Beamtree Holdings Limited (ASX: BMT)
ASX Announcement

Sydney, 24 August 2022

FY22 Audited Financial Highlights

Beamtree Holdings Limited ("**Beamtree**" or "**the Company**") (ASX: BMT), a leading provider of AI decision support and data insights solutions, is pleased to publish the audited financial results and operational highlights for the 12 months ending 30 June 2022 ("FY22").

FY22 Financial Highlights

- Annual recurring revenue (ARR) at the end of FY22 was $18.2M, a +172% year-on-year growth from $6.7m reported at the end of FY21. Organic ARR (excluding Potential(x) acquisition) year-on-year growth was +30% driven by new contract wins mainly in 2H FY22

- Total group revenue rose 97% to $16.5m with revenue from recurring licensing, subscription and usage fees of $14.2m, representing a +129% year-on-year growth from $6.2m in FY21.

- Reported revenue from our international business was $4.1m in FY22, a +14% year-on-year growth or 43% year on year growth if a large one-off advisory contract is excluded.

- Operating expenses in FY22 increased by $13.1m, of which $6.8m (~52% of the increase) arose from the acquisition of Potential(x) at the beginning of October. The remaining operating expense increase of $6.3m was driven by organic growth and investment in key parts of the Beamtree business. Notable investments in the period include $1.6m in Ainsoff our AI-based product segment, +$1m in international sales capabilities, $2.2m investment in product development and +$1.5m in the sales and back-office teams.

- Strong cash balance of $6.3M as at 30 June 2022, compared to $7.0M as at 31 Dec 2021, with significant reduction in the cash burn in the second half of FY22.

FY22 Trading and Operational Highlights

- During 2H FY22, Beamtree closed a landmark US$7M five-year RippleDown® contract with a large a global pathology group.

- Renewals and new contract wins during FY22 worth of $28.4M over the lifetime of the contracts, of which $15.7M (or 55%) are related to international contracts.

- Renewed our channel partnership with Abbott Laboratories by signing a Transition Partnership Agreement and reinvigorated Beamtree's product profile within Abbott and its international sales team. New Partnership Agreement negotiations are ongoing and are expected to conclude in 1H FY23.

- In FY22, the company secured a number of important pilot programs with several UK NHS Trusts, with multiple high-profile hospitals in the UK testing a number of Beamtree products.

- Overall product renewal rate was approximately 95%.

- Completed two important and strategic acquisitions (see below).

Better has no limit

Acquisitions in FY22

During FY22, Beamtree completed two strategic acquisitions as described below.

- In Oct 2021, Beamtree completed the acquisition of Potential(x) which is Australia's largest healthcare data analytics company. This acquisition has allowed Beamtree to contribute to industry leading collaboration partnerships particularly the Health Roundtable. In FY22, Potential(x) contributed ~$7.7m revenue and ~$0.9m operating profit, which is in line with expectations at the time of acquisition.

- In Aug 2021, Beamtree completed the acquisition of Ainsoff which was a small AI focused developer of healthcare products using Beamtree's RippleDown® product as the foundation. Since acquisition Beamtree has continued to develop several AI based products including the Ainsoff Deterioration Index™ (ADI), a machine learning tool used to predict and alert clinicians to the risk of patient deterioration in acute care. Since acquisition in FY22, Beamtree has invested ~$1.6m in operating expenses in Ainsoff product improvements and promotion, with sales of the ADI expected to occur in late FY23.

Chairman of Beamtree, Mike Hill, commenting on the results, said, "*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*".

Outlook for FY23

In relation to the new financial year to 30 June 2023, the Board expects the following trends to drive the performance of the Company:

Revenue
- July 2022 trading conditions remain positive with like for like sales up 17% on the prior year.
- Total reported revenue growth target of ~35% in FY23.
- Sales pipeline continues to build particularly the International sales pipeline which is significantly larger versus prior year.
- International diagnostics expected to be the main driver of revenue growth in FY23.
- Pilot projects in Europe moving toward contract stage expected to boost 2H FY23.
- Aiming to conclude contract extension discussions with Abbott Laboratories in 1H23.

Margin
- Revenue product mix in FY23 expected to drive improved gross margin.
- International scale and increasing contract value expected to contribute to increased gross margin.

Operating expenses and cash
- Operating expenses to be carefully managed in FY23.
- Significant investment made in FY22 via acquisitions and investment in international growth strategy.
- Cost base in FY23 to remain stable outside of international growth aspirations.
- Targeted large scale contract wins will drive operational leverage.
- It is expected that benefits will flow from cost efficiency synergies as a result of acquisitions made in FY22.
- Move to operating cashflow positive in FY23.

Beamtree

M&A

- Recognising the increasing global focus on the Beamtree product suite and demand from customers thereon, the Company will also continue to work on identifying M&A opportunities to expand its presence and product portfolio.

All outlook statements are subject to ongoing uncertainty in relation to variability in market access conditions should COVID-19 pandemic related measures change in relevant markets and broader economic and geopolitical uncertainty.

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Authorised for release by the Chairman of the Board.

For further information, please email investor@beamtree.com.au

About Beamtree

A leading provider of AI decision support and data insights solutions, Beamtree supports healthcare providers globally. They believe in creating a better future for health by turning data into insights and action through automation. They help solve real-world problems in healthcare by developing smart tools that aim to improve patient outcomes. Their solutions and services offer customers an unrivalled range of analytics across four key product segments:

- **Diagnostic Technology**: Enabling the effective delivery of diagnostic services as they underpin the future of health and personalised medicine.

- **Clinical Decision Support**: Combining human and artificial expertise together to enhance decisions that improve care, value and experience.

- **Coding Assistance and Data Quality**: Digitising and automating workflows with data, classification, coding & technical expertise to improve information standardisation, quality and timeliness.

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