

**Beamtree Holdings Limited (ASX: BMT)
ASX Announcement**

Sydney, 15 February 2023

1H FY23 Trading 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 half year financial results and operational highlights for the 6 months ending 31 December 2022 (“1H FY23”).

1H FY23 Trading Highlights:

Strong revenue growth of 47% year on year combined with major new contract wins, particularly in international markets, underlining confidence of strong growth in second half.

- New three-year contract with Abbott to distribute our flagship RippleDown® product globally with acceleration of licenses issued in first half.
- New eight-year agreement with Health Roundtable, our largest client, to develop next-generation data analytic and insights services for subscription members in ANZ.
- Leading NHS hospital to act as a flagship reference site for Beamtree products including Ainsoff AI in England.
- Partnership with Lean Business Services of Saudi Arabia to position PICQ® and coding services to support national health reforms in Saudi Arabia.

Diagnostic Technology (RippleDown® software solution sold to pathology clients worldwide):

Q1 Highlights:

- +29% revenue growth delivered in Q1 FY23 driven by new international contracts.
- Ongoing pilot program with The University Hospitals Coventry and Warwickshire NHS Trust with the aim of future expansion of this agreement happening in FY23.

Q2 Highlights:

- Revenue growth was 39% in 1H FY23 vs. 1H FY22, driven by new international contracts.
- Pilot program with The University Hospitals Coventry and Warwickshire NHS Trust moving toward procurement.
- Increased pipeline of direct and partner opportunities with the continuous growth of the international interest for RippleDown®.
- Entered a new strategic distribution agreement with Abbott for RippleDown® product for three years with an option to extend for years four and five, which further solidifies Beamtree’s international growth and ambition with strong outlook for revenue growth.

Clinical Decision Support (including the Ainsoff Deterioration Index™, “ADI”, an AI software solution sold to hospital clients):

Q1 Highlights:

- ADI now operational in two hospitals in Australia.
- Pilot programs ongoing in three other hospitals.
- An offline analysis of 50,000 patients validated the superiority of ADI in comparison to existing standard early warning tools in predicting deterioration of patients up to 24 hours before acute deterioration occurs.

Q2 Highlights:

- Growth in revenue for CDS was driven by revenue from pilot programs in hospitals in Australia and internationally.
- The ADI solution is currently being trialled in three hospitals and is live in two other hospitals with a strong pipeline of sales opportunities & procurement progress.
- Signed a memorandum of understanding with Milton Keynes University Hospital (MKUH) of the UK to create a centre of excellence that will promote the use of automation as a means to overcome many of the challenges currently faced by the UK NHS. The Trust is tasked to trial Beamtree’s AI products and implement where they believe these will make a significant impact and assist Beamtree to sell its products across the whole of the NHS.

Coding Assistance and Data Quality (“Coding”) (Products sold to Hospital customers such as PICQ®, RISQ™)

Q1 Highlights:

- +11% revenue growth delivered in Q1 FY23 with strong renewals and price growth.
- Large opportunities in the Middle East and Asia for PICQ® are being pursued.

Q2 Highlights:

- Revenue growth is +10% in 1H FY23 vs. 1H FY22 with strong renewals and price growth across our two core data quality products, PICQ® and RISQ™.
- Strategic partnership with Kingdom of Saudi Arabia with partnership with Lean Business Services.
- Focus on developing the international sales pipeline, which is the largest across the company and has the target of closing opportunities in 2023.

Analytics & Knowledge Networks (“Analytics”) (includes Health Roundtable contract)

Q1 Highlights:

- Acquisition of Potential(x) in October 2021.
- +10% revenue growth on a like for like basis, driven by a strong renewal and growth rate in the Health Roundtable activities and wellbeing program sales.

Q2 Highlights:

- Revenue growth is +10% in 1H FY23 vs. 1H FY22. Analytics & Knowledge Network represents around 45% of the Group’s total revenue.
- New contractual terms with Health Roundtable, for a new long-term contract to Jul 2031 and a \$1m revenue project to modernise the data platform used to deliver Health Roundtable services.

1H FY23 Financial Highlights

The table below provides summarised financial information for 1H FY23.

	1H FY23	1H FY22	Variances %
	\$000	\$000	
Licence revenue, subscriptions, and usage fees	9,764	5,870	66%
<u>Consulting & other service fees</u>	<u>736</u>	<u>1,264</u>	<u>(42%)</u>
Total revenue	10,500	7,134	47%
Total operating expenses	<u>(11,379)</u>	<u>(8,532)</u>	<u>33%</u>
Operating profit	(879)	(1,398)	37%
Reported EBITDA	(2,095)	(1,011)	(107%)
Operating cashflow	516	(2,198)	123%
Cash at period end	5,423	7,038	(23%)
<i>Annual recurring revenue at period end</i>	20,133	16,766	20%

- Annual recurring revenue (ARR) at the end of 1H FY23 was \$20.1M, a +20% growth from \$16.8m as at the end of 1H FY22. Almost 60% of this growth has been driven by new contracts won in the international market for our Diagnostics product, as well as demand across all our products both in ANZ and overseas.

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- Total group revenue of \$10.5m in 1H FY23 represented a 47% growth vs. \$7.1m in 1H FY22. Organic revenue growth was 24% excluding the impact from Potential(x) acquisition in October 2021 and a large one-off Saudi advisory contract delivery in 1H FY22. Revenue delivered from recurring licensing, subscription and usage fees was \$9.8m in 1H FY23, representing a +66% growth comparing with \$5.9m in 1H FY22.
- Reported revenue from our international business was \$3.2m in 1H FY23, a 55% growth comparing with 1H FY22.
- Operating expenses in 1H FY23 was \$11.4m, which represented a 33% year on year growth. This has been mainly driven by acquisition impact from Potential(x) in October 2021 (3 months of costs reported in 1H FY22 vs. 6 months of costs reported in 1H FY23). Excluding this impact, the increase in operating expenses was ~4% in 1H FY23 comparing with 1H FY22, which has been driven by actions implemented by management to control cost increases. These actions included seven redundancies in 1H FY23.
- Positive operating cash inflows of \$0.5m in 1H FY23, a 123% improvement compared to 1H FY22 cash operating outflows of \$2.2m driven by receipt of a large international receivable during the period plus improved cost and cash flow management.
- Strong cash balance of \$5.4M as at 31 December 2022, compared to \$6.3M as at 30 Jun 2022.

FY23 Outlook

Overall, Beamtree continues to deliver solid organic revenue growth of +20% in the first half whilst carefully managing its cost base. The sales pipeline, particularly for international sales of our core products (RippleDown®, ADI™ and PICQ®), remains strong with the company focused on securing new customers in the 2H FY23 as well as continuing to develop its core product offering.

The Company expects full year revenue growth in FY23 to be similar to the growth experienced in the first half of the financial year with ongoing focus on cost management resulting in continuous improvement in profitability.

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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.