in FY23.

Global Health Comparators™ (GHC)
Beamtree launched the Global Health Comparators Program in FY22 for leading international academic hospitals. This global benchmarking and collaboration program integrates the successful not-for-profit Global Health Data@Work with their CEO, Nina Janda, joining Beamtree in September 2021.

Global Impact Committee (GIC)
Following the appointment of Dr Mark Britnell as chair of the Global Impact Committee, Beamtree announced full membership of the committee in October 2021 with leading health experts from Canada, USA, Republic of Ireland, U.K, Italy, India, Singapore and Australia. In July 2022, the committee published its first report titled 'Quality in Retreat' which highlighted the decline in the focus on quality globally. The report called for renewed focus on seven areas to reverse this trend: workforce, automation, timely and visible data, technology and training, transparency, partnerships, and analysing and acting on quality.

More information on the Global Impact Committee can be found on our [website](#), including a list of current members and links to the 'Quality in Retreat' Report.

Highlights of FY22



Spotlight on Knowledge Networks

A key highlight of FY22 was the acquisition of **Potential(x)**, service provider to Australia's leading peer-to-peer networks in health and human services. It has also given Beamtree the privilege of serving **Health Roundtable and the Ability Roundtable.**



“Health Roundtable’s partnership with Beamtree provides our members with best-in-class benchmarking analytics and network programs – it also offers the opportunity for adding value through data and digital innovation in quality improvement and international collaboration.”

Tobi Wilson, President, Health Roundtable and Chief Executive, South Eastern Sydney Local Health District, Australia

Health Roundtable

Health Roundtable is a non-profit membership organisation operated in partnership with Beamtree. Established for over 25 years, they bring together more than 200 hospitals across Australia, New Zealand, and the United Arab Emirates. Health Roundtable collect, analyse and publish extensive measures and reports on comparative performance. Various collaborative groups are then facilitated from across the membership to utilise this data, network with peers, and share innovative practices.

In May, Health Roundtable Members joined together in Melbourne for the ‘Delivering the Healthy Hospital’ workshop to share their experiences and innovations. This was the first in-person conference the Health Roundtable held since the COVID-19 pandemic began in early 2020.

The wellbeing of the workforce is emerging as a priority for health care services. In FY22, there are over 30 public hospitals participating in Health Roundtable’s Workforce Wellbeing Program which empowers hospital leadership to measure distress and improve staff wellbeing.

In addition to the Program, Health Roundtable (in partnership with Beamtree) convened three panels of experts to address these issues. The result was a professional white paper titled ‘Addressing burnout. Bringing data driven solutions, care and hope to the healthcare workforce’ and a series of videos designed to spark conversation in health care teams.

Health Roundtable has also established several collaborative partnerships within the industry including the Australasian College for Emergency Medicine (ACEM), the Australian & New Zealand Society for Geriatric Medicine (ANZSGM) and the College of Emergency Nursing Australasia (CENA). The partnerships are driven by the shared interest in improving outcomes for consumers and healthcare professionals.

Ability Roundtable

Established in 2013, the Ability Roundtable uses benchmarked data to identify financial, operational and workforce variation across its disability service provider organisations. This data provides evidence to inform discussions by participating organisations to identify opportunities for improvement and the sharing of innovations amongst the network.

The Ability Roundtable has continued to see strong sector growth on the back of its transformational product strategy. Revenue increased another 30% year on year equally across all product lines, Supported Independent Living, Allied Health workforce and Financial benchmarking, with high satisfaction rates that resulted in 100% customer retention.

Health Roundtable Member Highlight: Canberra Hospital

Canberra Hospital has embarked on a significant infrastructure build which will include a new Critical Services Building at the existing hospital campus. The Director of Allied Health contacted the Health Roundtable (HRT) seeking evidence-based data to assist planning a service expansion which would meet their needs.

Together with the Health Roundtable team, Canberra Hospital used HRT’s benchmarked data and analytics to build a profile of the Allied Health service provision. This was used as evidence to build a business case which included a gap analysis of current service delivery compared to the desired models of care. It provided an accurate foundation to model what would be required to meet the needs of Canberra Hospital’s proposed post-expansion capacity.

The resultant business case was approved, securing the Allied Health team 42 additional full-time equivalent staff and requiring an investment of over \$16M. Andrew Slattery, Canberra Hospital’s Director of Allied Health, believes the accuracy of the data, the advice from Health Roundtable personnel, and the trusted reputation of Health Roundtable was integral to the success of the business case.

Our Solutions & Services

Beamtree's solutions and services are described in two connected product streams and four business segments. **Diagnostics and Clinical Decision Support** maximises our long history of successfully implementing automation in the pathology sector and expands our knowledge system products to support safety and quality in the acute clinical setting. **Analytics and Coding Quality** combines knowledge of health data and clinical coding classification systems to provide insight into health services while introducing opportunities to automate administrative and human expertise.

Our ability to assist healthcare providers transition from raw data to deep insights and action is described by our product strengths.

Diagnostics & Clinical Decision Support



Diagnostic Technology

Enabling the effective delivery of diagnostic services as they underpin the future of health and personalised medicine.

RippleDown[™] Auditor RippleDown[™] Expert



Clinical Decision Support

Combining human and artificial expertise together to enhance decisions that improve care, value and experience.

Ainsoff[™] Deterioration Index Aiscribe[™] Assisted Documentation Ailert[™] Critical Results

Analytics & Coding Quality



Coding Assistance and Data Quality

Digitising and automating workflows with data, classification, coding & technical expertise to improve information standardisation, quality and timeliness including coding audit & advisory services.

Picq[®] Risq[®] Activity BarCoding[™] CodeXpert[®] Coding Audits & Advisory Services



Analytics and Knowledge Networks

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

Global Health[™] Comparators Collaborative Partnerships (with Health Roundtable, Ability Roundtable) HACBi Workforce Wellbeing Collaborative Program

Diagnostic Technology Solutions

Our solutions and services include:

RippleDown™
Auditor

RippleDown™
Expert

The importance of Diagnostic Technology

Clinicians today are faced with an unprecedented amount of data, regulation and process, much of which is highly complex and often buried in disparate systems. With the increasing volumes of requests and limited resources, it may soon be impossible for any human to understand and interpret the amount of information that exists for any one patient.

With clinical expert systems, supporting data is collated to transform into actionable knowledge, allowing healthcare organisations to not only manage this exponential growth and complexity of information, but deliver better patient outcomes whilst achieving immediate and significant quality, productivity and financial gains.

How Beamtree helps

Beamtree's RippleDown® supports experts within health organisations safely apply their expertise at scale to deliver operational, financial and clinical efficiencies while improving safety and data quality. RippleDown® offers clinical decision support that enhances downstream physician decision-making by supplying precise direction to physicians based on available clinical, lab, and treatment data as designed by the experts in the field.

RippleDown Expert™ applies clinical expertise to generate patient-centric reports, replicating the expert's unique decision-making process at scale. RippleDown® Auditor™ automates real-time reviews of all data, ensuring accuracy across data entry, billing, and specimen processing, flagging suspected errors as they arise. RippleDown® has an almost 100% renewal rate.

Impact in 2022

Throughout FY22, RippleDown® experienced growth in both existing and new international markets.

In March 2022, Beamtree signed a continuing (transition) agreement with a global healthcare company for the distribution of RippleDown®. Both parties are committed to a long-term partnership with the six-month transition agreement providing time to design a long-term agreement for the wider international distribution of RippleDown® software.

Beamtree has also renewed its diagnostic technology contract with one of the top pathology providers in Africa.

A UK pathology network also signed up to implement a trial of RippleDown® across its services. This preliminary work provides the opportunity for long term operational implementation of RippleDown® in these pathology services and provides a showcase for other NHS Trust operations. The NHS diagnostics technology maiden proof-of-concept represents an exciting opportunity to expand RippleDown® into this key market.

In May 2022, Beamtree signed a new long-term strategic partnership with an international pathology service in South Africa. This partnership follows a successful proof-of-concept pilot that examined how RippleDown® supports pathology services improve healthcare quality, safety and value for money.

Client Highlight: Mater Health Services

Mater Health has been utilising Beamtree's RippleDown Expert™ and RippleDown Auditor™ solutions for over 13 years. The RippleDown® solutions were able to integrate to the existing laboratory information system to provide real-time decision support to enable information to be analysed quickly from multiple sources and then drive specific workflows and outcomes.

Using RippleDown Expert™ has delivered clinical, workforce and business benefits to the Mater Pathology Laboratory Group. RippleDown® has provided digitised workflows, reduced variation in processes, faster turnaround times, standardisation of reporting, and improved data quality. RippleDown® has also been used as a virtual training tool for Junior Medical Officers and scientists enabling them to review rules written by experts, sharing their expertise.



“RippleDown really enhances our service. We are able to deliver a highly customised service to GPs with better quality information that they use to treat their patients more effectively.”

***Lancet Laboratories
South Africa***

Clinical Decision Support Solutions

The importance of Clinical Decision Support

Early detection of patient deterioration is critical to avoiding adverse outcomes, ICU admission, long hospital stays, chronic health impacts and even death. Research shows that 31% of preventable deaths in English acute hospitals were related to failures in clinical monitoring, including failure to set up systems, failure to respond to deterioration and failure to act on test results (Hogan et al, BMJ Quality and Safety, 2012).

Despite widespread adoption of Early Warning Score (EWS) systems, delayed detection of inpatient deterioration still occurs. EWSs identify patients who are already unwell, but are poor at predicting patients at risk of deterioration ahead of time. EWSs do not account for patient demographics, laboratory values, or trends in values. This is significant as it can lead to under-recognition of serious illness.

In addition to this, many diagnostic results require the clinical team to alter care urgently, for example a high potassium or very low haemoglobin. Results such as this cannot wait for clinical staff to log in to an EMR and check the results, alerts are needed to prompt urgent care changes. Deterioration response can vary due to a failure to recognise or escalate care.

How Beamtree helps

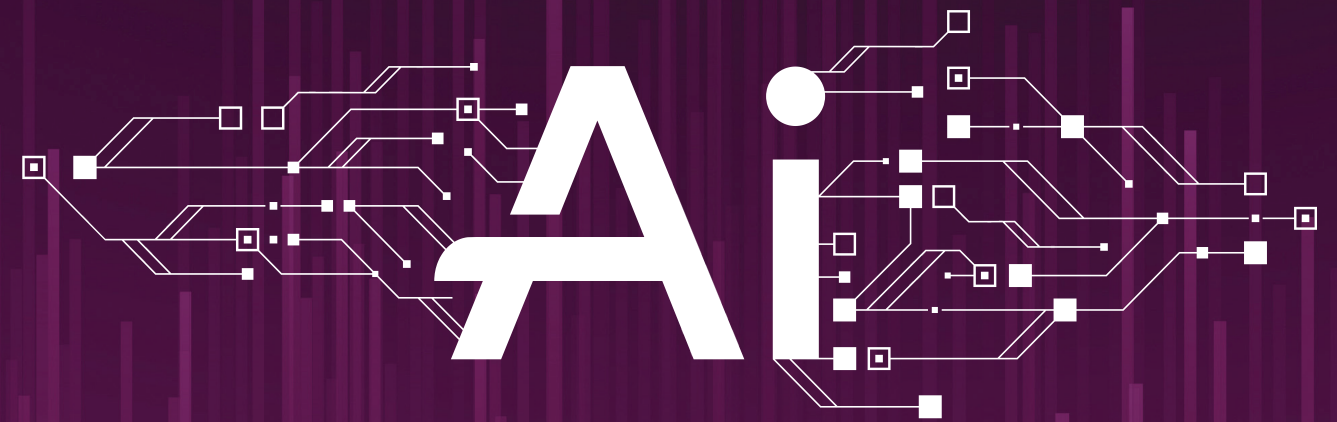
In FY22, Beamtree acquired Ainsoff and brought into the Beamtree product suite three solutions: Ainsoff Deterioration Index™, Aiscribe Assisted Documentation™, and Ailert Critical Results™.

The Ainsoff Deterioration Index™ (ADI) is a machine learning-based tool used to predict and alert clinicians to the risk of patient deterioration in acute care. ADI alerts display a clinically useful summary of the patient's condition to aid in escalation, the alerts are far enough in advance to enable clinical teams to act and prevent adverse outcomes, both short and long term. Aiscribe Assisted Documentation™ is a tool for clinicians, designed to assist in automating the process of (discharge) summary documentation. Ailert Critical Results™ allows alerting for critical diagnostic results to be provided, directly to clinicians, in real-time for the results that matter.

Impact in 2022

Throughout FY22, Beamtree have partnered with hospitals in Australia and the UK to implement trials of these Clinical Decision Support solutions.

In Australia, Beamtree signed a multi-year contract with a private hospital group to help address patient deterioration and support urgent care by implementing the Ainsoff Deterioration Index™ and Ailert Critical Results. This hospital group were the first to implement the system



Our solutions and services include:

Ainsoff™ Aiscribe™ Ailert™

running in real-time for every patient, where the Ainsoff Index™ has been integrated into the electronic medical record.

Beamtree also entered into a strategic partnership to evolve the tool in the public sector in Australia in October 2021. In early 2022, following the success of the initial proof-of-concept, the Ainsoff Deterioration Index™ pilot was implemented across four hospital wards. This is the first public hospital implementation of the Ainsoff Deterioration Index™.

In the UK, Beamtree has agreed contracts to trial and evaluate both the Ainsoff Deterioration Index™ and Aiscribe™ with hospitals in the English NHS.

The success of the early implementations of the Ainsoff Deterioration Index™ garnered positive media attention. Dr Levi Bassin, one of the co-founders of the Ainsoff Index™, was interviewed by Channel 9 News about the successful implementation of the solution. In early 2022, thanks to a successful trial of the Ainsoff Index™ in South Australia, local newspapers ran the story 'Hi-tech guardian angels saving lives'.

Client Highlight: Sydney Adventist Hospital

The Ainsoff Deterioration Index™ (ADI) and Ailert Critical Results™ solutions were implemented at the Sydney Adventist Hospital 'the SAN' in 2021 to provide notification to clinical staff to indicate risk to deterioration and highlight critical pathology results in real-time. The solutions are fully integrated to the EMR (Electronic Medical Record) and incorporated into the hospital's deteriorating patient policy.

Using ADI and Ailert™ has delivered support to clinicians and improved patient safety at the SAN. Ainsoff Deterioration Index™ has aided in reduced adverse outcomes through streamlining variation of care, highlighting only the most critical information to bring focus on what is most important and the escalation process.

“We audited over 300 previous patient alerts using Ainsoff Deterioration Index including laboratory data. ADI picked up every deterioration including ones we would not have previously detected”

Sydney Adventist Hospital, Australia

Coding Assistance & Data Quality Solutions & Services

Our solutions and services include:

Picq[®] Risq[™] Activity BarCoding[™] CodeXpert[®]

The importance of Clinical Coding

Clinical coding is the process of translating written clinical data and notes into alpha numeric coded data, based on the International Classification of Diseases (ICD) system. A clinical coder will interpret information about an aspect of patient care and assign standardised codes.

Since the 1990s, Australian hospitals have used the ICD system to code health data. ICD-10-AM (12th Edition), the Australian Classification of Health Interventions (ACHI) and the Australian Coding Standards (ACS) represent the current classification systems used to code all admitted patient episodes of care in Australia. Variations of the ICD-10-AM model are used globally, which makes many of our products and analytic methods transferable to new regions.

This clinically coded data provides organisations with a wealth of information which informs funding and planning, as well as improving the safety and quality of services. It also facilitates benchmarking at a facility, regional and global level.

How Beamtree helps

Beamtree has a range of services to support the process of coding and improving data quality. For over 12 years, PICQ[®] technology has assisted in the automated audit of clinical record coding, ensuring activity recognition is accurate and therefore revenue and quality assurance by payors and providers. Beamtree analyses more than 90% of coding activity in private and public healthcare in Australia and also provides industry-leading services to clients internationally.

Complimenting PICQ[®] technology is the company's RISQ[™] tool which assists in the measuring, benchmarking and management of hospital-acquired complications (HACs). Analysing the same data provided through PICQ[®], RISQ[™] provides clients with quality surveillance and benchmarking against peers and industry best practice. In addition to PICQ[®] and RISQ[™], Beamtree's CodeXpert[®] tool is a clinical coders eBook companion that supports the learning and application of the standards by coders. Activity BarCoding[™] is another long-standing technology which assists healthcare with the recording and reporting of activity. It provides flexible acquisition of data where systems are not easy to apply and reports this activity in a coded format to supplement records.

Impact in 2022

Throughout FY22, Beamtree saw new contract wins and excellent renewal rates across all coding products. The renewal rate for PICQ[®] is currently at 95%, confirming the importance of the product in helping health services manage data quality and financial optimisation. The company also reports 100% renewal of RISQ[™] contracts with new contract wins in Australia.

Key contracts for Activity BarCoding[™] were secured in FY22, including a new agreement in New Zealand to implement proprietary data capture barcoding technology to support quality surveillance of outcomes in Allied Health.



“Our partnership represents a key step in the application of decision support to improve patient outcomes. This leverages the benefits of our EMR implementation to use data and intelligence to deliver continuous improvement. This is aligned with our vision of building a world class sustainable health system for all Queenslanders.”

Queensland Health, Australia

In addition to coding products, Beamtree offer advisory services to clients focusing on clinical coding, auditing, education and coder training. Our specialist coding team have worked extensively in Australia and have expanded these services to new regions internationally.

This year Beamtree* successfully completed a national clinical coding quality improvement project in the Kingdom of Saudi Arabia (KSA). On behalf of the Program for Health Assurance and Purchasing, the company worked with 73 Ministry of Health sites across the country.

Spotlight on innovation

Investing in the company's product suite was a key component of the FY22 strategy. This saw new releases across Beamtree's coding products – all designed to deliver performance improvements and service enhancements. In late FY22, indicator sets across PICQ[®], RISQ[™] and CodeXpert[®] were updated in line with ICD-10-AM 12th Edition changes outlined by the industry body, the Independent Hospital Pricing Authority (IPHA).

Beamtree is working on multiple innovative proof-of-concept projects to assist coders automate parts of the coding process and improve the accuracy of the coded output. In turn, this will provide the best possible data source for health planning and management.

* Beamtree were operating as Pavilion Health for the duration of this project.

Client Highlight: PICQ[®] & RISQ[™] User Group

In March, Beamtree hosted a PICQ[®] & RISQ[™] user group which was attended by over 200 clients from across Australia and New Zealand. During the session, one client showcased how PICQ[®] has contributed to the empowerment of their coding team in taking responsibility for the quality of the coding and how the tool helped the team's professional development. The client also highlighted how management benefited from the tool, by using PICQ[®] to direct the team's targeted training.



Analytics & Knowledge Networks Solutions & Services

The importance of networking

Increasingly healthcare systems are looking at how they can learn from each other to accelerate improvements in patient care.

How Beamtree helps

This year, Beamtree launched a unique global benchmarking and collaboration program. Global Health Comparators™ (GHC) is a member-led collaborative forum of world-class provider systems to share data and develop actionable insights to drive improvement in quality, value and research.

Beamtree forms collaborative partnerships with organisations to provide services on their behalf. These partnerships cover services including health analytics and benchmarking, product innovation and knowledge-sharing facilitation. Currently Beamtree provides services to Health Roundtable and Ability Roundtable.

Beamtree also offers clients HACBi – a business intelligence platform for hospital-acquired complications (HACs) – and the Workforce Wellbeing Collaborative Program which supports healthcare leaders monitor levels of wellbeing and distress in their workforce.

Impact in 2022

Following the acquisition of Potential(x) in October 2021, renewals for Health Roundtable have tracked at historical levels (~94%). In addition, Beamtree's partnership with Health Roundtable has expanded the use of the Workforce Wellbeing collaborative program and convened industry thought leaders to discuss the key issue of health staff burnout. The white paper – 'Addressing Burnout. Bringing data-driven solutions, care and hope to the health workforce' – was released in December 2021. We are committed to continuing to assist the health sector in this important work.

“This (GHC) program has the potential to revolutionise the way leading hospitals share outcome data and collaborate on quality improvement. The opportunity to compare, engage and network with international peers is unique and aids the ongoing work of hospitals to improve.”

*University Hospitals and Warwickshire NHS Trust,
United Kingdom*

Our solutions and services include:

Global Health™
Comparators

Collaborative Partnerships
(with Health Roundtable, Ability Roundtable)

HACBi

Workforce Wellbeing
Collaborative Program

Spotlight on innovation

The development of Beamtree's analytical, financial and wellbeing product suite continued to demonstrate the value of co-design and partnership with clients through proof-of-concept initiatives including the Hospital-Acquired Complication Business Intelligence (HACBi) platform. In late 2021, HACBi was established in partnership with a large private provider to provide additional insight and financial information to key quality and executive teams.

Demand, cost and sustainability pressures are constant and increasing across the health system, globally.

The Health Roundtable's Finance & Costing Program includes detailed benchmarked funding and costing reports identifying hospital variance, networking and sharing of best practices to pursue efficient, safe and high-quality patient care.

Thanks to the program, members of clinical service planning teams have used the data to support their own case for change, quantifying the anticipated benefits of redesign initiatives.

Client Highlight: Health Roundtable & NT Health

Demand, cost and sustainability pressures are constant and increasing across the health system throughout Australia. For NT Health, membership in Health Roundtable's Finance and Costing Program is a central component of their three year 'NT Health Clinical Costing 2020-2023 Program'.

The Finance & Costing Program includes detailed benchmarked funding and costing reports identifying hospital variance, networking and sharing of best practices to pursue efficient, safe and high-quality patient care.

Thanks to the program, NT Health clinical service planning team have used the data to support the 'business case for change', quantifying the anticipated benefits of redesign initiatives.

Financial Report

Beamtree Holdings Limited

Financial Report
30 June 2022

Corporate directory

Directors:

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

Company secretary

Belinda Cleminson

Notice of annual general meeting

The details of the annual general meeting of Beamtree Holdings Limited are:
16 Eveleigh Street
Redfern, NSW 2016
27 October 2022

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

Holding Redlich

Bankers

Commonwealth Bank of Australia

Website

www.beamtree.com.au

Corporate Governance Statement

www.beamtree.com.au/our-company/corporate-governance/

Beamtree Holdings Limited

Financial Report
30 June 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the “consolidated entity” or “the Group” 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 2022 (referred hereafter as “FY22”).

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
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. Beamtree help solve healthcare problems around the world by turning data into insights, action and automation to create a better future for health. Beamtree is a leading provider of technology software and services in Australia and is expanding its reach globally with its products used by over 1,100 healthcare locations in more than 25 countries.

Dividends

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

Acquisitions during FY22

The Company made two acquisitions during FY22 with the details set out below.

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 \$19.6m. 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 \$7.7m and operating profit of \$0.9m to the consolidated entity for the period from 1 October 2021 to 30 June 2022.

The consideration of \$19.6m for Potential(x) was made up of \$4.0m in cash, \$6.6m or 12.7m of ordinary shares in Beamtree Holdings Limited, \$3.1m or 6m performance shares that would convert 1:1 into ordinary shares in Beamtree upon meeting certain revenue targets in FY22 and \$5.9m or 11.0m deferred shares which will convert into ordinary shares in Beamtree Holdings Limited 24 months from the date of acquisition.

On 27 August 2021, Beamtree Holdings Limited also acquired 100% of the ordinary shares of Ainsoff Pty Ltd (‘Ainsoff’) for total consideration of \$1.1m made up of an upfront cash payment of \$0.35m and issuance of 1.625m fully paid ordinary shares in Beamtree Holdings Ltd. Ainsoff is a clinician-led healthcare analytics company that is bridging the gap between clinical expertise and data science. Ainsoff’s product applications are designed to reduce the 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.

Beamtree Holdings Limited

Financial Report
30 June 2022

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$4.5m (30 June 2021: loss of \$0.4m). The table below outlines the Group financial results for FY22.

Year ended 30 June	FY22	FY21	Change
	\$'000	\$'000	%
Licence, subscription and usage fees	14,249	6,231	129%
Consulting and other services fees	2,298	2,155	7%
Total revenue	16,547	8,386	97%
Expenses – staff	(14,240)	(4,693)	203%
Expenses – non staff	(6,312)	(2,811)	125%
Total operating expenses	(20,553)	(7,504)	174%
Operating (loss) / profit	(4,005)	882	(554%)
Non operational income	245	554	(56%)
Non operational costs	(1,066)	(420)	154%
Fair value adjustment – deferred shares	2,543	-	-
Reported EBITDA	(2,284)	1,017	(325%)
Depreciation & amortisation	(3,616)	(1,497)	142%
Finance costs	(67)	(14)	387%
Loss before income tax	(5,967)	(494)	(1,107%)
Income tax benefit / (expense)	1,518	108	(1,306%)
Net Loss after tax	(4,449)	(386)	(1,052%)

Revenue

In FY22, Beamtree has continued to focus on its growth strategy by winning new landmark international sales in countries such as the United Kingdom, South Africa and Hong Kong and by growing its core in Australia and New Zealand. Overall we have reported a 29% growth in organic ARR (annual recurring revenue) as well a 97% growth in revenue including acquisitions. Key client wins include a new 5 year agreement in South Africa for the provision of our diagnostic product, RippleDown®, into one of South Africa's largest pathology businesses. Also in FY22 Beamtree signed a number of new contracts with the NHS in England, one of which was to investigate the application of Beamtree coding services in supporting data quality.

Expenses

The company's operating expenses base grew significantly in FY22 from \$7.5m to \$20.6m, an increase of almost \$13m or 174%. Just over half of the increase relates to the cost base of the two recent acquisitions with the remaining increase driven by increased investment in our international capabilities, enhanced investment on our key products and increase headcount to deliver the company's planned strategy. Overall in FY22 the business has invested over \$1.6m in Ainsoff since the acquisition, \$1m in international sales capabilities, more than \$2m in additional product and \$1m in back office to support the growth plan.

Beamtree Holdings Limited

Financial Report
30 June 2022

Operating (loss)/profit

Operating profit for the Group was a loss of \$4.0m compared to a profit of \$0.9m in FY21. This change in operating profit is driven by the strategy to expand our operations internationally, invest in new and existing products and employees in order to support this expansion strategy.

Reported EBITDA vs. Operating (loss)/profit

The table below outlines adjustments between operating profit and reported EBITDA, key performance measures for the management and the company.

	FY22	FY21
	\$'000	\$'000
Operating (loss)/ profit	(4,005)	882
Foreign exchange (Loss) / Gain	(40)	(144)
Share based payment Expense (non cash)	(245)	(532)
Transaction cost	(871)	0
Impact of AASB 16	570	258
Other income (government grant & sublease rent income)	245	552
Fair value adjustment – deferred shares	2,543	-
Write down – brand name	(481)	-
Reported EBITDA	(2,284)	1,017
Depreciation & amortisation	(3,616)	(1,497)
Finance costs	(67)	(14)
Loss before income tax	(5,967)	(494)

Employees

The number of employees at Beamtree increased by 80% or 45 in FY22 with 39 employees joining Beamtree as part of the two acquisitions during the year.

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

The impact of the Coronavirus (COVID-19) pandemic is ongoing throughout the world and it is not practicable to estimate the potential impact, positive or negative, on the Group going forward. 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 and while these healthcare providers are focused on dealing with COVID-19 it may limit the ability of these organisations to procure the type of products being offered by Beamtree.

The consolidated entity has a high proportion of recurring revenue and predictable costs and therefore has confidence in its ongoing trading performance and cashflow. As at 30 June 2022, the consolidated entity has a strong cash balance of \$6.3m and expects 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 2022 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.

Beamtree Holdings Limited

Financial Report
30 June 2022

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, Michael 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. Michael has served as Chairman of multiple ASX-listed companies over the past nine 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)
Gratiffi Limited (Non Executive Director)

Former directorships (last 3 years): Rhippe 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: 1,464,500 ordinary shares*

Michael Hill holds 617,000 interests in shares indirectly through Jarumitoti Superannuation Fund Pty Ltd - Jarumitoti Super Fund A/C and 847,500 interests in shares indirectly through Malolo Holdings Pty Ltd - Malolo Holdings A/C, both of which he is the ultimate controlling party.

Beamtree Holdings Limited

Financial Report
30 June 2022

Name: Andrew Gray

Title: Non-Executive Director

Experience and expertise: Andrew Gray is a Managing Director of Potentia Capital, a private equity firm focused exclusively on technology and software businesses and headquartered in Sydney. Potentia Capitals' funds are under management in excess of \$1 billion. 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 software investment strategies, including its investment in small business accounting software business, MYOB. Before joining Archer Capital, Andrew was a Partner with Francisco Partners, a global technology-focused private equity firm with over US\$10 billion in capital under management. Andrew served as the Chairman of Ascender HCM, a leading payroll software provider prior to its sale to Ceridian in 2021. He is also a Director of Micromine, a general mine planning software business; Linkly, a provider of payments integration software; and EHG, a provider of software to the primary and secondary schools sectors. Andrew has a Degree in Aeronautical Engineering with First Class Honours from the University of Sydney and an MBA from Harvard Business School.

Other current directorships: None

Former directorships (last 3 years): Former directorships: Micromine, ORBX (last 3 years)

Special responsibilities: Member

Interests in shares: 9,933,334 ordinary shares

Andrew Gray holds 1,250,000 interests in shares indirectly through Caladan Capital Pty Ltd and 7,750,000 interests in shares indirectly through HSBC Nominees (Australia) Limited on behalf of Arrakis Nominees ATF Arrakis Family Trust, 833,334 fully paid ordinary shares held in the name of Arrakis Nominees and 100,000 fully paid ordinary shares held by HSBC Custody Nominees (Australia) Limited on behalf of Andrew Gray, all of which he is the ultimate controlling party.

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

Beamtree Holdings Limited

Financial Report
30 June 2022

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 (a leading technology consulting business), Baby Village (a leading ecommerce business and former roles on the advisory board of China Media Capital Partners and iseekplant.com.au). He also has domestic health care experience, including led current investments in Adora Fertility, Genea Fertility, and Healthengine (a leading healthcare and GP marketplace technology company). Brad serves the community as a Director of the NSW Institute of Sport.
Other current directorships:	Director of the NSW Institute of Sport
Former directorships (last 3 years):	None
Special responsibilities:	Chairperson Remuneration and Nomination
Committee Interests in shares:	1,000,000 ordinary shares <i>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.</i>
Interests in options:	375,000 options
Interests in rights:	1,000,000 performance rights

Name:	Stephen Borness
Title:	Non-Executive Director
Experience and expertise:	Mr Borness has 25 years' experience working in Information Management and Technology, particularly the health and education sectors within Australia, following 10+ years' experience in Investment Banking and Finance across Australia, Europe and the U.S.A. Prior to becoming a Non-executive Director of the Beamtree Group, he was Chair and Finance Director of Pavilion Health (acquired by Beamtree). Having founded three SMB organisation's, he is a specialist in complex strategic environments, with a sound record in finance, governance, and leadership. He has led large system procurement and implementation across Australia and orchestrated several M&A transactions. Mr Borness has a Bachelor of Business and MBA, is a CPA, FAICD, ITIL V3 Expert and holds other certifications in Safety, Quality, Informatics and Leadership in Health. Mr Borness is Director of Adnet Technology Australia Pty Limited and Chair of Gratifii Limited (ASX: GTI).
Other current directorships:	Adnet Technology Australia Pty Limited Chair of Gratifii Limited
Former directorships (last 3 years):	None
Interests in shares:	11,447,984 ordinary shares <i>Stephen Borness holds 11,447,984 interest in shares indirectly through Celerity Investments Pty Ltd.</i>

Beamtree Holdings Limited

Financial Report
30 June 2022

Name:	James Birch
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 Women's and Children's Health Network SA Lifeblood (formerly Australian Red Cross Blood Service) Cancer Council of SA
Former directorships (last 3 years):	Independent Hospital Pricing Authority Australian Digital Health Agency Note, all directorships listed for James Birch are for unlisted entities.

'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.

Beamtree Holdings Limited

Financial Report
30 June 2022

Information on Company Secretary and Executives

Company secretary

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.

Information on Executives

The information below relates to Executives in the business who are considered as Key Management Personnel.

Name:	Tim Kelsey
Title:	Chief Executive Officer
Experience and expertise:	<p>Tim is an internationally regarded digital health leader. He was inaugural CEO of the Australian Digital Health Agency which led an unprecedented digital reform program to provide citizens with access to online health records. Before that he was the National Director for Patients and Information at NHS England where he had responsibility for national data and technology services for the world's largest unitary health service.</p> <p>He co-founded and was inaugural chair of the Global Digital Health Partnership which now has more than 35 country participants, alongside multinational organisations including the WHO and OECD. He has also served as senior vice president of Analytics International at HIMSS, a not-for-profit organisation supporting the digital empowerment of health and wellbeing around the world.</p> <p>Tim is a visiting professor at Imperial College, London and a noted author, including Transparency and the Open Society (2016 University of Chicago, with Roger Taylor).</p>

Name:	Mark McLellan
Title:	Chief Financial Officer
Experience and expertise:	<p>Mark joined Beamtree in April 2022. Prior to joining, Mark was Chief Financial Officer and Chief Operating Officer at rhipelimited, an ASX listed cloud software distributor. During Mark's 5+ years at rhipelimited, the business grew its revenue's threefold, moved from loss making to an EBITDA of ~\$20m and its share price increased from ~50 cents to \$2.50, the price at which the business was sold in late 2021. This experience in managing a fast growing, multi country, IT focused business will help support Beamtree's own growth aspirations.</p> <p>Mark is a qualified member of the Institute of Chartered Accountants of Scotland (1997) and also holds a B.A. (Hons) Degree in Economics. Mark has previously worked for PWC in the UK and Ernst & Young in Australia. Mark also worked for almost 12 years at The Royal Bank of Scotland plc, latterly in their Strategy and Corporate Development team where he was involved in the extensive government led bailout of the bank and the subsequent restructuring.</p> <p>Mark has extensive experience in strategic planning, financial and capital allocation modelling and mergers and acquisitions.</p>

Beamtree Holdings Limited

Financial Report
30 June 2022

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 2022, and the number of meetings attended by each director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
Michael Hill	11	12	3	3	4	5
Andrew Gray	9	12	-	2	-	-
Paul Williams	11	12	-	-	5	5
Brad Lancken	11	12	3	3	-	-
Stephen Borness	12	12	1	1	5	5
James Birch	11	12	-	-	-	-

Beamtree Holdings Limited

Directors' report
30 June 2022

Beamtree's Risk Management Framework

The Board of Directors of Beamtree are responsible for the oversight of the risk management framework within the business. The risk management framework outlines how risk is managed in the Group including governance, key risk areas, policies, and roles and responsibilities in relation to risk management. The framework includes the maintenance and ownership of the Group's risk register plus determining the Group's risk appetite statement.

The risk management framework is reviewed annually by the Board and The Audit and Risk Management Committee to ensure its effectiveness, continued application and that the Group is operating pursuant to the risk appetite set by the Board.

Overview of Board Responsibilities for Risk Management

The Board of Directors of the Group determines the Group's appetite and tolerance for risk, aligned to its vision, strategy, and culture. The Group is committed to a risk management function that facilitates ethical behaviour and is the basis for the Group to achieve its objectives.

The risk management function involves Board oversight of its governance and the development of the risk management framework that includes:

- regular review of the appetite for risk in the development and execution of strategy;
- the tolerance of risk, within which the management operate;
- identification of all financial and non-financial risks across the company in terms of their impact;
- internal controls, systems and processes to manage/mitigate and to respond to risk events;
- processes for identifying the vulnerabilities and threats facing the Group;
- processes for monitoring and reporting on the identified risks;
- the extent to which risk is transferred from the Group via insurance management; and/or contractually;
- processes for monitoring and reporting on compliance with laws, regulations and standards including ethical standards;
- identification of roles and responsibilities of personnel; and
- review, approve and monitor the system of internal controls including those designed to ensure the integrity of budgets, financial statements and other reporting.

The intended outcomes of the risk management function include:

- the establishment of a robust risk management framework and internal control system that enhances the Group's ability to meet its strategic objectives;
- improved operating performance and reliable internal and external reporting;
- increased awareness and management of risk; and
- compliance with policies and procedures and applicable laws and regulations

Beamtree Holdings Limited

Directors' report
30 June 2022

An outline of the risk management framework is shown below



Audit and Risk Management Committee

To assist the Board in discharging its responsibilities in relation to risk management, the Board has delegated certain activities to the Audit and Risk Management Committee ("ARC"), a sub-committee of the Board.

The Audit and Risk Management Committee is responsible for advising the Board on risk and compliance management generally and to assist the Board in fulfilling its risk management and oversight responsibilities relating to (among other matters):

- the relevance of the Group's risk policy; and
- the effectiveness of the Group's risk management framework and supporting risk management systems.

The detailed roles and responsibilities of the ARC are set out in the Audit and Risk Management Committee Charter.

The ARC oversees internal controls, policies and procedures which the Group has established to identify and manage key risks and where required the Committee will review matters on behalf of the Board and make recommendations, which are then referred to the Board for resolution (if the committee has an advisory role) or resolve matters entirely (if the committee has been delegated authority), which is then reported to the Board.

Senior Management

The Board has also delegated various authorities to the CEO, to enable the management of the Group on a day to day basis are carried out within authorities approved by the Board. These delegations are described in the Delegations of Approval policy which is reviewed annually by the ARC.

Beamtree Holdings Limited

Directors' report
30 June 2022

Risk Appetite

The Board have also put in place a Risk Appetite statement that is reviewed and updated annually as part of the business planning cycle and reflects the expected financial performance of the Group in the next 12 months.

The risk appetite takes into account the level of risk and earnings volatility that the Board is prepared to take to achieve strategic objectives and offers management practical guidance around risk appetite when managing the business on a day to day basis.

In determining its risk appetite, the Board considers:

- updates provided by senior management on key strategic and operational matters
- the Group's annual budgeting process
- significant matters that have been reserved for the Board
- risk factors identified by the Board and Management and included in the risk register; and
- the reports of the external Auditor.

Key Material Business Risks

Beamtree's activities and the industry that it operates within give rise to a broad range of risks. These risks are identified by the Board and Management and are recorded in the Group's risk register. Each identified risk is allocated to a senior management owner or owners who has responsibility to ensure any appropriate internal controls are in place and mitigation strategies are implemented where possible.

The Group's risk register includes the following key risks categorised under Strategic Risks, Operational Risks and Financial Risks.

Strategic Risks

- Competitive pressures from existing competitors and new market entrants
- Product obsolescence or poor product functionality or errors
- Failure to retain existing clients or attract new clients
- Geopolitical risks associated with each country we operate in

Operational Risks

- Cyber security breach
- Data loss breach
- Inadequate contract documentation
- Loss of key personnel and inability to attract talent
- Inadequate process documentation
- Disruption to normal operations from uncontrollable factors such as weather or health events

Financial Risks

- Liquidity and funding risk
- Foreign currency risk
- Credit risk
- Impairment of intangible assets risk
- Completeness and accuracy of revenue recording and financial systems

The risk register is reviewed by the ARC at least quarterly. The risks included on the risk register are also rated as Low, Medium or High from a probability perspective and weighted in terms of impact on the Group. This segmentation helps to identify the higher risk items and whether they have a low, medium or high impact on Beamtree. The risk register is also reviewed by senior executives and management every three months to ensure they are aware of their risk management responsibilities and are required to escalate any key issues which arise or have the potential to arise. The CEO and CFO have the primary responsibility to advise the Board of key risk areas which arise and together, the Board and senior management are responsible for taking all reasonable steps to address and mitigate such risk items.

Beamtree Holdings Limited

Directors' report
30 June 2022

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:

1. Principles used to determine the nature and amount of remuneration
2. Details of remuneration
3. Service agreements
4. Share-based compensation
5. Additional information
6. Additional disclosures relating to key management personnel including changes to remuneration in FY22

1. 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 for comparable listed companies. 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

The Nomination and Remuneration Committee, a sub committee of the Group Board, 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 revenue growth and 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.

Beamtree Holdings Limited

Directors' report
30 June 2022

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/her 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:

- i. base pay and non-monetary benefits
- ii. short-term incentives ("STI")
- iii. share-based payments or Long Term Incentives ("LTI")
- iv. 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 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 revenue growth, profit contribution, leadership contribution and product management. Each KMP ("Key Management Personnel") has a target payment set as a percentage of salary. STI payments are normally made in cash once the KPI's are measured with an option to pay part of the STI in equity shares.

The LTI program is designed to reward sustainable long term performance by KMP and align executives to shareholder outcomes whilst allowing the Company to attract and retain the best talent. The Group's LTI plan uses Performance Rights ('PR') which entitles the participant to acquire a share on vesting at nil exercise price, subject to the satisfaction of vesting conditions.

The Board has determined to use Performance Rights because they create share price alignment between executives and shareholders but do not provide the executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the rights vest and are exercised.

The Performance Rights issued to KMP are currently measured as follows:

- i. 1/3 of the rights will vest if the budgeted revenue for the year is achieved (subject to minimum 20% growth year on year),
- ii. 1/3 of the rights will vest if EBITDA is in line with budget,
- iii. 1/3 of the rights will vest based on strategic and performance initiatives as agreed with the Board in the budget each year

The above vesting 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 Beamtree 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. The Board of the Company shall determine (in its sole discretion) if the Vesting Conditions are satisfied.

Beamtree Holdings Limited

Directors' report
30 June 2022

2. 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.

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

- Michael Hill - Non-Executive Chairman
- Andrew Gray - Non-Executive Director
- Paul Williams - Non-Executive Director
- Brad Lancken - Non-Executive Director
- Stephen Borness - Non-Executive Director
- James Birch - Non-Executive Director
- Tim Kelsey - Chief Executive Officer
- Mark McLellan - Chief Financial Officer (appointed 26 April 2022)

	Short-term benefits		Post-employment benefits		Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Annual leave	Superannuation	Long service leave	Equity settled	
2022	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:							
Michael Hill (Chairman)	72,727	-	-	7,273	-	-	80,000
Andrew Gray	54,545	-	-	5,455	-	-	60,000
Paul Williams	54,545	-	-	5,455	-	-	60,000
Brad Lancken	54,545	-	-	5,455	-	78,289	138,289
Stephen Borness	60,000	-	-	-	-	-	60,000
James Birch	54,545	-	-	5,455	-	-	60,000
Other Key Management Personnel:							
Tim Kelsey	426,432	25,000	34,615	23,568	865	247,924	758,404
Mark McLellan*	59,504	-	5,810	5,950	38	-	71,303
Total	836,845	25,000	40,425	58,609	903	326,213	1,287,996

*appointed 26 April 2022

Beamtree Holdings Limited

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	Short-term benefits		Post-employment benefits		Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Annual leave	Superannuation	Long service leave	Equity settled	
2021	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:							
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
Executive Directors:							
Ronald Van der Pluijm*	181,087	48,889	-	18,059	-	102,763	350,798
Other Key Management Personnel:							
Douglas Henry**	95,129	-	7,511	9,037	229	(10,882)	101,024
Paul O'Connor**	95,129	-	7,511	9,037	229	(10,882)	101,024
Michael Pollitt**	95,129	-	4,479	9,037	229	(21,763)	87,111
Tim Kelsey	195,677	75,000	15,627	10,847	89	275,434	572,674
Total	976,033	123,889	35,128	80,135	776	542,674	1,758,635

* resigned as a Director on 14 March 2021.

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

*** Appointed 14 March 2021

Beamtree Holdings Limited

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30 June 2022

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

Name	Fixed remuneration		Performance related	
	2022	2021	2022	2021
Non-Executive Directors:				
Michael Hill	100%	100%	-	-
Andrew Gray	100%	37%	-	63%
Paul Williams	100%	75%	-	25%
Brad Lancken	43%	41%	57%	59%
Stephen Borness	100%	100%	-	-
James Birch	100%	100%	-	-
Other Key Management Personnel:				
Tim Kelsey	65%	39%	35%	61%
Mark McLellan	100%	-	-	-

STI achieved and forfeited

The table below presents the maximum that was payable in FY22 at the Remuneration and Nomination Committee's discretion as well as the proportion that was effectively forfeited:

	Maximum Payable	Percentage Forfeited
	\$	%
Tim Kelsey	50,000	50%
Mark McLellan	N/A	N/A

Beamtree Holdings Limited

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30 June 2022

3. Service agreements

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

Non-Executive Director

Name: Michael Hill
Title: Non-Executive Director
Agreement commenced: 31 May 2019
Details: \$80,000 per annum including superannuation. No notice period.

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. 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.

Beamtree Holdings Limited

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Other Key Management Personnel

Name: Tim Kelsey
Title: Chief Executive Officer
Agreement commenced: 14 December 2020
Details: \$450,000 per annum including superannuation. 3 months' termination notice.

Name: Mark McLellan
Title: Chief Financial Officer
Agreement commenced: 26 April 2022
Details: \$360,000 per annum including superannuation. 3 months' termination notice.

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

Beamtree Holdings Limited

Financial Report
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4. Share-based compensation

Issue of shares

There were no shares issued to directors as part of compensation during the period ended 30 June 2022.

Options

There were no options issued to directors as part of compensation during the period ended 30 June 2022.

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
Paul Williams*	400,000	30/05/2019	29/05/2021	29/05/2024	\$0.40	\$0.09
Brad Lancken*	1,000,000	29/05/2020	29/05/2022	10/06/2025	\$0.40	\$0.14
Tim Kelsey**	218,000	6/10/2020	30/08/2021	16/11/2025	\$0.00	\$0.15
Tim Kelsey**	1,000,000	6/10/2020	29/08/2022	16/11/2025	\$0.00	\$0.16
Tim Kelsey**	1,594,000	6/10/2020	28/08/2023	16/11/2025	\$0.00	\$0.16
Tim Kelsey**	1,594,000	6/10/2020	28/08/2024	16/11/2025	\$0.00	\$0.16
Tim Kelsey**	594,000	6/10/2020	28/08/2025	16/11/2025	\$0.00	\$0.16

*The performance rights 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.

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

**These performance rights were to vest if each of the following conditions were 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.

Tim Kelsey's performance rights' vesting dates are extended with 432k of 650k performance rights granted on 06/10/2020 got extended to 2022, 2023 and 2024 and 594k of 1,450k performance rights granted on 06/10/2020 got extended to 2025. 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.

Beamtree Holdings Limited

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30 June 2022

5. Additional information

The earnings of the consolidated entity for the four years to 30 June 2022 are summarised below:

	2022	2021	2020	2019
	\$'000	\$'000	\$'000	\$'000
Total income	19,335	8,939	4,272	300
EBITDA	(2,284)	1,017	845	(812)
EBIT	(5,900)	(480)	336	(843)
(Loss)/profit after income tax	(4,449)	(386)	383	(932)

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

	2022	2021	2020	2019
Share price at financial year end (\$)	0.30	0.42	0.17	0.19
Increase or (decrease) in share price	(0.12)	0.25	(0.02)	N/A
% increase in share price	(29%)	147%	(11%)	N/A
Basic earnings per share (cents per share)	(1.85)	(0.19)	0.3	(5.05)
Diluted earnings per share (cents per share)	(1.85)	(0.19)	0.26	(5.05)

Beamtree Holdings Limited

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6. 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
Ordinary shares					
Michael Hill	1,367,000	-	97,500	-	1,464,500
Andrew Gray	7,100,000	-	2,833,334	-	9,933,334
Paul Williams	250,000	-	-	-	250,000
Brad Lancken	1,000,000	-	-	-	1,000,000
Stephen Borness	11,297,984	-	150,000	-	11,447,984
Tim Kelsey	-	-	-	-	-
Mark McLellan	50,000	-	100,000	-	150,000

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:

Options over ordinary shares	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at the end of the year
Paul Williams	150,000	-	-	-	150,000
Brad Lancken	375,000	-	-	-	375,000
	525,000	-	-	-	525,000

Shares under share option plans

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

Grant date	Expiry date	Exercise price	Number under option
1/10/2018	30/09/2023	\$0.10	6,000,000
30/05/2019	29/05/2024	\$0.20	1,425,000
29/05/2020	10/06/2025	\$0.20	375,000
			7,800,000

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.

Beamtree Holdings Limited

Financial Report
30 June 2022

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:

Options over ordinary shares	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Andrew Gray	2,000,000	-	(2,000,000)	-	-
Paul Williams*	400,000	-	-	-	400,000
Brad Lancken	1,000,000	-	-	-	1,000,000
Tim Kelsey	5,000,000	-	-	-	5,000,000
	8,400,000	-	(2,000,000)	-	6,400,000

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

- achievement of budgeted revenue target, subject to a minimum 20% growth year on year;
- achievement of budgeted EBITDA target; and
- 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.

*Paul Williams' 400k performance rights are vested in FY22 but not exercised and converted to ordinary shares.

Beamtree Holdings Limited

Financial Report
30 June 2022

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	900,000
29/05/2020	29/05/2025	\$0.00	1,000,000
6/10/2020	16/11/2025	\$0.00	5,000,000
			6,900,000

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.

Shares issued on the exercise of options

The following ordinary shares of Beamtree Holdings Limited were issued during the year ended 30 June 2022 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
30/5/2019	15/9/2021	\$0.20	1,200,000

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 2022 and up to the date of this report.

This concludes the remuneration report, which has been audited.

Beamtree Holdings Limited

Financial Report
30 June 2022

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.

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 26 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 26 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.

Beamtree Holdings Limited

Financial Report
30 June 2022

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

Michael Hill Chairman

24 August 2022



Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

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 2022, 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

24 August 2022

Beamtree Holdings Limited

Financial Report
30 June 2022

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	Principal place of business
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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 24th August 2022. The directors have the power to amend and reissue the financial statements.

Beamtree Holdings Limited

Financial Report
30 June 2022

Consolidated statement of profit or loss and other comprehensive income

	Note	2022 \$'000	2021 \$'000
Revenue	4	16,547	8,386
Other income	5	2,788	554
Expenses			
Employee benefits expense		(13,321)	(4,379)
Depreciation and amortisation expense	6	(3,616)	(1,497)
Finance costs	6	(67)	(14)
Sales and marketing		(943)	(191)
Occupancy costs		(125)	(86)
Professional fees		(1,802)	(1,102)
Share based payment expense	34	(326)	(533)
Consultancy, hosting and other costs		(3,428)	(1,241)
Other expenses		(1,674)	(390)
Total expenses		(25,302)	(9,433)
Loss before income tax expense		(5,967)	(494)
Income tax expense	7	1,518	108
Loss after income tax expense for the year attributable to the owners of Beamtree Holdings Limited	21	(4,449)	(386)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Foreign currency translation	20	(13)	(4)
<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	20	(139)	(28)
Other comprehensive income for the year, net of tax		(152)	(32)
Total comprehensive income for the year attributable to the owners of Beamtree Holdings Limited		(4,601)	(418)
		Cents	Cents
Basic earnings per share	36	(1.85)	(0.19)
Diluted earnings per share	36	(1.85)	(0.19)

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

Beamtree Holdings Limited

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Consolidated statement of financial position

	Note	2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalents		6,351	14,117
Trade and other receivables	8	6,873	2,132
Contract assets		30	1,119
Total current assets		13,254	17,368
Non-current assets			
Property, plant and equipment		410	627
Right-of-use assets	9	555	812
Intangibles	10	47,500	27,070
Deferred tax assets	7	2,187	1,177
Total non-current assets		50,652	29,686
Total assets		63,906	47,054
Liabilities			
Current liabilities			
Trade and other payables	11	4,194	943
Contract liabilities	12	2,792	1,894
Lease liabilities	14	362	276
Derivative financial instruments	15	163	28
Current tax liability	7	8	154
Employee benefits	16	1,404	463
Total current liabilities		8,923	3,758

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Consolidated statement of financial position (continued)

	Note	2022 \$'000	2021 \$'000
Non-current liabilities			
Investment bond payable	13	537	-
Lease liabilities	14	218	523
Other provisions		50	50
Deferred tax liabilities	7	2,042	597
Employee benefits	16	227	36
Deferred consideration - shares	17	3,334	-
Total non-current liabilities		6,408	1,206
Total liabilities		15,331	4,964
Net assets		48,575	42,090
Equity			
Issued capital	18	50,195	42,189
Reserves	20	647	839
Accumulated losses	21	(2,267)	(938)
Total equity		48,575	42,090

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

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Consolidated statement of changes in equity

	Issued capital	Reserves	Contingent consideration	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	29,364	406	-	(552)	29,218
Loss after income tax benefit for the year	-	-	-	(386)	(386)
Other comprehensive income for the year, net of tax	-	(32)	-	-	(32)
Total comprehensive income for the year	-	(32)	-	(386)	(418)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 18)	12,758	-	-	-	12,758
Share-based payments (note 34)	-	532	-	-	532
Options exercised	67	(67)	-	-	-
Balance at 30 June 2021	42,189	839	-	(938)	42,090

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Consolidated statement of changes in equity (continued)

	Issued capital	Reserves	Contingent consideration	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	42,189	839	-	(938)	42,090
Loss after income tax expense for the year	-	-	-	(4,449)	(4,449)
Other comprehensive income for the year, net of tax	-	(152)	-	-	(152)
Total comprehensive income for the year	-	(152)	-	(4,449)	(4,601)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 18)	7,400	-	-	-	7,400
Share-based payments (note 34)	-	326	-	-	326
Options exercised (note 18)	240	-	-	-	240
Performance rights and options transferred from reserve (note 18)	366	(366)	-	-	-
Performance shares issued on acquisition of subsidiary (note 19)	-	-	3,120	-	3,120
Lapse of performance shares issued on acquisition of subsidiary (note 19)	-	-	(3,120)	3,120	-
Balance at 30 June 2022	50,195	647	-	(2,267)	48,575

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

Beamtree Holdings Limited

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Consolidated statement of cash flows

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		17,455	7,351
Payments to suppliers and employees (inclusive of GST)		(20,614)	(7,715)
Government grants received		730	479
Interest received		-	2
Rent income received		245	-
Interest and other finance costs paid		(42)	(14)
Income taxes refunded/(paid)		(92)	137
Net cash (used in)/from operating activities	33	(2,318)	240
Cash flows from investing activities			
Payments for purchase of business, net of cash acquired	31	(2,654)	-
Payments for property, plant and equipment		(61)	(599)
Payments for intangibles	10	(2,447)	(2,284)
Payments for security deposits		-	(95)
Net cash (used in)/from investing activities		(5,162)	(2,978)
Cash flows from financing activities			
Proceeds from issue of shares	18	240	13,299
Share issue transaction costs		-	(540)
Repayment of lease liabilities		(526)	(109)
Net cash (used in)/from financing activities		(286)	12,650
Net (Decrease)/increase in cash and cash equivalents		(7,766)	9,912
Cash and cash equivalents at the beginning of the financial year		14,117	4,205
Cash and cash equivalents at the end of the financial year		6,351	14,117

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

Beamtree Holdings Limited

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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.

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').

Going concern evaluation:

The financial reports are prepared on a going concern basis. The Directors evaluation considered the following factors:

- A closing cash balance of \$6.3M at the end of FY22 compares to a \$7.0M cash balance at the prior reporting period of 31 December 2021 following an improved net operating cashflow experienced in the second half of FY22.
- The Company's annual recurring revenue (ARR) growth of 171% YoY and 30% YoY organic growth which was weighted towards to the second half of FY22, along with the strong pipeline going into next year.
- The trade receivables of \$5.4m at 30 June 2022 includes \$2m of debt that is overdue by more than 90 days. The overdue receivable is not considered doubtful with payment expected in FY23.
- The Company's forward looking budget and cash and financial management framework which has modelled various downside scenarios.
- The Company's access to equity capital markets and other short term and long-term funding options if required.

The Directors have concluded that there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due. On this basis the financial report has been prepared on an ongoing concern basis.

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.

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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 30.

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 2022 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.

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.

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Note 1. Significant accounting policies (continued)

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.

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.

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.

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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.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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.

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

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.

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 10. 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.

Beamtree Holdings Limited

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

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.

Capitalisation of intangibles

Development projects where knowledge and understanding gained from research and practical experience are directed towards developing new products or processes, are recognised as intangible assets in the statement of financial position when they meet the criteria for capitalisation. Development costs may be capitalised 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 31, 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.

Beamtree Holdings Limited

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Note 3. Operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Chief Executive Officer manages the Group's activities as one business segment which has a range of licensing data analytics products, coding and benchmarking services to assist healthcare providers across different regions in improving efficiency of their services and delivering higher quality care for patients.

Note 4. Revenue

	2022	2021
Consolidated	\$'000	\$'000
License, subscription and usage fees	14,249	6,231
Consulting and other services	2,298	2,155
Revenue	16,547	8,386

Disaggregation of revenue

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

	License, subscription and usage fees	Consulting and other services	Total
Consolidated - 2022	\$'000	\$'000	\$'000
Sales channels			
Direct customers	13,470	2,298	15,768
Global partners	779	-	779
	14,249	2,298	16,547
Geographical regions			
Australia	11,454	952	12,406
Europe	588	392	979
Rest of the world	2,207	955	3,162
	14,249	2,298	16,547
Timing of revenue recognition			
Revenue recognised at a point in time	812	-	812
Services transferred over time	13,437	2,298	15,736
	14,249	2,298	16,547

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Note 4. Revenue (continued)

	License, subscription and usage fees	Consulting and other services	Total
Consolidated - 2021	\$'000	\$'000	\$'000
Sales channels			
Direct customers	5,360	2,154	7,514
Global partners	871	1	872
	6,231	2,155	8,386
Geographical regions			
Australia	4,040	704	4,744
Europe	737	-	737
Rest of the world	1,454	1,451	2,905
	6,231	2,155	8,386
Timing of revenue recognition			
Revenue recognised at a point in time	93	-	93
Services transferred over time	6,138	2,155	8,293
	6,231	2,155	8,386

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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:

License, subscription and usage 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.

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. Revenue generating from Potential(x) is included in license, subscription and usage fees.

Consulting and other services

Consulting and other services are specific to the customer and are charged at contracted rates. These projects may include offline 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 and training services as requested by customers. The performance obligation is satisfied over the period in which the service is provided and revenue is recognised over the same period.

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Note 5. Other Income

	2022	2021
Consolidated	\$'000	\$'000
Net fair value gain on deferred consideration - shares (note 17)	2,543	-
Government grants	-	552
Interest received	-	2
Rental income	245	-
Other income	2,788	554

Accounting policy for other income

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.

Interest received

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.

Rental income

Potential(x) subleased its office after acquisition by Beamtree from Nov 2021 to June 2022 in financial year 2022. Rent income is recognised via monthly rent invoice to tenant based on signed sublease agreement. Potential(x)'s office lease ends in August 2022.

Deferred consideration - shares

Deferred consideration - shares are issuable in connection with the business acquisition disclosed in note 17 & 31. Deferred consideration - shares are fair valued at the end of each reporting period, with fair value movements recorded through the statement of profit or loss.

Beamtree Holdings Limited

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Note 6. Expenses

	2022	2021
Consolidated	\$'000	\$'000

Loss before income tax includes the following specific expenses:

Depreciation

Leasehold improvements	144	17
Plant and equipment	274	31
Fixtures and fittings	91	7
Buildings right-of-use assets	519	143
Total depreciation	1,028	198

Amortisation

Capitalised development costs	796	507
Patents and trademarks	1	-
Software	761	773
Customer list	1,030	19
Total amortisation	2,588	1,299

Total depreciation and amortisation

3,616 **1,497**

Finance costs

Interest and finance charges paid/payable on investment bond payable	25	-
Interest and finance charges paid/payable on lease liabilities	42	14
Finance costs expensed	67	14

Net foreign exchange loss

Net foreign exchange loss	40	50
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Leases

Short-term lease payments	-	51
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Superannuation expense

Defined contribution superannuation expense	932	320
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* The comparative amounts in capitalised development costs and software above have been reclassified to allow greater comparability with the current period.

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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 7. Income tax

	2022	2021
Consolidated	\$'000	\$'000
Income tax benefit		
Current tax	62	52
Deferred tax - origination and reversal of temporary differences	(1,518)	(160)
Adjustment recognised for prior periods	(62)	-
Aggregate income tax benefit	(1,518)	(108)
Deferred tax included in income tax benefit comprises:		
(Increase) / decrease in deferred tax assets	(1,124)	(163)
Increase / (decrease) in deferred tax liabilities	(394)	3
Deferred tax - origination and reversal of temporary differences	(1,518)	(160)
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax expense	(5,967)	(494)
Tax at the statutory tax rate of 25% (2021: 26%)	(1,492)	(128)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Net fair value gain on deferred consideration - shares	(636)	
Acquisition costs	116	
Write down - brand name	120	-
Share-based payments	82	139
Hedging	7	1
Entertainment expenses	2	4
	(1,801)	16
Adjustment recognised for prior periods	(62)	-
Current year tax losses not recognised	859	-
Other items	(514)	(124)
Income tax benefit	(1,518)	(108)

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Note 7. Income tax (continued)

	2022	2021
Consolidated	\$'000	\$'000

Amounts credited directly to equity

Deferred tax assets	114	(126)
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	2022	2021
Consolidated	\$'000	\$'000

Deferred tax asset

Deferred tax asset comprises temporary differences attributable to:

Amounts recognised in profit or loss:

Allowance for expected credit losses	18	6
Employee benefits	394	120
Lease liabilities	145	200
Provision for lease make good	13	13
Accrued expenses	53	36
Contract liabilities	556	466
Software development and capitalised development expenditure	604	26
Other provision	74	-
Investment bond payable	134	-
	1,991	867

Amounts recognised in equity:

Transaction costs on share issue	196	310
Deferred tax asset	2,187	1,177

Movements:

Opening balance	1,177	888
Credited to profit or loss	1,124	163
Credited to equity	(114)	126
Closing balance	2,187	1,177

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Note 7. Income tax (continued)

	2022	2021
Consolidated	\$'000	\$'000

Deferred tax liability

Deferred tax liability comprises temporary differences attributable to:

Amounts recognised in profit or loss:

Prepayments	143	63
Right-of-use assets	137	203
Brand name	275	275
Customer relationship	1,487	56
Deferred tax liability	2,042	597

Movements:

Opening balance	597	594
Charged/(credited) to profit or loss	(394)	3
Additions through business combinations (note 31)	1,839	-
Closing balance	2,042	597

	2022	2021
Consolidated	\$'000	\$'000

Provision for income tax

Provision for income tax	8	154
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Note 7. Income tax (continued)

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.

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.

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Note 8. Trade and other receivables

	2022	2021
Consolidated	\$'000	\$'000
Current assets		
Trade receivables	5,363	1,782
Less: Allowance for expected credit losses	(71)	(23)
	5,292	1,759
Other receivables	118	20
R&D tax incentive receivable	815	-
	933	20
Deposits and prepayments	648	353
	6,873	2,132

R&D tax incentive receivable

R&D tax incentive receivable represents the balance expected to be received in the following financial year in respect of the Australian Tax Office's refundable research and development tax incentive.

Deposits and prepayments

Deposits and prepayments includes a bank guarantee for the Tenancy 3, Level 1, Eveleigh Street, Redfern NSW premises for the amount of \$95k. This has been deposited for 12 months at an interest rate of 0.35% p.a.

Allowance for expected credit losses

The expected credit loss provision assessment has been performed by cash generating unit (note 10) to align with the nature of the risk associated with each respective customer base.

The ageing of the receivables and allowance for expected credit losses provided for the above trade receivables are as follows:

	Expected credit loss rate	Carrying amount	Allowance for expected credit losses
	2022	2022	2022
Consolidated	%	\$'000	\$'000
Not overdue	0.17%	2,423	4
1 - 30 days overdue	0.58%	244	1
31 - 60 days overdue	0.93%	74	1
61 - 90 days overdue	1.27%	143	2
90 + days overdue	2.55%	2,479	63
		5,363	71

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Note 8. Trade and other receivables (continued)

The comparative period provision matrix has not been presented, as the consolidated entity had concluded that there were no historically impaired receivables as at 30 June 2021, with the provision in the comparative period only reflecting debts that were past 6 months overdue.

The consolidated entity has since increased its monitoring of debt recovery as there is potentially an increased probability of customers delaying payment or being unable to pay, due to macroeconomic factors such as the Coronavirus (COVID-19) pandemic and general market declining caused by accelerating inflation rates. As a result, the calculation of expected credit losses has been revised as at 30 June 2022 and rates have increased in each category up to 90+ days overdue.

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

	2022	2021
Consolidated	\$'000	\$'000
Opening balance	23	44
Additional provisions recognised	48	-
Unused amounts reversed	-	(21)
Closing balance	71	23

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.

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Note 9. Right-of-use assets

	2022	2021
Consolidated	\$'000	\$'000
Non-current assets		
Buildings - right-of-use	1,772	914
Less: Accumulated depreciation	(1,217)	(102)
Net book value	555	812

Reconciliations

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

	Buildings right-of-use
Consolidated	\$'000
Balance at 1 July 2020	41
Additions	914
Depreciation expense	(143)
Balance at 30 June 2021	812
Additions through business combinations (note 31)	262
Depreciation expense	(519)
Balance at 30 June 2022	555

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.

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.

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Note 10. Intangibles

	2022	2021
Consolidated	\$'000	\$'000
Non-current assets		
Non amortising intangible assets:		
Goodwill - at cost	30,927	18,582
Brand name - at cost	1,098	1,098
Less: Write Down	(481)	-
	617	1,098
Capitalised development costs - at cost	7,625	6,357
Less: Accumulated amortisation	(2,262)	(1,467)
	5,363	4,890
Patents and trademarks - at cost	14	3
Less: Accumulated amortisation	(1)	-
	13	3
Acquired Software - at cost	5,671	2,551
Less: Accumulated amortisation	(1,038)	(276)
	4,633	2,275
Customer list - at cost	6,996	242
Less: Accumulated amortisation	(1,049)	(19)
	5,947	223
Total intangibles	47,500	27,070

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Reconciliations

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

	Goodwill	Capitalised development costs	Acquired Software	Customer list	Brand name	Patents and trademarks	Total
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	18,582	3,633	2,530	242	1,098	-	26,085
Additions	-	2,281	0	-	-	3	2,284
Amortisation expense	-	(1,025)	(255)	(19)	-	-	(1,299)
Balance at 30 June 2021	18,582	4,890	2,275	223	1,098	3	27,070
Additions	-	2,815	0	-	-	11	2,826
R&D Grant	-	(1,546)	-	-	-	-	(1,546)
Additions through asset purchase acquisition of Ainsoff	-	-	1,146	-	-	-	1,146
Additions through business combinations (note 31)	12,345	-	1,974	6,754	-	-	21,073
Write down - brand name	-	-	-	-	(481)	-	(481)
Amortisation expense	-	(795)	(761)	(1,030)	-	(1)	(2,587)
Balance at 30 June 2022	30,927	5,363	4,633	5,947	617	13	47,500

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.

The consolidated entity have retrospectively adjusted provisional amounts recorded in the half-year financial statements due to the undertaking of a purchase price allocation with an independent expert. At 30 June 2022, the amounts recorded above are no longer deemed provisional.

The comparative amounts in capitalised development costs and software above have been reclassified to allow greater comparability with the current period.

As result of the rebranding of Beamtree in FY22, the company wrote down \$481k in relation to the Pavilion Health brand name acquired in May 2020.

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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:

	2022	2021
Consolidated	\$'000	\$'000
CGUs		
Clinical Decision Support (Diagnostic Technology & Clinical Decision Support)	12,658	12,658
Pavilion (Coding Assistance & Data Quality)	5,924	5,924
Potential(x) (Analytics & Knowledge Networks)	12,345	-
	30,927	18,582

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 (Diagnostic Technology & Clinical Decision Support)

- Compound Annual Growth Rate ('CAGR') of 48.1%
- Discount rates (post-tax): 13.5%
- Terminal growth rate: 3%

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 (Coding Assistance & Data Quality)

- Compound Annual Growth Rate ('CAGR') of 25.1%
- Discount rates (post-tax): 13.5%
- Terminal growth rate: 3%

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.

Key assumptions - Potential(x) (Analytics & Knowledge Networks)

- Compound Annual Growth Rate ('CAGR') of 17.5%
- Discount rates (post-tax): 13.5%
- Terminal growth rate: 3%

Based on the key assumptions above, the recoverable amount of the Potential(x) 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

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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 with financial institutions at 30 June 2022, 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 FY23 budget and four-year forward looking plans.

Terminal growth rate – A terminal growth rate of 3% 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, costs assumptions would be changed proportionally with estimated recoverable amount would approximately equal the carrying amount.

	Clinical Decision Support (Diagnostic Technology & Clinical Decision Support)	Pavilion (Coding Assistance & Data Quality)	Potential(x) (Analytics & Knowledge Networks)
	%	%	%
Discount rate – change discount rates to	20.0%	22.5%	27.5%
Change in CAGR – reduce CAGR to	25.0%	10.0%	2.0%

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.

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 costs

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.

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Acquired 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 5 to 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. As result of the rebranding of Beamtree in FY22, the company wrote down \$481k in relation to the Pavilion Health brand name.

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.

Note 11. Trade and other payables

	2022	2021
Consolidated	\$'000	\$'000
Current liabilities		
Trade payables	736	239
Accrued expenses	1,082	240
Other payables	2,376	464
	4,194	943

Refer to note 23 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.

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Note 12. Contract liabilities

	2022	2021
Consolidated	\$'000	\$'000
Current liabilities		
Contract liabilities	2,792	1,894
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	1,894	1,651
Payments received in advance	5,467	2,616
Additions through business combinations (note 31)	838	-
Transfer to revenue - performance obligations satisfied during the period	(5,407)	(2,369)
Exchange rate differences	-	(4)
Closing balance	2,792	1,894

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (deferred revenue) at the end of the reporting period was \$2,792k as at 30 June 2022 (\$1,894k as at 30 June 2021) and is expected to be recognised as revenue in future periods as follows:

	2022	2021
Consolidated	\$'000	\$'000
Within 6 months	2,325	1,327
6 to 12 months	467	567
	2,792	1,894

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.

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Note 13. Investment bond payable

	2022	2021
Consolidated	\$'000	\$'000
Non-current liabilities		
Investment bond payable	537	-

Refer to note 23 for further information on financial instruments.

Accounting policy for investment bond payable

Investment bond payable to The Health Roundtable Limited, maturing on 30 August 2028, with an interest rate of 6.5% per annum. Interest is payable quarterly in cash, or alternatively capitalised to the carrying value of the loan.

The investment bond payable is initially recognised at the fair value of the consideration received, net of transaction costs. It is subsequently measured at amortised cost using the effective interest method.

Note 14. Lease liabilities

	2022	2021
Consolidated	\$'000	\$'000
Current liabilities		
Lease liability	362	276
Non-current liabilities		
Lease liability	218	523
	580	799

The table below shows the lease liability amounts across various time periods.

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Consolidated	Less than 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	5 + years \$'000	Total \$'000
2022					
Lease payments	382	222	-	-	603
Finance costs	(20)	(4)	-	-	(24)
	362	218	-	-	580
2021					
Lease payments	310	324	222	-	856
Finance costs	(34)	(19)	(4)	-	(57)
	276	305	218	-	799

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.

Accounting policy for make-good provision

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 15. Derivative financial instruments

Consolidated	2022 \$'000	2021 \$'000
Current liabilities		
Forward foreign exchange contracts - cash flow hedges	163	28

Refer to note 23 for further information on financial instruments.

Refer to note 24 for further information on fair value measurement.

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Note 16. Employee benefits

Consolidated	2022 \$'000	2021 \$'000
Current liabilities		
Annual leave	1,165	339
Long service leave	239	124
	1,404	463
Non-current liabilities		
Long service leave	227	36
	1,631	499

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.

Note 17. Deferred consideration - shares

Consolidated	2022 \$'000	2021 \$'000
Non-current liabilities		
Deferred consideration - shares	3,334	-

Deferred consideration - shares are issuable in connection with the business acquisition disclosed in note 31. 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 consideration - shares are fair valued at the end of each reporting period, with fair value movements recorded through the statement of profit or loss. As per note 5, the fair value movement recorded through the statement of profit and loss during the current period is a gain of \$2,543k reflecting a reduction in the fair value of the deferred shares from \$5,876k to \$3,334k at 30th June 2022.

Deferred consideration - 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.

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Note 18. Issued capital

	2022	2021	2022	2021
Consolidated	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	244,236,400	225,411,400	50,195	42,189
<i>Movements in ordinary share capital</i>				
Details	Date	Shares	Issue price	\$'000
Balance	1-Jul-20	186,370,231		29,364
Exercise of share options	22-Sep-20	1,000,000	\$0.10	100
Issue of ordinary shares	2-Dec-20	148,312	\$0.33	48
Issue of ordinary shares	1-Mar-21	27,942,857	\$0.35	9,780
Issue of ordinary shares	29-Mar-21	2,857,143	\$0.35	1,000
Issue of ordinary shares	23-Apr-21	6,342,857	\$0.35	2,220
Exercise of share options	25-Jun-21	750,000	\$0.20	150
Share issue transaction costs, net of tax		-	\$0.00	-540
Transfer from share based payments reserve for options exercised		-	\$0.00	67
Balance	30-Jun-21	225,411,400		42,189
Exercise of share options	9-Aug-21	400,000	\$0.20	80
Exercise of share options	12-Aug-21	400,000	\$0.20	80
Exercise of share options	24-Aug-21	400,000	\$0.20	80
Issue of ordinary shares (Ainsoff acquisition)	26-Aug-21	1,625,000	\$0.49	796
Conversion of performance rights	26-Aug-21	2,000,000	\$0.00	-
Shares issued subject to 12-month voluntary escrow (Potential(x) acquisition)	30-Sep-21	12,700,000	\$0.52	6,604
Conversion of performance rights	1-Oct-21	1,000,000	\$0.00	-
Conversion of performance rights	13-Oct-21	300,000	\$0.00	-
Transfer from share based payments reserve for options exercised		-	\$0.00	366
Balance	30-Jun-22	244,236,400		50,195

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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.

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 may look to raise capital when an opportunity to invest in a business or company is seen as value adding relative to the current company's share price at the time of the investment.

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. Contingent consideration

Contingent consideration relates to performance shares issued in connection with the business combination disclosed in note 31. Performance shares were to 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.

As at 30 June 2022, the vesting conditions based on revenue targets were not achieved and therefore, the performance shares have lapsed. This has been reflected via a transfer from the reserve to accumulated losses in the consolidated statement of changes in equity.

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Note 20. Reserves

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.

Movements in reserves

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

	2022	2021
Consolidated	\$'000	\$'000
Foreign currency reserve	3	16
Hedging reserve - cash flow hedges	(167)	(28)
Share based payments reserve	811	851
	647	839

	Share based payments reserve	Foreign currency reserve	Hedge Reserve	Total
Consolidated	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	385	20	-	405
Foreign currency translation	-	(4)	-	(4)
Net movement in cash flow hedge	-	-	(28)	(28)
Share based payments to directors and employees	533	-	-	533
Options exercised	(67)	-	-	(67)
Balance at 30 June 2021	851	16	(28)	839
Foreign currency translation	-	(13)	-	(13)
Net movement in cash flow hedge	-	-	(139)	(139)
Share based payments to directors and employees	326	-	-	326
Transfer to accumulated losses	(366)	-	-	(366)
Balance at 30 June 2022	811	3	(167)	647

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Note 21. Accumulated losses

	2022	2021
Consolidated	\$'000	\$'000
Accumulated losses at the beginning of the financial year	(938)	(552)
Loss after income tax expense for the year	(4,449)	(386)
Transfer from contingent consideration (see note 31)	3,120	-
Accumulated losses at the end of the financial year	(2,267)	(938)

Refer to note 31 for details on transfer from contingent consideration.

Note 22. Dividends

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

Note 23. 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.

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.

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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		Average exchange rates	
	2022	2021	2022	2021
	\$'000	\$'000		
Buy Australian dollars				
Maturity:				
0 - 3 months	1,098	138	0.7611	0.7638
3 - 6 months	-	538	-	0.7670
6 - 12 months	-	480	-	0.7702

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

	Average exchange rates		Reporting date exchange rates	
	2022	2021	2022	2021
Australian dollars				
US dollars	0.7258	0.7468	0.6889	0.7518
Euro	0.6440	0.6260	0.6589	0.6320

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date (reflected below in AUD) were as follows:

	Assets		Liabilities	
	2022	2021	2022	2021
Consolidated	\$'000	\$'000	\$'000	\$'000
US Dollars	2,521	764	106	49
Pound Sterling	154	-	26	-
Euro	270	-	17	-
New Zealand Dollars	95	-	-	-
	3,040	764	149	49

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

Consolidated - 2022	AUD strengthened	Effect on profit before tax		AUD weakened	Effect on profit before tax	
	% change	\$	% change	\$	% change	\$
US Dollars	10%	252	10%	252	10%	252
Pound Sterling	10%	15	10%	15	10%	15
Euro	10%	27	10%	27	10%	27
New Zealand Dollars	10%	10	10%	10	10%	10
		304		304		304

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.

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.

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	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated - 2022	%	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	4,194	-	-	-	4,194
Interest-bearing - variable						
Lease liability	5.00%	362	218	-	-	580
Interest-bearing - fixed rate						
Investment bond payable	6.50%	-	-	-	537	537
Total non-derivatives		4,556	218	-	537	5,311
Derivatives						
Forward foreign exchange contracts	-	163	-	-	-	163
Total derivatives		163	-	-	-	163

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	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated - 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	943	-	-	-	943
Interest-bearing - variable						
Lease liability	5.00%	276	324	249	-	849
Total non-derivatives		1,218	324	249	-	1,792
Derivatives						
Forward foreign exchange contracts	-	28	-	-	-	28
Total derivatives		28	-	-	-	28

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.

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Note 24. 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

	Level 1	Level 2	Level 3	Total
Consolidated - 2022	\$'000	\$'000	\$'000	\$'000
Liabilities				
Forward foreign exchange contracts (note 15)	-	163	-	163
Deferred consideration - shares (note 17)	-	3,334	-	3,334
Total liabilities	-	3,497	-	3,497

	Level 1	Level 2	Level 3	Total
Consolidated - 2021	\$'000	\$'000	\$'000	\$'000
Liabilities				
Forward foreign exchange contracts (note 15)	-	28	-	28
Total liabilities	-	28	-	28

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.

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Note 25. Key management personnel disclosures

Directors

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

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

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:

Tim Kelsey Chief Executive Officer
Mark McLellan Chief Financial Officer - appointed 26 April 2022

Compensation

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

	2022	2021
Consolidated	\$	\$
Short-term employee benefits	861,845	1,135,050
Post-employment benefits	99,034	80,135
Long-term benefits	903	221
Share-based payments	326,213	542,674
	1,287,996	1,758,080

Note 26. 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:

	2022	2021
Consolidated	\$	\$
Audit services - BDO Audit Pty Ltd		
Audit or review of the financial statements	129,000	77,799
Other services - BDO (2021: HLB Mann Judd)		
Preparation of the tax return and transaction	62,764	14,899
Advisory and transaction support	79,505	-
	271,269	92,698

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Note 27. Contingent liabilities

There were no contingent liabilities relating to the consolidated entity as at 30 June 2022 (30 June 2021: nil).

Note 28. Commitments

There were no commitments relating to the consolidated entity as at 30 June 2022 (30 June 2021: nil).

Note 29. Related party transactions

Parent entity

Beamtree Holdings Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 32.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	2022	2021
	\$	\$
Other transactions:		
Directors fees paid to Celerity Associates Pty Limited, a company related to Stephen Borness (incl. GST)	66,000	66,000

Receivable from and payable to related parties

Amount payable to Celerity Associates Pty Limited, a company related to Stephen Borness is \$5,500 (2021: \$5,500) 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.

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Note 30. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2022	2021
	\$'000	\$'000
Loss after income tax	(827)	(118)
Total comprehensive income	(827)	(118)

Statement of financial position

	Parent	
	2022	2021
	\$'000	\$'000
Total current assets	12	107
Total assets	42,250	42,417
Total current liabilities	29	-
Total liabilities	417	24
Equity		
Issued capital	42,524	42,217
Share based payments reserve	811	851
Accumulated losses	(1,502)	(675)
Total equity	41,833	42,393

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 (30 June 2021: \$Nil).

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 (30 June 2021: \$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.

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Note 31. 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 \$19.6m. 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 \$7.7m and operating profit of \$0.9m to the consolidated entity for the period from 1 October 2021 to 30 June 2022. If the acquisition occurred on 1 July 2021, the full-year group consolidated results would have been revenue of \$19m and loss before tax of \$5.8m.

Details of the acquisition are as follows:

	Fair value \$'000
Cash and cash equivalents	1,346
Trade and other receivables	1,822
Property, plant and equipment	207
Right-of-use asset	262
Software	1,974
Customer list	6,754
Trade and other payables	(587)
Other non current payables	(511)
Contract liabilities	(911)
Lease liability	(306)
Employee benefits	(786)
Deferred tax liabilities	(1,839)
Current tax liability	(170)
Net assets acquired	7,255
Goodwill	12,345
Acquisition-date fair value of the total consideration transferred	19,600
Representing:	
Cash paid or payable to vendor	4,000
Beamtree Holdings Limited ordinary shares issued to vendor (no. of shares related: 12.7M)	6,604
Beamtree Holdings Limited performance shares issued to vendor (no. of shares related: 6.0M)	3,120
Beamtree Holdings Limited deferred shares to be issued to vendor (no. of shares related: 11.3M)	5,876
	19,600
Acquisition costs expensed to profit or loss	554

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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. The goodwill associated with the acquisition primarily relates to synergies due to scale and operational efficiencies through the sharing of operational expertise throughout the Group.

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.

The consolidated entity have retrospectively adjusted provisional amounts recorded in the half-year financial statements due to the undertaking of a purchase price allocation with an independent expert. At 30 June 2022, the amounts recorded above are no longer deemed provisional.

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Note 32. 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 (100% ownership interest)	2022	2021
		%	%
DPP Holdings Pty Ltd	Australia	100%	100%
Beamtree Pty Ltd	Australia	100%	100%
Pavilion Health Australia Pty Ltd	Australia	100%	100%
Beamtree Technology Pty Ltd (formerly 'Pavilion Health Technology Pty Ltd')	Australia	100%	100%
Beamtree Services Pty Ltd (formerly 'Pavilion Health Services Pty Ltd')	Australia	100%	100%
Beamtree Europe PTE Limited (formerly 'Pavilion Health Europe PTE Ltd')	Ireland	100%	100%
Ainsoff Pty Ltd	Australia	100%	-
Potential(x) Holdings Pty Ltd	Australia	100%	-
Chappell Dean Pty Ltd	Australia	100%	-
Beamtree Analytics Pty Ltd (formerly 'Potential(x) Pty Ltd')	Australia	100%	-
Beamtree New Zealand Ltd (formerly 'Potential(x) New Zealand Ltd')	New Zealand	100%	-
Beamtree Wellness Pty Ltd (formerly 'Potential(x) Wellness Pty Ltd')	Australia	100%	-
Beamtree UK Ltd	United Kingdom	100%	-

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Note 33. Reconciliation of loss after income tax to net cash from/(used in) operating activities

Consolidated	2022 \$'000	2021 \$'000
Loss after income tax expense for the year	(4,449)	(386)
Adjustments for:		
Depreciation and amortisation	3,616	1,497
Write down - brand name	481	-
Share-based payments	326	533
Foreign exchange differences	(9)	(4)
Expected credit losses	48	(21)
Interest payable on investment bond	25	-
Accrued R&D incentive income	-	(72)
Net fair value gain on deferred shares	(2,543)	-
Other	(28)	-
Change in operating assets and liabilities:		
Decrease/(Increase) in contract assets	1,089	(1,100)
Increase in deferred tax assets	(1,404)	(286)
(Increase)/decrease in trade and other receivables	(2,151)	(794)
Decrease/(increase) in current tax assets	-	100
Increase in trade and other payables	2,663	188
(Decrease)/Increase in provision for income tax	(316)	215
Increase in employee benefits	346	127
Decrease/(increase) in contract liabilities	(12)	243
Net cash from/(used in) operating activities	(2,318)	240

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Note 34. Share-based payments

During the financial year, no unlisted options or unlisted performance rights were issued.

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

2022							
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
1/10/2018	30/9/2023	\$0.10	6,000,000	-	-	-	6,000,000
30/5/2019	29/5/2024	\$0.20	2,925,000	-	(1,200,000)	(300,000)	1,425,000
29/5/2020	10/6/2025	\$0.20	375,000	-	-	-	375,000
			9,300,000	-	(1,200,000)	(300,000)	7,800,000
Weighted average exercise price			\$0.14	\$0.00	\$0.20	\$0.20	\$0.12

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
1/10/2018	30/9/2023	\$0.10	7,000,000	-	(1,000,000)	-	6,000,000
30/5/2019	29/5/2024	\$0.20	3,775,000	-	(750,000)	(100,000)	2,925,000
29/5/2020	10/6/2025	\$0.20	375,000	-	-	-	375,000
			11,150,000	-	(1,750,000)	(100,000)	9,300,000
Weighted average exercise price			\$0.14	\$0.00	\$0.00	\$0.00	\$0.14

The weighted average remaining contractual life of options outstanding at the end of the financial period was 1.46 years (2021: 2.52 years).

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

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Note 34. Share-based payments (continued)

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

2022							
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	-	(3,300,000)	-	900,000
29/05/2020	10/06/2025	\$0.00	1,000,000	-	-	-	1,000,000
6/10/2020	16/11/2025	\$0.00	5,000,000	-	-	-	5,000,000
			10,200,000	-	(3,300,000)	-	6,900,000

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
6/10/2020	16/11/2025	\$0.00	-	5,000,000	-	-	5,000,000
2/11/2020	19/11/2023	\$0.00	-	100,000	-	(100,000)	-
			9,200,000	5,100,000	-	(4,100,000)	10,200,000

The weighted average remaining contractual life of performance rights outstanding at the end of the financial period was 3.13 years (2021: 3.73 years).

The 5m performance rights issued on 06/10/2020 (2022: 5m remaining not yet granted/exercised/expired/forfeited) will vest if each of the following conditions are satisfied:

- achievement of budgeted revenue target, subject to a minimum 20% growth year on year;
- achievement of budgeted EBITDA target; and
- 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.

Tim Kelsey's performance rights' vesting dates are extended with 432k of 650k performance rights granted on 06/10/2020 got extended to 2022, 2023 and 2024 and 594k of 1,450k performance rights granted on 06/10/2020 got extended to 2025. As a result of the modification, there is nil impact to the fair value of the performance rights granted.

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Note 34. Share-based payments (continued)

Total expense recognised in the profit or loss for the year ended 30 June 2022 amounted to \$326k(2021: \$533k).

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.

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 35. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 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.

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Note 36. Earnings per share

	2022	2021
Consolidated	\$'000	\$'000
Loss after income tax attributable to the owners of Beamtree Holdings Limited	(4,449)	(386)
	Cents	Cents
Basic earnings per share	(1.85)	(0.19)
Diluted earnings per share	(1.85)	(0.19)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	240,028,455	198,515,576
Weighted average number of ordinary shares used in calculating diluted earnings per share	240,028,455	198,515,576

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.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian 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 2022 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


Michael Hill
Chairman

24 August 2022

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 financial position as at 30 June 2022, 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 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:

- Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- 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.

Carrying value of Intangible Assets

Key audit matter	How the matter was addressed in our audit
<p>At 30 June 2022, the carrying value of Intangible Assets was \$47,500k as disclosed in Note 10.</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 under Australian Accounting Standard (AASB) 136 <i>Impairment of Assets</i>. Refer to Note 10 for the detailed disclosures, which include the related accounting policies and the critical accounting judgements and estimates.</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"> Analysing management's key assumptions used in the discounted cash flow models to determine their reasonableness; Challenging the appropriateness of management's discount rates used in the discounted cash flow models which included engaging our internal valuation specialists; Challenging management's assumptions around the timing of future cash flows; Checking the arithmetic accuracy of the discounted cash flow models; Performing sensitivity analysis on key assumptions to determine if there would be a significant change to the carrying value of the assets; Assessing the adequacy of the Group's disclosures in respect of Intangible Assets' carrying values and impairment assessment assumptions as disclosed in note 10 of the financial report; and Considering any additional impairment indicators as per AASB 136 <i>Impairment of Assets</i> and the effects of such on management's assumptions.

Acquisition of Potential(x) Holdings Pty Ltd

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in note 31 of the financial report, the company acquired a 100% of the ordinary shares in Potential(x) Holdings Pty Ltd and its controlled entities, effective 30 September 2021.</p> <p>The audit of the accounting for this acquisition is a key audit matter due to the significant judgment and complexity involved in accounting for the acquisition and determining the fair value of any identifiable intangible assets.</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"> Review of the purchase and sale agreements to understand the terms and conditions of the acquisitions and evaluating management's application of the relevant accounting standards; Evaluating the assumptions and methodology in management's determination of the fair value of assets and liabilities acquired; Obtaining a copy of the external valuation report to critically assess the fair values of the identifiable intangible assets associated with the acquisition; Assessing the competency of external valuers; Evaluating the accounting treatment of each element of consideration paid; Engaging with internal valuation specialists to critically assess the assumptions in the external valuation report; Review and assessing the calculations and journal entries to record the acquisition for compliance with AASB 3 <i>Business Combinations</i>; and Assessing the adequacy of the Group's disclosures of the acquisition.

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 2022, 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

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 the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Beamtree Holdings Limited, for the year ended 30 June 2022, 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

Gareth Few
Director

Sydney, 24 August 2022

The shareholder information set out below was applicable as at 30 July 2022.

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	94	0.02	-	-
1,001 to 5,000	516	0.64	-	-
5,001 to 10,000	386	1.28	-	-
10,001 to 100,000	787	11.73	-	-
100,001 and over	229	86.33	6	100
	2,012	100.00	6	100
Holding less than a marketable parcel	175	-	-	-

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
FREESTATE HOLDINGS PTY LTD	17,896,624	7.33
NATIONAL NOMINEES LIMITED	14,111,800	5.78
MIRRABOOKA INVESTMENTS LIMITED	14,000,000	5.73
HSBC CUSTODY NOMINEES	12,255,762	5.02
CELERITY NOMINEES PTY LIMITED	11,447,984	4.69
SANDTREE PTY LTD	11,090,162	4.54
PAUL RICHARD OCONNOR	9,660,661	3.96
AMCIL LIMITED	9,205,097	3.77
3RD WAVE INVESTORS PTY LTD	6,200,000	2.54
SHOREBROOK PTY LIMITED	5,740,279	2.35
BOMBORA INVESTMENT MANAGEMENT	5,600,000	2.29
OZREN TOSIC	3,273,150	1.34
SHOREBROOK PTY LTD	3,230,000	1.32
BRAZIL FARMING PTY LTD	2,800,000	1.15
J P MORGAN NOMINEES AUSTRALIA	2,593,272	1.06
MR CHRISTOPHER BELL	2,499,000	1.02
MRS CLARE MAPLEDORAM	2,250,000	0.92
MR STEPHEN JOHN MENZIES	2,109,547	0.86
CASTLEREAGH EQUITY PTY LTD	2,080,000	0.85
DAVID BAMBACH	2,073,545	0.85
	140,116,883	57.37

Beamtree Holdings Limited

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Unquoted equity securities

	Number on issues	Number of holders
Options over ordinary shares issued	8,200,000	6

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
FREESTATE HOLDINGS PTY LTD	17,896,624	7.33
NATIONAL NOMINEES LIMITED	14,111,800	5.78
MIRRABOOKA INVESTMENTS LIMITED	14,000,000	5.73
HSBC CUSTODY NOMINEES	12,255,762	5.02
CELERITY NOMINEES PTY LIMITED	11,447,984	4.69
SANDTREE PTY LTD	11,090,162	4.54

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.

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