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# Beamtree®

Annual Report 2023

Better has no limit®

# Beamtree<sup>®</sup>

## Creating a better future for health

As a global AI health technology company, we empower organisations to deliver exceptional patient care. We strive to create a better future for health by turning data into insights and action through automation.

Beamtree<sup>®</sup>

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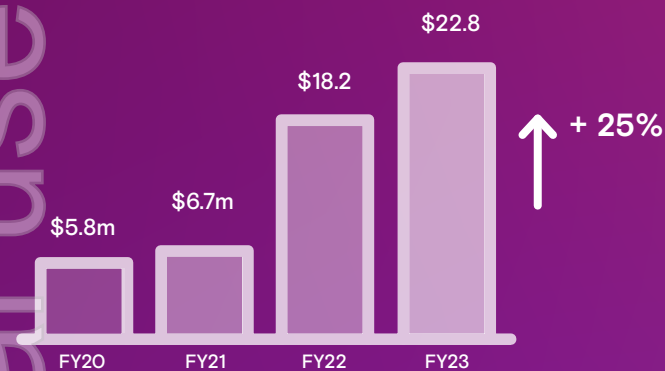
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August 2023

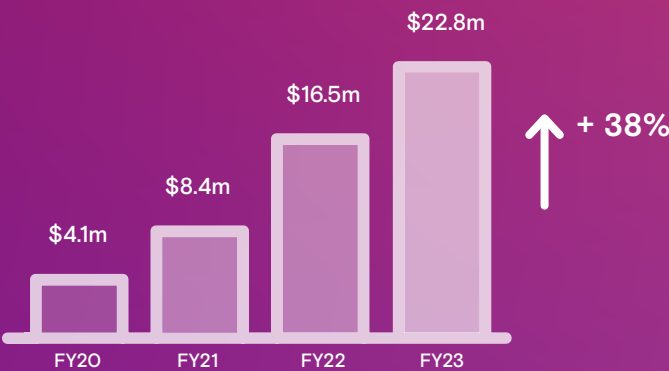


Financial Highlights

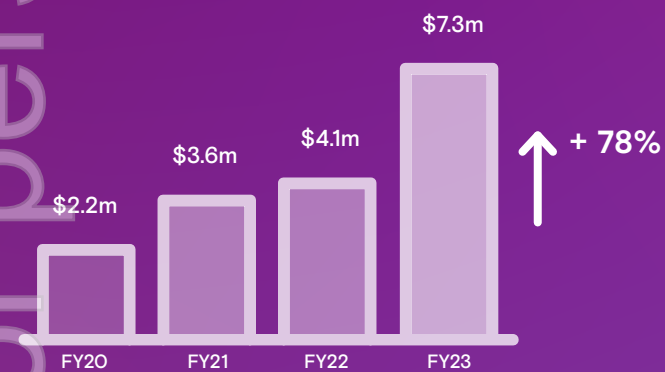
Annual Recurring Revenue



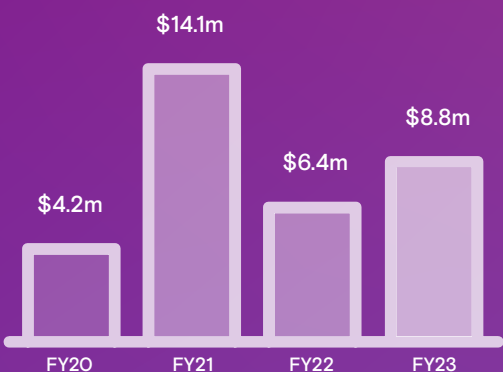
Reported Revenue



International Revenue



Cash Balance



We support 180+ clients who operate across 25 countries.





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## Letter from Chair

On behalf of the Board of Directors, I am honoured to have chaired Beamtree Holdings Ltd since its IPO in May 2019. Beamtree, the parent organisation for a group of companies that have been trusted partners to customers, members and ultimately patients. Beamtree's four focussed divisions work collaboratively to provide exceptional technological products to utilise the most advanced AI and data analytics for our global healthcare customers.

Beamtree is one of the world's leading pioneers in AI decision support and data. Health systems around the world are prioritising adoption of intelligent technologies that support automation of clinical and administrative process to address workforce shortages, reduce waste and improve patient outcomes.

Beamtree's products have a proven track record of addressing this technology need and in doing so, helping to solve these critical health system objectives. The team at Beamtree have successfully expanded the product profile to international markets and should be proud to realise the success of its international expansion strategy, noting more than one-third of total revenues now comes from overseas customers.

In order to meet both local and international demand, the technology team continues to invest the necessary time in our AI and data science technologies. Pleasingly, Beamtree now has implementation trials in Australia, an Asia Pacific health system and in the United Kingdom for products across all four operational divisions – Diagnostics Technology, Clinical Decision Support, Coding Assistance & Data Quality and Analytics & Knowledge Networks.

Beamtree has signed some very substantial agreements in the fiscal year ending 30 June 2023; some of which include:

- A renewed partnership contract with Abbott Laboratories Inc. for distribution of RippleDown® in global diagnostics;
- A new partnership agreement with Lean Business Services, a government-owned health technology company in the Kingdom of Saudi Arabia;

- Agreement to develop a Health Information Governance Strategy with the Center for National Health Insurance in Saudi Arabia and a key distribution partnership with Milton Keynes University Hospital in the NHS in England.
- A major step into North America to support coding and data integrity in British Columbia, Canada; and
- An extension of the service agreement to 2031 with Health Roundtable for provision of the digital analytical services.

In May 2023, Beamtree completed a \$5m capital raise primarily to support the continued acceleration of international revenue growth. I thank all our current and new investors for their confidence and support. With the capital provided by shareholders and lenders, our business can keep up with the demand for our products and services.

We look forward into fiscal year 2024 with confidence of continuing acceleration in revenue growth and meeting our targeted horizon objectives in scaling our domestic and international sales capability.

Beamtree is one of Australia's technology success stories – using artificial intelligence to improve the effective delivery of high-quality sustainable healthcare. At the heart of this success are our staff – an outstanding team of dedicated professionals who are making a real difference to health outcomes in all the countries in which we work. I would like to celebrate their achievement and thank them for their vision and hard work. I would also like to thank our customers for giving us the opportunity to serve them – and our shareholders for their continued support. As your chairman, I am humbled by how far we have come and how far we have yet to go.

Yours Sincerely,

**Mike Hill**  
Chairperson



# CEO Report

Welcome to the 2023 annual report. Just as we continue to expand globally, we continue to adapt our organisation to better serve our customers, provide and launch new innovative AI technology solutions and transform the way we deliver powerful health system AI and analytical priorities to solve for better automation of clinical and administrative processes, reduce healthcare waste and ultimately improve patient outcomes. I am pleased to report that Beamtree has had a landmark year of growth and expansion.

“This digital safety prewarning tool is one of the most important innovations I have seen in my 35-year medical career,” said a leading clinician of one of Beamtree’s new AI technologies. This ground-breaking product – the Ainsoff Deterioration Index™ (ADI) – accurately predicts the risk of patient deterioration more than 24 hours in advance irrespective of visible symptoms. A leading international medical journal, which reviewed the results of a 10-month trial in Sydney, concluded that this technology can reduce serious adverse events (including death). It is a rarity that digital technology of any kind receives such clear-cut independent peer-reviewed validation of outcomes.

Hospitals in Australia, Asia-Pacific and the United Kingdom are now implementing the technology and they forecast it will support the transformation of patient safety in their hospitals.

This is just one example of success in FY23 – using advanced technology, including machine learning, to solve real world problems in healthcare. From clinical decision support in the hospital to the automation of clinical record classification to automating diagnosis in the pathology laboratory – Beamtree is setting new standards for using data and analytics to deliver measurable improvements in clinical outcomes and financial efficiency. Working with partners in diverse international countries, we help reduce errors in hospital data. This means that resources in public health services are allocated to those who need them most – and in the private sector that providers receive the correct reimbursement for the services they provide. In our Australian home market, we report unprecedented revenue growth and continue to report 95%+ client retention.

FY23 saw a number of key milestone achievements. Overall, we report 38% growth in total revenue, with 24.5% growth in organic annual recurring revenue. A selection of the highlights over all four product segments can be summarised as follows:

In **Diagnostic Technology**, where we support productivity and automation in laboratory services, we have signed a new contract with Abbott to target high-value clients. We have already seen an increase in licence subscriptions and have built a strong pipeline for these new ‘co-sales’ into FY24. The new agreement transforms the revenue opportunity with Abbott and prioritises development of high value sales (above \$300,000) with larger clients.

For the first time, with Abbott, RippleDown® was launched in the United States pathology market. We are quietly confident this partnership is operating in a rhythm to significantly grow the number of license contracts by 2026.

Beamtree also sells RippleDown® direct to the end customer and some very material contractual wins were achieved in FY23. The FY24 pipeline provides exciting opportunities for the year ahead.

In **Clinical Decision Support** – the division promoting the ADI – we had new contract wins with leading hospitals in the United Kingdom and have seen current clients in Australia and Asia Pacific move towards long term subscription licences of the new technology as evidence of its impact on quality and cost is confirmed.

In England, we have agreed a distribution partnership with Milton Keynes University Hospital, following award of contracts to implement our data quality and AI decision support technologies.

In Australia, the work Beamtree has done with Central Adelaide Local Health Network in South Australia paves a solid precedent as we expand our discussions with providers in other jurisdictions to showcase and adopt ADI into acute patient support.

In Asia Pacific, customers are also actively trialling ADI.

In **Coding Assistance and Data Quality**, we have seen major new contracts awarded in Saudi Arabia and – for the first time – in Canada. The government of the Republic of Ireland has also extended its contract for PICQ® and we are in advanced contract discussions with other countries to implement the technology. The benefits of PICQ® – which audits the quality of coded data – are so well proven in Australia and New Zealand that it should be no surprise that health systems internationally are prioritising its implementation.

Our first major contract in North America, to support data quality in British Columbia, Canada goes to show our coding assistance and data quality applications are in high demand in all corners of the globe.

A key investment focus for Beamtree has been to scale our commercial capacity to meet the growing demand for our coding services. In this context – and to support the acceleration of our international pipeline – we appointed Marek Stepniak, an internationally regarded expert in digital health, as Chief Growth Officer.

In our **Analytics and Knowledge Networks** division, we announced a new contract with Health Roundtable to invest more than \$1m to transform the digital service supporting members and extend our service agreement to 2031.

Health Roundtable is the world’s premier health data collaborative – bringing together more than 200 hospitals to share data and support improvement. Beamtree also has the great privilege of serving the Ability Roundtable which brings together providers in human services.

Beamtree is driven by the mission of supporting sustainable, high-quality healthcare and for this reason we have established a Global Impact Committee (GIC) which provides advice and independent thought leadership to support that goal. I would like to thank the members – comprising leaders from nine countries – and Prof Mark Britnell, GIC chair, for their support and contribution. Their most recent report – More Time to Care – reviews the opportunity for automation in health service delivery.

The team at Beamtree continue to strive for better solutions. Notably, in 2023, Beamtree formed a partnership with the University of Sydney, where we appointed Dr Ben Hachey as the first Beamtree associate professor for clinical informatics – a key research enabler of our product innovation.

I would like to pay tribute to the Beamtree team who have achieved so much in the last year and built such strong foundations for our growth in the new financial year. I would also like to thank our customers and our shareholders for their support – and our Board for their leadership.

Yours Sincerely,

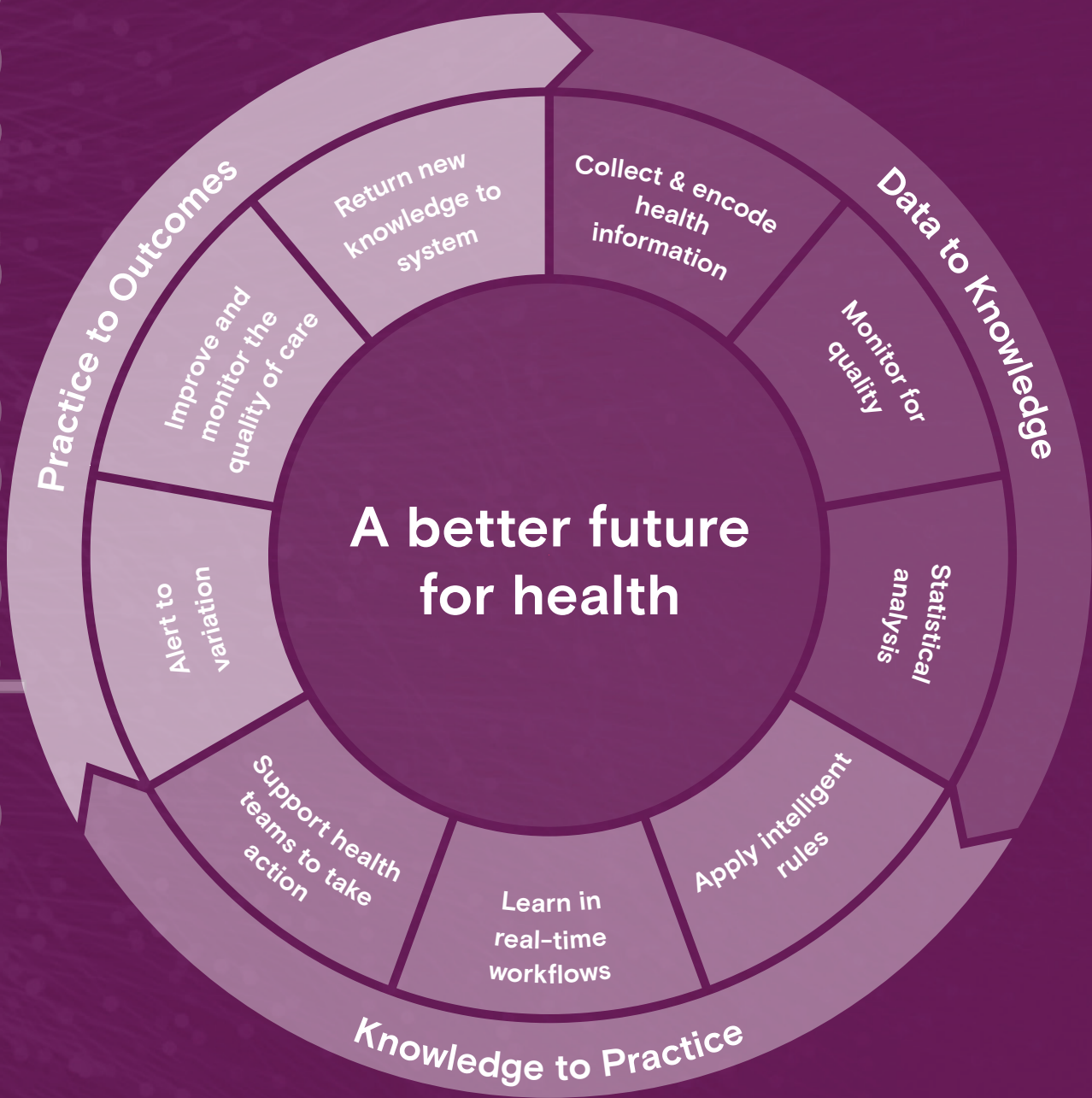
**Tim Kelsey**  
CEO







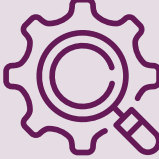





# Beamtree empowers Learning Health Systems...

For more than two decades, we have helped health providers make better decisions thanks to our pioneering approaches to AI, data insights and benchmarking – all in the interests of improving patient care. Our technologies empower the Learning Health System to drive continuous improvement in safety, quality and efficiency through better access to accurate healthcare information.



# ...and helps solve problems

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. We also assist providers with revenue assurance through data accuracy, while fostering greater transparency and addressing equity of access for patients.

 Drive automation	 Increase efficiency, reducing errors
 Tackle unwarranted variation	 Offer revenue assurance
 Promote transparency	 Improve quality of data
 Address equity of access and resource allocation	 Bridge knowledge gaps



# Our Strategy (2022-2026)

Beamtree's Strategy is centred on investing in our people, enriching our solution suite, delighting and inspiring health providers, and providing value to our investors and clients.

Through advanced AI, machine learning and analytics we have expanded our ability to assist healthcare providers transition from raw data to deep insights and action. This 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

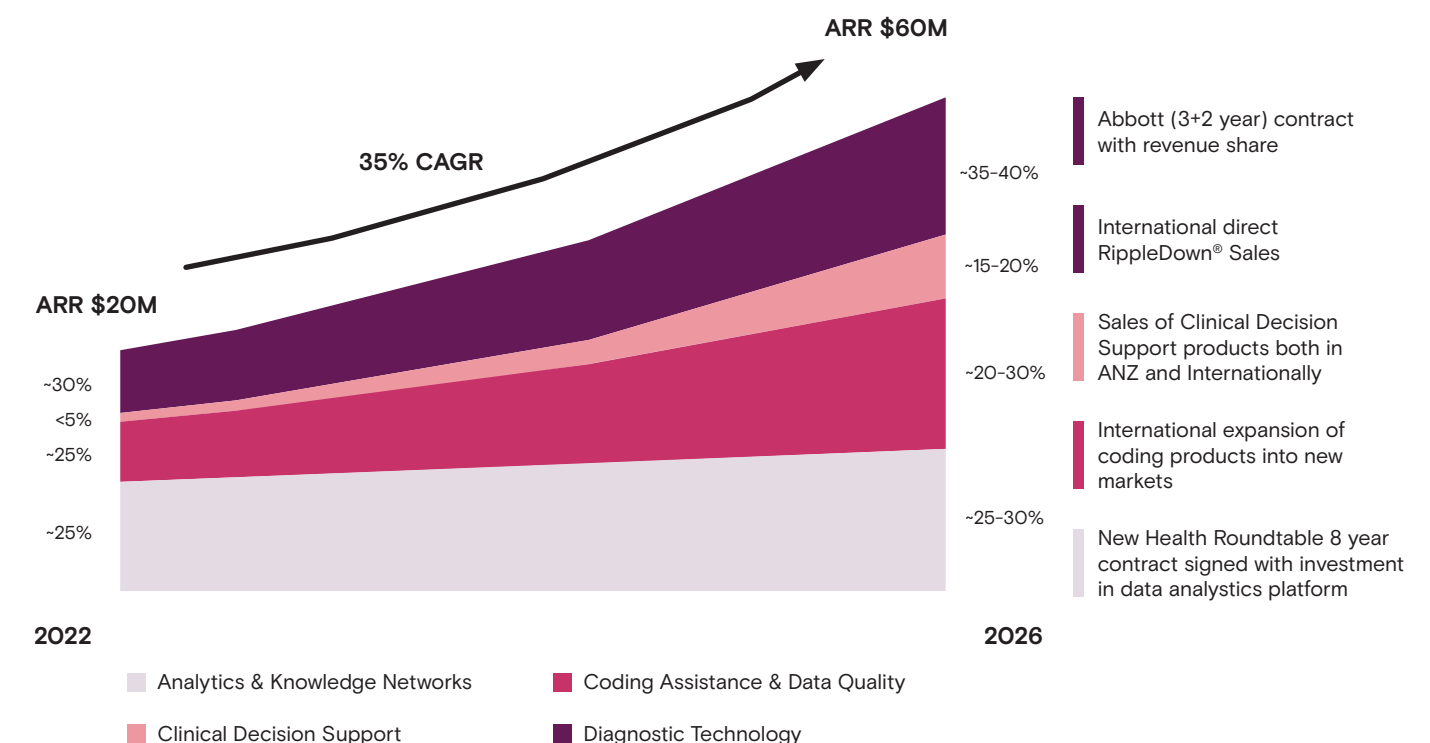
We combine data analytics solutions with peer-to-peer alliances that accelerate innovation and knowledge diffusion.

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

## Our Impact

FY23 saw significant delivery of Beamtree's 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.

Beamtree's medium term target is to achieve \$60m annual recurring revenue by 2026. When assessing the main drivers of growth, we expect ~70% of the growth will come from the overseas market and growth will come from all product segments.





# Our People

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



2022 People Summit at the Sydney Office

## Our Talent

### Expansion

In FY23, we invested in recruiting and retaining the right talent to help achieve our strategic goals. The company continued to explore hybrid and flexible working arrangements to suit the talents and life choices of our global team – all tailored to foster a happy, loyal workforce with shared values and the ability to become thought leaders in their chosen fields. Skills growth is identified as key to delivering significant projects and supporting career aspirations. Moving forward into FY24, Beamtree's people plan is shaped by a program of training and skills development.

### Innovation

Beamtree's ambition is to expand both our workforce and the locations within which our people work, mirroring global growth objectives. We now have employees in five countries and have an office in the United Kingdom. We have implemented critical infrastructure and a digital platform to support performance processes, all designed to retain the best people. In FY23, Beamtree launched the Employee Incentive Plan which underpins the Company's reward strategy and allows employees to share in any growth in the value of the Company. 20% of employees have participated in these employee share schemes.

### Transformation

The future of our strategy focuses on proving Beamtree as a global healthcare knowledge leader. We have published our first two thought leadership reports 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. The Future Talent Strategy is supported by the strategic partnership with the University of Sydney. We will continue to expand expertise through academic and skills partnerships through Australia, the Middle East and the United Kingdom.



## Our Values

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



**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.



**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.



**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.



**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.



# International Growth

Beamtree continues to build on previous work in the Kingdom of Saudi Arabia, Singapore and Europe and is working to secure new contracts in these regions in FY24.



Tim Kelsey and Mohammed AlRasheed signing the partnership agreement in Riyadh

“

*“Beamtree and Lean share a similar cause in striving to improve health & wellbeing which manifested this collaboration. We are excited to partner with a world leader in data and automation that will definitely help enhance both our products and services to enable the innovation of health solutions in Saudi.”*

Mohammed AlRasheed, CEO of Lean

## Middle East & Africa

### Kingdom of Saudi Arabia

Following the successful completion of audit of data quality in public hospitals, in October 2022, Beamtree announced a key strategic partnership with Lean, Saudi Arabia's leading provider of innovative health solutions. A major milestone for Beamtree's international business, the partnership aims to support health services in Saudi Arabia improve the quality of hospital data and analytic insight through the audit and automation of clinical record classification. Together, Beamtree and Lean will also be promoting new innovations in advanced computer-assisted coding which facilitate real-time data analytics and decision support. In addition, the partnership will support sales of Beamtree's products – into both diagnostics and hospital services in the Kingdom.

In late FY23, Beamtree announced it had been successfully awarded, in conjunction with its partner Lean, a contract to complete the Health Information Management governance strategy for the Kingdom of Saudi Arabia. The strategy, to be developed over the next year with the Casemix Center of Excellence, incubated within the Saudi Center for National Health Insurance (CNHI), is a key element of the Kingdom's vision of sustainable value-based healthcare and part of its national Vision 2030 program. This marks the first partnership deal with Lean.

### South Africa

FY23 saw the implementation of diagnostic product RippleDown Auditor™ across key locations for a large pathology provider in South Africa. RippleDown Auditor™ and RippleDown Expert™ will be rolled out across the network in the first half of FY24.

## Continued growth in key international markets



Beamtree's NHS ConfedExpo panel discussion

## United Kingdom & Europe

### England

Beamtree continues to work with our NHS partners in the United Kingdom to implement the Ainsoff Deterioration Index™ and RippleDown® and collaborate to develop computer assisted coding. In addition, the strategic partnership with Milton Keynes mean we will be working with them to distribute all our products more widely. Several pathology labs are also using RippleDown® through the agreement with Abbott.

Beamtree led a session at the NHS ConfedExpo hosting a panel on the power of automation and the challenges it can solve with leaders from NHS England, Integrated Care Boards and NHS Hospitals.

### 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 for another year. During FY23, Beamtree worked on upgrading PICQ® in the Republic of Ireland to provide access to new functionality.



Beamtree meeting the PSHA team in Vancouver

## North America

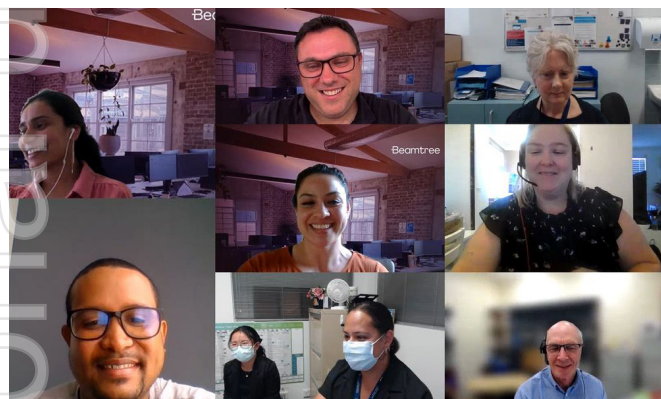
### Canada

Beamtree has been commissioned by the Provincial Health Services Authority (PHSA) to complete a coding quality review and provide education and training services for the health information manager and coder teams for several hospitals in British Columbia as a baseline to support plans for automation of clinical record coding audit in the future. This is our first major project in North America. This project will use a combination of techniques including on site record auditing and the use of Beamtree's PICQ® and RISQ™. The region has also shown interest in RippleDown® and other tools to assist them to deliver efficient care across a large geography.

FY24 will see further growth in this region as Beamtree works collaboratively with Abbott Laboratories to expand into the United States of America.



## International Growth



*RippleDown Auditor User Group*

### Asia Pacific

#### Australia

Strategically, we continue to partner with key organisations to collaborate on innovative ways to incorporate AI and data insights in healthcare. Key Australian partners include the University of Sydney, Gold Coast Health and Hospital Services, and Central Adelaide Local Health Network.

Demand for our solutions continues to grow and we are proud to support healthcare organisations across Australia. PICQ®, RISQ™ and RippleDown® all have a ~95% renewal rate.

Knowledge Network partnerships with Health Roundtable and Ability Roundtable continue to go from strength to strength with impressive renewal rates and plans to modernise services for members.



*HiNZ Digital Health Leadership Summit*

#### New Zealand

Beamtree sponsored this year's Digital Health Leadership Summit powered by Health Informatics New Zealand (HiNZ). With a focus on digital health transformation in a rapidly changing healthcare environment, the team enjoyed facilitating a discussion around 'The power of data to drive innovation'.

#### Asia Pacific Client

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

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**“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 a PICQ® & RISQ™ User Group*



# Research Partnerships & Global Thought Leadership

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*“Our partnership with Beamtree is ensuring we grow this vital area of research and development for Australia, with the capacity to commercialise in ways that maximise positive impacts on patient outcomes,”*

Robyn Ward, Executive Dean and Pro Vice-Chancellor, Faculty of Medicine and Health, University of Sydney.

## Research Partnerships

### University of Sydney Partnership

The ongoing partnership between the University of Sydney and Beamtree continues to push boundaries and discover new innovative uses of health data. In May 2023, Dr Ben Hachey was appointed to the position of the Beamtree Associate Professor in Clinical Informatics. This role will see Dr Hachey lead research projects in applied AI for healthcare data in the Faculty of Medicine and Health at the University of Sydney and lead the research efforts across several areas including machine learning, natural and large language models, health economics and ambitions to create large synthetic data repositories to advance investigation and research.

### Milton Keynes Partnership

In January 2023, Beamtree entered an agreement with Milton Keynes University Hospital (MKUH) in the United Kingdom, which will see the formation of the first-of-its-kind global centre of excellence to promote AI and automation in the NHS. As part of this agreement, The Trust will evaluate Beamtree's AI products. They have also agreed to co-invest in developing more AI applications.

### Gold Coast Hospital and Health Service Partnership

In FY23, Beamtree signed an Innovation Collaboration Deed with Gold Coast Hospital and Health Service (GCHHS). Combining the expertise and tools of both Beamtree and GCHHS, this collaborative partnership will focus on driving new advancements in digital health solutions which will drive innovation in patient care.

## Global Impact Committee

Beamtree's Global Impact Committee (GIC) is an advisory board that provides advice on strategies and policies and promotes best practice and innovation in health data. Chaired by Prof Mark Britnell, committee members are leading health experts from Australia, Canada, India, the Republic of Ireland, Italy, Singapore, South Africa, the United Kingdom, and the United States of America. FY23 was punctuated with the release of two global thought leadership papers and the inaugural conference.



Global Impact Committee Conference, 'Creating a Better Future for Health', Rome, Italy

## Quality in Retreat

FY23 began with the release of the Global Impact Committee's first report titled 'Quality in Retreat' which highlighted the decline in the focus on quality globally. Aimed at senior leaders of healthcare systems, politicians and policy makers, the report called for renewed focus on seven areas to reverse this trend including workforce, automation, timely and visible data, and acting on quality.

## More Time to Care: Automation, Digitisation and the Workforce

Released in early 2023, the Global Impact Committee's latest report highlights the enormous potential of automation and digitisation in healthcare. With demand for care increasing and the workforce facing burnout and attrition, the focus of the report is about putting automation front and centre.

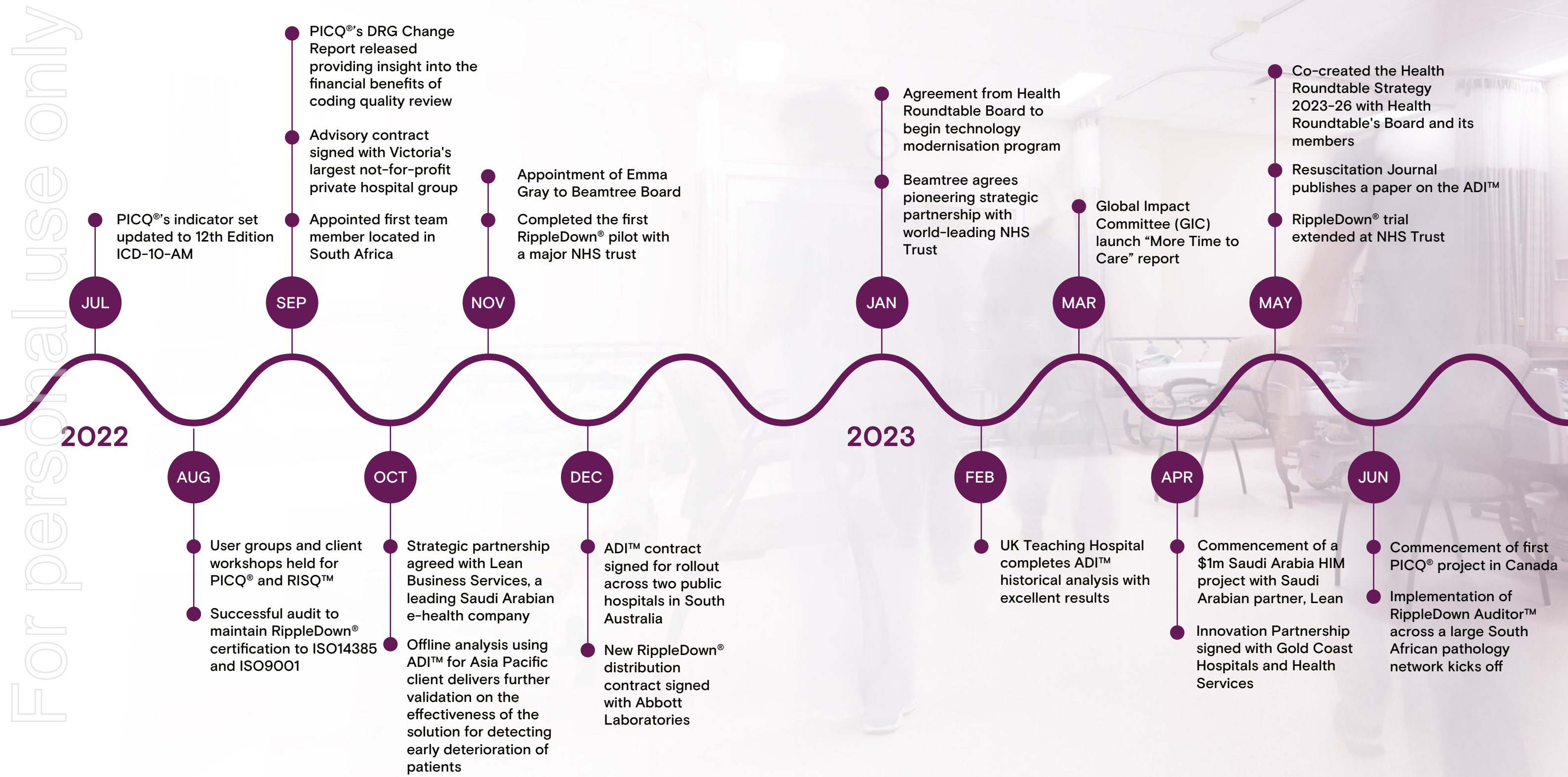
## 'Creating a Better Future for Health' Conference

Earlier this year, the Committee held its inaugural conference, 'Creating a Better Future for Health'. Healthcare systems leaders from around the world joined the Committee to discuss different approaches to high quality data and patient safety. Attended by over 60 healthcare leaders from around the world, the event brought together discussions and learning sessions about different healthcare systems and the role high quality data, artificial intelligence and better automation can play in solving the global workforce challenge.

The committee welcome three new members in 2023: Dr Anuschka Coovadia (South Africa), Anne McElvoy, (United Kingdom), and Prof Christine Bennett (Australia). Beamtree would like to express its gratitude to Dr Shane Kelly, former CEO of St John of God Healthcare who stepped down from the committee upon his retirement in December 2022.



# Highlights of FY23





# Our Solutions & Services

Beamtree's solutions and services are described in two connected product streams and four business segments. 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

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.



### 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 with machine learning to enhance decisions that improve care, value and experience.

Ainsoff™  
Deterioration Index

## Analytics & Coding Quality

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.



### Coding Assistance and Data Quality

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

Picq®

Risq™

Activity BarCoding™



### Analytics and Knowledge Networks

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

HEALTH  
ROUNDTABLE

the  
ability  
roundtable

Workforce Wellbeing  
Collaborative Program



# Diagnostic Technology Solutions

## 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® is used to support experts within health organisations safely apply their expertise at scale to deliver operational, financial and clinical efficiencies while improving safety and data quality.

RippleDown® is a knowledge acquisition model used in the field of expert systems for decision support and is known for its simplicity and transparency, as the resulting rule set is typically concise and interpretable. It allows knowledge to be acquired in an incremental and interactive manner, making it suitable for domains where expert knowledge is not readily available or constantly evolving.

The idea behind RippleDown® is to start with a small set of initial rules provided by an expert, and then iteratively refine and expand the rule set based on specific examples and exceptions provided by the expert. This 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,

“

*Working with RippleDown has highlighted its potential to support Clinical Scientists. The flexibility and scope of the rule building process enables the majority of cases to fall under auto validation. This leaves more time for Clinical Scientists to investigate the more complicated cases, applying their expertise and adding the greatest value.”*

Michael Irving, University Hospitals Coventry and Warwickshire NHS Trust

flagging suspected errors as they arise. RippleDown® has a 100% renewal rate.

## Impact in FY23

In December 2022, Beamtree signed a new RippleDown® distribution contract with Abbott Laboratories with the aim of accelerating the international rollout of RippleDown® to Abbott's client base of approximately ~18,000 laboratories. 11 new licences have been issued in FY23.

The larger co-sales partnership pipeline began to mature in the second half of FY23, following the first co-sale license with a large pathology group that is part of one of Australia's leading healthcare companies. This is another large-scale implementation that demonstrates the value RippleDown® brings to complex pathology organisations.

In South Africa, the team has supported the implementation of RippleDown® across the network of one of the largest pathology providers in the country. We also hired our first employees in the region, who will support clients across the African continent.

The team worked closely with a leading NHS trust to build the first direct pilot of RippleDown® in the United Kingdom, which following the success of the trial, was extended for another six-months.

## Spotlight on Innovation

Product enhancements saw the release of RippleDown® version 9.2 for all clients. This latest release makes the tool faster and easier for users thanks to new web browser support and features that support microbiology labs. In November, the first RippleDown® user group meetings were held where guest speakers shared their experiences and unique uses for RippleDown®. Ongoing investment in RippleDown® has commenced to add machine learning for automated rules prompts adding to existing AI capabilities.

## Client Highlight: Western Diagnostics Pathology

Western Diagnostic Pathology (WDP) was the first Abbott and Beamtree co-client implementation of RippleDown® in Australia.

With the implementation designed to seamlessly move away from a legacy system, the Beamtree team devised a way to stagger the go-live of each knowledge base, ensuring the legacy system could be turned off in a stepped fashion minimising impact to the users and reducing the risk over the large service.

WDP are now achieving 95% automation for those events interpreted through RippleDown®, approximately 4000 automated episodes per day. Staff have an enhanced wholistic view of the patient, enabling them to easily build new rules and create high value interpretations.



RippleDown Training Session with Abbott Colleagues in Germany, 2023





# Clinical Decision Support Solutions



*“This technology is empowering for staff because once they receive an alert they can immediately see why the scoring tool was triggered and assess the patient appropriately. It is an outstanding example of how technology can support the safety and wellbeing of patients.”*

Prof Jane Andrews, Medical Lead for CALHN GI Services in South Australia

## 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 laboratory values, or trends in values. This is significant as it can lead to under-recognition of serious illness. Deterioration response can vary due to a failure to recognise or escalate care in time to impact the outcome for the patient.

## How Beamtree Helps

The Ainsoff Deterioration Index™ (ADI) is a machine learning-based tool used to predict the risk of patient deterioration and alert clinicians in real time. The ADI™ helps to support clinical staff by providing a clinical useful summary of the patients condition to aid in escalation. By reviewing trends in individual patient data, the ADI is able to produce alerts far enough in advance to enable clinical teams to act and prevent outcomes while the patient is still relatively stable. This translates into a more attentive and responsive healthcare experience for patients, instilling a greater sense of security and trust in their care journey.

## Impact in FY23

FY23 saw continued success for the Ainsoff Deterioration Index™ (ADI) with the first Australian public hospital network committing to extend the trial of the ADI from four wards to all wards in two hospitals in Australia. This success will provide a valuable analytics resource as well as reference site for the ADI.

Internationally, we have undertaken a historical analysis of patient data, using ADI™, for a client in the Asia Pacific region. The analysis showed the validation of the algorithm across the Asia Pacific patient population and highlighted compelling results on the extended capability of early prediction with high sensitivity up to 48 hours ahead of events. In February, the client installed the newly developed ADI™ solution to be run in “silent mode” across two of their hospitals. This is the first client to use the new solution. The silent trial completed in June 2023, demonstrating excellent results including prediction of 70% of all deaths more than 24 hours in advance.

In the United Kingdom, we continue to gain traction, with the successful completion of a historical analysis at a major teaching hospital demonstrating the ADI's transferability across diverse patient populations. We are now progressing a historical analysis at a large NHS hospital trust and a silent trial of the ADI is mid-implementation at a third large NHS hospital site.

The true potential of the Ainsoff Deterioration Index™ was demonstrated in the renowned “Resuscitation” Journal. The paper reports that the ADI™ reduced adverse events by 16.7% (includes death and Emergency Response activation) and reduced unplanned admissions to intensive care by more than 20% in a ten-month trial at

the Sydney Adventist Hospital. It has also demonstrated the ability to reduce overall length of stay which has significant potential to positively impact and improve flow of patients through the healthcare system. This garnered positive media attention with Channel 9's Today Show, Channel 9 News, Channel 10 News and Pulse+IT covering this incredible news. You can read more [here](#).

## Spotlight on Innovation

To support the scaling of the Ainsoff Deterioration Index™ the team has been focused on building a new and simplified technical solution, with the first iteration now released and installed to an international client. The team have also designed and built the Acuity Dashboard allowing for assessment of Acuity of all patients across the hospital. The new solution has simplified the implementation and support process and also allows the solution to be offered as SaaS.



New AI technology can determine if patients require intensive care | 9 News Australia

## Client Highlight: ‘Resuscitation’ Medical Journal Paper on ADI™

In May 2023, international medical journal ‘Resuscitation’ published a paper showing the results of a ten-month trial of the Ainsoff Deterioration Index™ at the Sydney Adventist Hospital.

In terms of clinical outcomes, the paper confirmed a reduction in unplanned Intensive Care Admissions by 20.4% and Major Adverse Events (death or unplanned ICU admission or Medical Emergency Team activation) by 16.7%. It also reported significant improvement in patient haemodynamics and a reduction in hospital stay length by 0.3 days per patient admission.

It is rare for a publication to demonstrate not only predictive capability but impact to outcomes, proving the immense potential of the ADI™ to impact both quality and financial measures in healthcare.



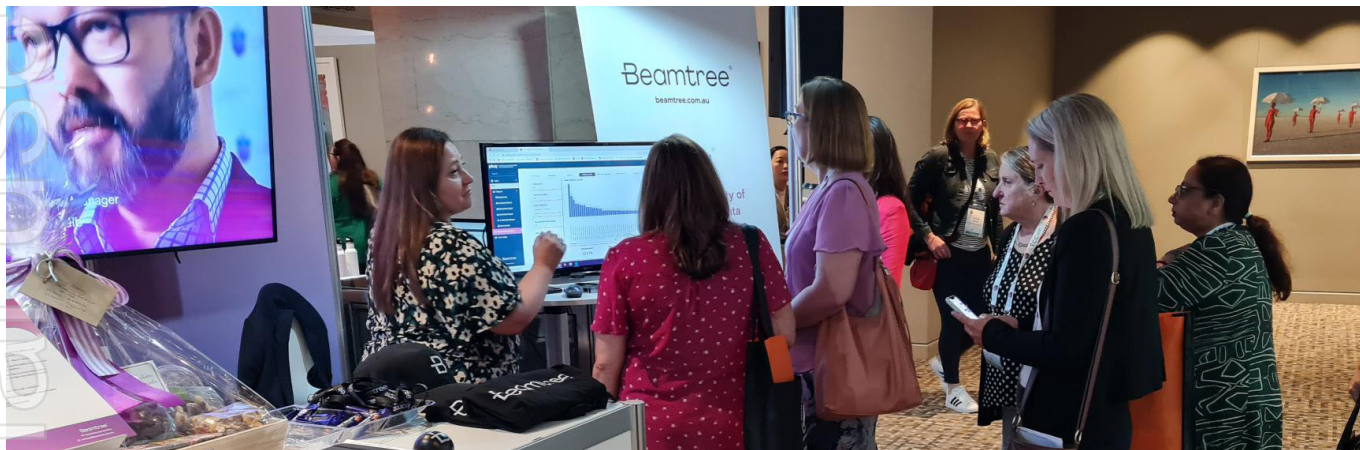


# Coding Assistance & Data Quality Solutions



*“This work [with Beamtree] will establish a dynamic, learning and standards-based health information system, enabled by the optimal utilisation of people, technology, and processes to achieve value-based healthcare in the Kingdom of Saudi Arabia’s in support of the Kingdom’s Vision 2030.”*

Dr Hussam Alfaleh, CEO CHNI, talking about the HIM Governance Strategy project for the Kingdom of Saudi Arabia



Beamtree at the Health Information Management Association of Australia (HMAA) National Conference

## 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 Beamtree’s products and analytic methods transferable to new regions.

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 enables accurate communication between teams and 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 13 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 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™, 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.

Beamtree also offers advisory services to organisations focusing on clinical coding, auditing, education, and coder training. Our specialist coding team have worked

extensively across Australian public and private hospitals, Singapore, Republic of Ireland, the Kingdom of Saudi Arabia and the United Kingdom. Our team has extensive expertise in auditing, health information management, and clinical coding.

## Impact in FY23

FY23 began with a major update across key coding solutions, PICQ® and RISQ™, to reflect the updated 12th Edition ICD-10-AM coding classification. The 12th Edition ICD-10-AM indicator set now has 900+ coding data quality indicators, with 104 new indicators, 247 modified indicators and 14 retired indicators.

In April, the Healthcare Pricing Office (HPO) renewed their PICQ® contract enabling Beamtree to support data quality and activity reporting for every public hospital in the Republic of Ireland. Renewal included an upgrade to PICQ® 8, the latest version of the product which support financial optimisation of health systems.

Beamtree’s clinical coding advisory team have been working with Lean and CNHI to develop the Health Information Management Governance Strategy for the Kingdom of Saudi Arabia. More information is available on page 18

Beamtree has been commissioned by the Provincial Health Services Authority (PHSA) to complete a coding quality review and provide education and training services for the health information manager and coder teams in Canada.

Significant contracts for coding and advisory services were signed with large hospital groups in Victoria and three Victorian public health services began trialling RISQ™ across their facilities. There is enthusiastic interest from overseas jurisdictions to adapt the tool for international use.

A significant revenue assurance project was undertaken with a large non-for-profit healthcare organisation in Australia where Beamtree will collaborate with their team to review their coding workforce, assessing the quality of the data, undertaking revenue assurance activities,

conducting a deep dive into their analytical processes and exploring opportunities for RippleDown® and computer assisted coding.

## Spotlight on Innovation

Product innovation and enhancements delivered in FY23 include PICQ®’s DRG Change Report which enables a hospital to quantify the financial benefit of good data quality, PICQ®’s single sign on procedure and RISQ™’s Clinician Workflow. The aim is to leverage this new functionality for new sales and renewals.

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.

## Client Highlight: SVHA and RISQ’s Clinician and Coder Workflows

The Workflows were developed by Beamtree with assistance from the St Vincent’s Health Australia (SVHA) Private Hospitals to ensure a consistent real time review of HACs to strengthen quality of coding and clinical documentation, and improved outcomes for their patients.

SVHA Private Hospitals have reduced the total number of hospital-acquired complications (HACs) by 16% for FY2022-23 YTD March, with the support of Beamtree’s RISQ™ portal.

This great result could not have been achieved without the ongoing collaboration between their clinical teams and Coders, and utilisation of the RISQ™ Coder and Clinician Workflows.



# Analytics & Knowledge Networks Solutions



*“Bendigo Health uses Health Roundtable data and the Insights platform to inform improvement opportunities, to understand what we are doing well and why we aren’t doing well in certain areas and seek exemplar examples of improvement initiatives to implement.”*

Peter Faulkner, Chief Executive Officer, Bendigo Health



Health Roundtable’s ‘Better Together: Advancing Quality Health Outcomes’ Conference

## Importance of Knowledge Networks

Health services around the world are facing increased fiscal and demand pressures. Increasingly these services are looking at how they can learn from each other to accelerate improvements in patient care including being able to continuously improve the safety, quality and value of care for patients against benchmarks of best practice. With rising staff shortages, organisations are also seeking best practice approaches to care for the wellbeing of the workforce.

## How Beamtree Helps

A core component of Beamtree’s Knowledge Network activities is providing services to Australia’s leading peer-to-peer networks in health and human services. It gives Beamtree the privilege of serving Health Roundtable and the Ability Roundtable.

Health Roundtable is a non-profit membership organisation operated in partnership with Beamtree as a

Knowledge Network. Established for over 25 years, they bring together more than 200 hospitals across Australia, New Zealand, and the United Arab Emirates. Health Roundtable collects, analyses, and publishes extensive measures and reports on comparative performance with a focus on safety and quality. Various collaborative groups are then facilitated to utilise this data, network with peers, and share innovative practices.

Ability Roundtable, established in 2013, 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.

Beamtree also offers clients the Workforce Wellbeing Collaborative Program which supports healthcare leaders monitor levels of wellbeing and distress in their workforce.

## Impact in FY23

The first half of FY23 saw a renewed focus on Health Roundtable’s long-term strategy and enhancing the partnership between Beamtree and Health Roundtable. This saw an 8-year contract term agreed with Health Roundtable, which included a plan to transform Health Roundtable as a digital first service. Together with the Beamtree Leadership team, the Health Roundtable Board agreed a plan to invest more than \$1m in the modernisation of the digital service for members which will mean that members are able to access a range of new, modern services – predicting future trends, analysing outcomes at local and regional levels and providing more real-time data insights.

In May, the Health Roundtable Strategy 2023–26 was released presenting a vision of a modern, digitally empowered improvement collaboration that will not only be the foremost service of its kind in Australia – but in the world. The Strategy outlines a range of activities over the next three years to refocus Health Roundtable to meet the current and future needs of its members.

Phase one of this data modernisation plan saw the implementation of a new interim visualisation platform. By June 2023, all members had been moved over to this new platform which has delivered improved performance for all users.

At the end of Health Roundtable’s subscription period, they reached over \$9M in closed won opportunities. This was also marked by an increase in program sales which will be a main growth area over the next year.

During FY23, the Health Roundtable team were thrilled to bring together members for two in-person events. The first, Better Together: Advancing Quality Outcomes, was held in September 2022 at the Brisbane Convention Centre and focused on driving safety and quality improvements.

The second, 2023 Innovation Showcase, was held in May and featured top-voted innovations from all Health Roundtable Programs across Australia and New Zealand.

Supporting organisational wellbeing was a focus in FY23. The Well-Being Index, a core component of Beamtree’s Workforce Wellbeing Collaborative Program and Health Roundtable’s Workforce Wellbeing Program, was recently chosen as one of the first initiatives of the ACT Government’s Health Workforce Wellbeing and Recovery Fund.

## Spotlight on Innovation

FY23 saw the release of updated Patient Safety indicators, which use new risk-adjusted models for crucial areas in patient safety. These risk-adjusted indicators, created specifically for the Patient Safety Program for Health Roundtable members, uses predictive machine learning techniques combined with big data to facilitate more accurate benchmarking and reporting. Additional product innovation saw Health Roundtable Mortality and RSI indicators updated using predictive models.

## Client Highlight: Health Roundtable & Barwon Health

Health systems are facing increasing pressures and Barwon Health has a mission to provide best care so that everyone feels better. Health Roundtable’s Finance & Costing Program has assisted Barwon Health by informing their future financial strategy.

The Program’s transparent clinician level & peer-related benchmarked data has driven conversations within the Vascular service across Barwon Health Services. This resulted in a reduction of the Relative Stay Index by 15%, allowing for increased patient flow and enhancements to Models of Care. The agile and tailored benchmarked reporting aided in identifying local and state level validation, cost efficiencies and funding optimisation.



# Financial Report



# Beamtree Holdings Limited

Financial Report  
30 June 2023

## Corporate directory

### Directors:

Michael Hill  
Emma Gray  
Bradley Lancken  
Stephen Borness  
James Birch

### Company secretary

Belinda Cleminson

### Notice of annual general meeting (AGM)

The details of the AGM of Beamtree Holdings Limited are:  
16 Eveleigh Street  
Redfern, NSW 2016  
21 November 2023

### Registered office

16 Eveleigh Street  
Redfern, NSW 2016  
AUSTRALIA

### Principal place of business

16 Eveleigh Street  
Redfern, NSW 2016  
AUSTRALIA

### Australian Business Number

42 627 071 121

### Stock Exchange Listing

Australian Securities Exchange (ASX: BMT)

### Share register

Automatic Pty Ltd Level 5  
126 Phillip Street  
Sydney, NSW 2000

### Auditor

BDO Audit Pty Ltd  
Level 11  
1 Margaret St  
Sydney NSW 2000

### Lawyers

Holding Redlich  
Level 65  
25 Martin Place  
Sydney NSW 2000

### Bankers

HSBC Bank Australia Limited  
Level 36, Tower One – International Towers Sydney  
100 Barangaroo Avenue  
Sydney NSW 2000

### Website

[www.beamtree.com.au](http://www.beamtree.com.au)

### Corporate Governance Statement

[www.beamtree.com.au/our-company/corporate-governance/](http://www.beamtree.com.au/our-company/corporate-governance/)

# Beamtree Holdings Limited

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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 2023 (referred hereafter as “FY23”).

### 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 (resigned 24th November 2022)  
Paul Williams (resigned 24th November 2022)  
Bradley Lancken  
Stephen Borness  
James Birch  
Emma Gray (appointed 24th November 2022)

### Principal activities

The principal activity of the consolidated entity during the year was the provision of AI decision support software and data insight 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 AI technology software and services in Australia and is expanding its reach globally with its products used by over 180 clients in more than 25 countries.

### Dividends

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

### Acquisitions during FY23

The Company made no acquisitions during FY23.



# Beamtree Holdings Limited

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## Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$6.9m (30 June 2022: loss of \$4.4m). The table below outlines the Group financial results for FY23.

Year ended 30 June	FY23	FY22	Change
	\$'000	\$'000	%
Licence, subscription and usage fees	21,584	14,249	51%
Consulting and other services fees	1,184	2,298	(48%)
<b>Total revenue</b>	<b>22,768</b>	<b>16,547</b>	<b>38%</b>
Expenses – staff	(17,339)	(14,240)	22%
Expenses – non staff	(6,855)	(6,312)	9%
<b>Total operating expenses</b>	<b>(24,194)</b>	<b>(20,552)</b>	<b>18%</b>
<b>Operating profit</b>	<b>(1,426)</b>	<b>(4,005)</b>	<b>64%</b>
Non operational income	26	245	(90%)
Non operational costs	(405)	(1,066)	(62%)
Fair value adjustment – deferred consideration shares	565	2,543	(78%)
<b>Reported EBITDA</b>	<b>(1,240)</b>	<b>(2,284)</b>	<b>46%</b>
Depreciation & amortisation	(4,893)	(3,616)	35%
Finance costs	(56)	(67)	(16%)
<b>Loss before income tax</b>	<b>(6,189)</b>	<b>(5,967)</b>	<b>(4%)</b>
Income tax benefit / (expense)	(719)	1,518	(147%)
<b>Net Loss after tax</b>	<b>(6,908)</b>	<b>(4,449)</b>	<b>(55%)</b>

### Revenue

In FY23, Beamtree has continued to focus on its growth strategy by winning new sales in countries such as the United Kingdom, Canada and the Middle East and by growing in its original markets, Australia and New Zealand.

Overall, the Company has reported an increase in revenue of 38% in FY23 with recurring revenue component growing by 43% year on year and now representing 96% of total reported revenue in FY23. (Note: FY22 includes only 9 months of the operations of our acquisition of Potential(x) (made at end of September 2021). The underlying revenue growth rate in FY23, excluding acquisitions, is 19% for total revenue and 24.5% for growth in recurring revenue.

Key client wins in FY23 include the renewal of our Diagnostic product global distribution agreement with Abbott Laboratories for a further three years plus an option for an additional two years. The Company has also added new customers across all of its four segments with minimal customer churn. Notable wins include our first customer in Canada for our Coding Assistance and Data Quality team plus Monash Health joining the Health Roundtable.

# Beamtree Holdings Limited

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## Expenses

The company's operating expenses base grew by 18% in FY23 or 7% excluding the impact of acquisitions in FY22. Despite only a 7% increase in operating expenses the business consistently continues to invest in key growth areas such as our international sales resources, ongoing investment in developing our Ainsoff AI products plus investment in our cyber security capabilities.

### Operating (loss)/profit

Operating loss for the Group was \$1.4m compared to a loss of \$4.0m in FY22, a 64% improvement of the Company. Beamtree continues to incur losses due to its 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.

	FY23	FY22
	\$'000	\$'000
Operating Profit	(1,426)	(4,005)
Foreign exchange (Loss) / Gain	114	(40)
Share based payment Expense (non cash)	(515)	(245)
Transaction cost	-	(871)
Restructuring and other non operating	(367)	(236)
Impact of AASB 16	389	570
Fair value adjustment – deferred consideration shares	565	2,543
<b>Reported EBITDA</b>	<b>(1,240)</b>	<b>(2,284)</b>
Depreciation & amortisation	(4,893)	(3,616)
Finance costs	(56)	(67)
<b>Loss before income tax</b>	<b>(6,189)</b>	<b>(5,967)</b>

## Employees

The number of employees at Beamtree at 30 June 2023 was 95 compared to 96 at the same time of year previously.

### Likely developments and expected results of operations

Beamtree has disclosed to the stock market our goal to achieve \$60M in annual recurring revenue by 2026 and are executing a plan to deliver on this target. As part of the plan, the Company is targeting recurring revenue growth in excess of 20% in the next financial year as well as continued focus on cost management with cost growth targeted to be lower than revenue growth. This revenue growth will come from our Australian operations and an increasing proportion will come from our international operations, consistent with the strategy to sell our products in key overseas markets like the United Kingdom, Canada and Saudi Arabia. Recent announcements in relation to the renewal of the distribution agreement with Abbott Laboratories and the collaboration with one of our major clients 'The Health Roundtable Ltd', to re-architect and build a new technology stack that will allow for efficiency and scalability in processing, benchmarking and reporting of quality benchmarked data are investments being made by the Company with the long term \$60M target in mind. These investments are also aimed at international expansion. The key business risk associated with this plan are detailed on page 50-51.

In the next financial year Beamtree will also target delivery of positive operating profit driven by the revenue growth and focused cost management.

### Events after the reporting period

The Directors are not aware of any matters or circumstance that has arisen since 30 June 2023 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

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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) Gratifii Limited (Non Executive Director)
Former directorships (last 3 years):	None
Special responsibilities:	Chairperson Member Remuneration and Nomination Committee Member Audit Remuneration and Risk Committee
Interests in shares:	1,624,500 ordinary shares*
Michael Hill holds 724,755 interests in shares indirectly through Jarumitoti Superannuation Fund Pty Ltd – Jarumitoti Super Fund A/C and 899,745 interests in shares indirectly through Malolo Holdings Pty Ltd – Malolo Holdings A/C, both of which he is the ultimate controlling party.	

Name:	Emma Gray
Title:	Non-Executive Director
Experience and expertise:	Emma Gray is an experienced global business executive with over 20 years’ experience in operations, strategy and digital transformation specifically in the retail, consumer and banking sectors. Emma was with ANZ Banking Group for the last 5 years, most recently as Group Executive, Data and Automation having previously been it’s Chief Data Officer. Prior to joining ANZ, Emma was a Group Executive with Woolworths, where she focused on Loyalty, Data and Strategy. Prior to executive life, Emma was a partner with Bain & Company, where she specialised in the retail and consumer segments, working across Australia, the United States and the United Kingdom for 15 years. Emma has an MBA from Harvard University and a BA in International Marketing and Languages (French and German) from Dublin City University, Ireland
Other current directorships:	Sydney Dance Company
Former directorships (last 3 years):	None
Special responsibilities:	Member
Interests in shares:	9,933,334 ordinary shares
Emma 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 full paid ordinary shares held in the name of Arrakis Nominees and 100,000 fully paid ordinary shares held by HSBC Custody Nomineess (Australia) Limited on behalf of Emma Gray, all of which she is the ultimate controlling party.	

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Name:	Bradley Lancken
Title:	Non-Executive Director
Experience and expertise:	Bradley 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. Bradley 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 isseekplant.com.au. He also has domestic health care experience, including current investments in Adora Fertility, Genea Fertility, and Healthengine (a leading healthcare and GP marketplace technology company). Bradley 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
Bradley 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.	
Interests in options:	375,000 options (exercisable at \$0.20)
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:	Chair of Gratifii Limited
Former directorships (last 3 years):	None
Special responsibilities	Chairperson Audit & Risk Committee
Interests in shares:	11,484,505 ordinary shares
Stephen Borness holds 11,484,505 interest in shares indirectly through Celerity Nominees Pty Ltd.	



# Beamtree Holdings Limited

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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 (Calvary) Lifeblood (Australian Red Cross Blood Service)

‘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.

## 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.

# Beamtree Holdings Limited

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<b>Information on Executives</b> The information below relates to Executives in the business who are considered as Key Management Personnel.	
Name:	Timothy Kelsey
Title:	Chief Executive Officer
Experience and expertise:	<p>Timothy 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>Timothy 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 and Chief Operations Officer
Experience and expertise:	<p>Mark joined Beamtree in April 2022. Prior to joining, Mark was Chief Financial Officer and Chief Operating Officer at rhipe limited, an ASX listed cloud software distributor. During Mark’s 5+ years at rhipe, he helped manage a threefold increase in revenue and transitioning from loss making to an EBITDA of ~\$20m. 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 &amp; Young in Australia. Mark also worked for 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. Mark was heavily involved in the listing of Direct Line Insurance Group onto the LSE and also the listing of Citizens Financial Group Inc onto the NYSE. Mark was also helped lead the divestment of WorldPay Limited to private equity buyers.</p> <p>Mark has extensive experience in strategic planning, financial and capital allocation modelling and mergers and acquisitions.</p>



Beamtree Holdings Limited

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Name:	Cheryl McCullagh
Title:	Chief Product Officer
Experience and expertise:	<p>Cheryl is an experienced Executive Director in health with a demonstrated history of operational management, technology implementation delivery, strategic planning, business process improvement, implementation science research and change management. She has strong program and project management in health funding models and health IT.</p> <p>Cheryl has a Master's Degree in Health Services Administration from the University of Technology Sydney, and a clinical background in Nursing with a Bachelor of Nursing and Diploma of Applied Science from Flinders University SA. Sydney.</p> <p>Cheryl joined Beamtree in February 2021 and prior to joining served as interim Chief Executive of the Sydney Children's Hospitals Network, and has led many health IT strategies to implementations. Cheryl is an Adjunct Associate Professor at the University of Sydney, Faculty of Medicine and Health and is an Adjunct Fellow at Macquarie University</p>

Name:	Marek Stepniak
Title:	Chief Growth Officer
Experience and expertise:	<p>Marek is a highly respected healthcare leader and collaborator working closely with provider and payer organisations, pharmaceutical and medical technology companies, private equity firms, governments, and their boards across multiple regions. Marek's extensive experience spans Australia, New Zealand, the United Kingdom, Europe, Middle East, Africa, South-East Asia, China, Canada and USA, providing him with a global perspective on healthcare dynamics.</p> <p>Recently as a Partner, Health Care Practice Leader and Senior Advisor at McKinsey &amp; Company, Marek led teams in designing and implementing operational, organisation-wide, digital transformation, and growth strategies helping drive impactful change and deliver tangible results for clients. Marek has also held leadership positions including as CEO/COO at various private and public hospital groups (with up to 2400 inpatient beds), COO at I-MED (Australia's largest imaging provider) and MD at Perot Systems Corporation (EMEA's leading system integrator). He has also contributed as a Non-Executive Director including at various NHS Trusts bringing a wealth of industry knowledge and strategic insights. He has a BHSc (Mgt), Graduate Diploma in Bioethics and Masters of Business Administration.</p> <p>Appointed 1 July 2023</p>

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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 2023, 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	12	13	4	4	2	3
Andrew Gray	4	6	-	-	-	-
Paul Williams	6	6	-	-	2	2
Bradley Lancken	13	13	4	4	-	-
Stephen Borness	13	13	4	4	3	3
James Birch	11	13	-	-	-	-
Emma Gray	7	7	-	-	1	1



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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

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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.



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Risk Tolerance

The Board have also put in place a Risk Tolerance 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 tolerance statement 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.

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 material risks categorised under Strategic Risks, Operational Risks and Financial Risks.

Material Business Risks	Mitigants
Strategic Risks	
Competitive pressures from existing competitors and new market entrants	Dedicated Strategic Management Framework implemented and governed, including customer engagement and satisfaction monitoring.
Product obsolescence or poor product functionality or errors	Quality Management Framework implemented and managed for software and advisory products. Regular customer feedback included in product development.
Failure to retain existing clients or attract new clients	Monitoring and review of client value creation, renewal rates, channel partnerships and new client sales and onboarding processes.
Geopolitical risks associated with each country we operate in	Formal evaluation of risk at engagement and implementation stages and ongoing review by management and ARC.
Operational Risk	
Cyber security breach	Implementation of Cybersecurity Risk Framework plus appointment of dedicated Head of Cyber Security. Industry based ISO27001 certification to be completed in FY24.
Data loss breach	Implementation of Information Security and Management Framework in FY23, including policy of de-identification and deletion of Personal Identified data.
Inadequate contract documentation	Regular review of commercial contracts including delegation of authority in relation to execution. Governance framework in place including dedicated Legal Officer.
Loss of key personnel and inability to attract talent	HR Framework implemented including regular review of employee NPS and performance. Succession planning for Key Management Personnel.
Inadequate process documentation	Regular review and documentation of key processes.
Disruption to normal operations from uncontrollable factors such as weather or health events	Business Continuity Plan reviewed annually.

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Material Business Risks	Mitigants
Financial Risks	
Liquidity and funding risk	Monthly cashflow forecasting
Foreign currency risk	Foreign currency risk policy implemented, including hedge management evaluation and implementation if required.
Credit risk	Know your customer evaluation and payment terms implemented in contracts
Completeness and accuracy of revenue recording and financial systems	Management accounts prepared, reviewed and reconciled monthly in line with Accounting Standards

The risk register is reviewed regularly by the ARC. 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 regularly by senior executives and management 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.



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## 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 people who have 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 FY23.

### 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 rewards 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 subcommittee 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 a high performing and high-quality skilled workforce.

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

As part of the philosophy to attract, motivate and retain talent and align shareholders' interest with employees' interest the Board has introduced a number of initiatives to encourage employee ownership in the ordinary share capital of Beamtree. For example, an Employee Share Scheme (Employee Incentive Plan) has been established to offer employees the opportunity to be invested in the company. By participating in an employee share scheme, the value of an employee's shares is tied directly to the performance of the company.

In addition share based compensation has grown to around one third of total workforce through the option to pay part of short-term incentives in equity shares. The Plan underpins the Company's reward strategy and allows employees to share in any growth in the value of the Company.

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In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

### 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 bi-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. For FY23 STI payments have been made part in cash and part in Beamtree shares once the KPI's are measured.

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,
- ii. 1/3 of the rights will vest if operating profit 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.

The above vesting conditions are subject to the holder 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.



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## 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 (resigned 24 November 2022)
- Paul Williams – Non-Executive Director (resigned 24 November 2022)
- Bradley Lancken – Non-Executive Director
- Stephen Borness – Non-Executive Director
- James Birch – Non-Executive Director
- Emma Gray – Non-Executive Director (appointed 24 November 2022)\*\*
- Timothy Kelsey – Chief Executive Officer
- Mark McLellan – Chief Financial Officer, Chief Operations Officer
- Cheryl McCullagh – Chief Product Officer

	Short-term benefits		Post-employment benefit		Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Annual leave	Superannuation	Long service Leave	Equity settled	Total
2023	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:							
Michael Hill (Chairman)	72,392	-	-	7,608	-	-	80,000
Andrew Gray*	22,666	-	-	2,380	-	-	25,046
Paul Williams*	22,666	-	-	2,380	-	-	25,046
Bradley Lancken	54,299	-	-	5,701	-	-	60,000
Stephen Borness***	63,333	-	-	-	-	-	63,333
James Birch	54,299	-	-	5,701	-	-	60,000
Emma Gray**	32,718	-	-	3,435	-	-	36,153
Other Key Management Personnel:							
Timothy Kelsey	450,000	55,807	36,980	25,292	2,790	198,458	769,327
Mark McLellan	425,000	53,333	(3,845)	25,292	628	193,948	694,356
Cheryl McCullagh****	400,000	38,311	16,782	25,292	2,275	192,024	674,684
<b>Total</b>	<b>1,597,373</b>	<b>147,451</b>	<b>49,917</b>	<b>103,081</b>	<b>5,693</b>	<b>584,430</b>	<b>2,487,945</b>

\*resigned 24th Nov 2022

\*\*appointed 24th Nov 2022

\*\*\*appointed chair of ARC Mar 2023

\*\*\*\*appointed KMP Jul 2022

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	Short-term benefits		Post-employment benefit		Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Annual leave	Superannuation	Long service Leave	Equity settled	Total
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
Bradley 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:							
Timothy Kelsey	426,432	25,000	34,615	23,568	865	247,924	758,404
Mark McLellan*	59,504	-	5,810	5,950	38	-	71,302
<b>Total</b>	<b>836,843</b>	<b>25,000</b>	<b>40,425</b>	<b>58,611</b>	<b>903</b>	<b>326,213</b>	<b>1,287,995</b>

\*appointed 26 April 2022

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

Name	Fixed remuneration		Performance related	
	2023	2022	2023	2022
Non-Executive Directors:				
Michael Hill	100%	100%	-	-
Andrew Gray	100%	100%	-	-
Paul Williams	100%	100%	-	-
Bradley Lancken	100%	43%	-	57%
Stephen Borness	100%	100%	-	-
James Birch	100%	100%	-	-
Emma Gray	100%	-	-	-
Other Key Management Personnel:				
Timothy Kelsey	67%	65%	33%	35%
Mark McLellan	64%	100%	36%	-
Cheryl McCullagh	66%	-	34%	-



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### STI achieved and forfeited

The table below presents the maximum that was payable in FY23 at the Remuneration and Nomination Committee's discretion as well as the proportion that was effectively forfeited:

	Maximum Payable	Percentage Forfeited
	\$	%
Timothy Kelsey	125,000	31%
Mark McLellan	125,000	33%
Cheryl McCullagh	100,000	32%

### 3. Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. As of 1 January 2023, the Remuneration will be paid 50% in cash and 50% in performance rights. The performance rights component will be issued under the Employee Incentive Plan. Details of these agreements are as follows:

#### Non-Executive Director

Name:	Michael Hill
Title:	Non-Executive Director
Service date:	31 May 2019
Agreement commenced:	24 November 2022
Details:	\$80,000 per annum including superannuation. No notice period.

Name:	Andrew Gray
Title:	Non-Executive Director
Service date:	31 May 2019
Retirement date:	24 November 2022
Details:	\$60,000 per annum including superannuation. No notice period.

Name:	Paul Williams
Title:	Non-Executive Director
Service date:	31 May 2019
Retirement date:	24 November 2022
Details:	\$60,000 per annum including superannuation. No notice period.

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Name:	Bradley Lancken
Title:	Non-Executive Director
Service date:	18 October 2019
Agreement commenced:	24 November 2022
Details:	\$60,000 per annum including superannuation. No notice period.

Name:	Stephen Borness
Title:	Non-Executive Director
Service date:	10 June 2020
Agreement commenced:	24 November 2022
Details:	\$60,000 per annum plus additional \$10,000 per annum for being appointed as chair of ARC Mar 2023. No notice period.

Name:	James Birch
Title:	Non-Executive Director
Service date:	14 March 2021
Agreement commenced:	24 November 2022
Details:	\$60,000 per annum including superannuation. No notice period

Name:	Emma Gray
Title:	Non-Executive Director
Service date:	24 November 2022
Agreement commenced:	24 November 2022
Details:	\$60,000 per annum including superannuation. No notice period



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Other Key Management Personnel

Name:	Timothy Kelsey
Title:	Chief Executive Officer
Service date:	14 December 2020
Agreement commenced:	1 July 2022
Details:	\$450,000 per annum excluding superannuation. 3 months’ termination notice.

Name:	Mark McLellan
Title:	Chief Financial Officer
Service date:	26 April 2022
Agreement commenced:	1 July 2022
Details:	\$425,000 per annum excluding superannuation. 3 months’ termination notice.

Name:	Cheryl McCullagh
Title:	Chief Product Officer
Service date:	1 March 2021
Agreement commenced:	1 July 2022
Details:	\$400,000 per annum including superannuation. 3 months’ termination notice.

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

4. Share-based compensation

Issue of shares

There were no shares issued to directors as part of compensation during the period ended 30 June 2023.

Options

There were no options issued to directors as part of compensation during the period ended 30 June 2023.

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:

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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*	200,000	30/05/2019	29/05/2021	29/05/2024	\$0.40	\$0.09
Bradley Lancken*	1,000,000	29/05/2020	29/05/2023	10/06/2025	\$0.40	\$0.14
Timothy Kelsey**	218,000	6/10/2020	30/08/2021	16/11/2025	\$0.00	\$0.15
Timothy Kelsey**	1,000,000	6/10/2020	29/08/2023	16/11/2025	\$0.00	\$0.16
Timothy Kelsey**	1,594,000	6/10/2020	28/08/2023	16/11/2025	\$0.00	\$0.16
Timothy Kelsey**	1,594,000	6/10/2020	28/08/2024	16/11/2025	\$0.00	\$0.16
Timothy Kelsey**	594,000	6/10/2020	28/08/2025	16/11/2025	\$0.00	\$0.16
Cheryl McCullagh	220,000	1/07/2022	1/07/2025	1/07/2025	\$0.00	\$0.31
Cheryl McCullagh***	1,000,000	1/06/2023	1/07/2024	1/07/2025	\$0.00	\$0.28
Mark McLellan***	1,000,000	1/06/2023	1/07/2024	1/07/2025	\$0.00	\$0.28
Mark McLellan	100,000	16/08/2022	16/08/2022	16/08/2022	\$0.00	\$0.28

- \*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 and 29/5/2023 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.

All shares allotted upon the conversion of performance rights will upon allotment rank pari passu in all respects with other shares.

\*\*\*100% of the Rights will vest on the 24-month anniversary of the Grant Date i.e., you must continue to be employed or engaged by the Company for at least two years (continuous employment) on such relevant date and no notice of termination has been given under your employment agreement; and For the tranche – 1/3 of the rights will vest if the budgeted revenue for the year is achieved, 1/3 of the rights will vest if operating profit is in line with budget, 1/3 of the rights will vest based on strategic and performance initiatives as agreed with the Board in the budget. The Board of the Company shall determine (in its sole discretion) if the Vesting Conditions are satisfied.



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### 5. Additional information

The earnings of the consolidated entity for the four years to 30 June 2023 are summarised below:

	2023	2022	2021	2020
	\$'000	\$'000	\$'000	\$'000
Total income	22,793	16,547	8,939	4,272
EBITDA	(1,240)	(2,284)	1,017	845
EBIT	(6,189)	(5,967)	(480)	336
(Loss)/profit after income tax	(6,908)	(4,449)	(386)	383

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

	2023	2022	2021	2020
Share price at financial year end (\$)	0.24	0.30	0.42	0.17
Increase or (decrease) in share price	(0.06)	(0.12)	0.25	(0.02)
% increase in share price	(20%)	(29%)	147%	(11%)
Basic earnings per share (cents per share)	(2.80)	(1.85)	(0.19)	0.30
Diluted earnings per share (cents per share)	(2.80)	(1.85)	(0.19)	0.26

### 6. Additional disclosures relating to key management personnel

#### Shareholding

The number of shares in the company held during the financial period by each director and KMP of the consolidated entity, including their personally related parties, is set out below:

Ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions	ESS in Escrow	Disposals/ other	Balance at the end of the year
Michael Hill	1,464,500	-	160,000	-	-	1,624,500
Bradley Lancken	1,000,000	-	-	-	-	1,000,000
Stephen Borness	11,447,984	-	36,521	-	-	11,484,505
Timothy Kelsey	-	110,294	-	-	-	110,294
Mark McLellan	150,000	110,294	100,000	17,247	-	377,541
Cheryl McCullagh	-	110,294	-	82,495	-	192,789
Emma Gray**	-	-	9,933,334	-	-	9,933,334
Andrew Gray*	9,933,334	-	-	-	(9,933,334)	-
Paul Williams*	250,000	-	200,000	-	(450,000)	-
	<b>24,245,818</b>	<b>330,882</b>	<b>10,429,855</b>	<b>99,742</b>	<b>(10,383,334)</b>	<b>24,722,963</b>

\*resigned 24th Nov 2022, still entitled to the shares

\*\*appointed 24th Nov 2022

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#### 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)	-
Bradley Lancken	375,000	-	-	-	375,000
	<b>525,000</b>	<b>-</b>	<b>-</b>	<b>(150,000)</b>	<b>375,000</b>

\*resigned 24th Nov 2022, still entitled to the options

#### 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
			<b>7,800,000</b>

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

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## 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:

Performance Rights to shares	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Paul Williams*	400,000	-	(200,000)	(200,000)	-
Bradley Lancken	1,000,000	-	-	-	1,000,000
Timothy Kelsey	5,000,000	-	-	-	5,000,000
Mark McLellan	-	1,100,000	(100,000)	-	1,000,000
Cheryl McCullagh	-	1,220,000	-	-	1,220,000
	<b>6,400,000</b>	<b>2,320,000</b>	<b>(300,000)</b>	<b>(200,000)</b>	<b>8,220,000</b>

\*resigned 24th Nov 2022, still entitled to the performance shares

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

- 1/3 of the rights will vest if the budgeted revenue for the year is achieved,
- 1/3 of the rights will vest if operating profit is in line with budget
- 1/3 of the rights will vest based on strategic and performance initiatives as agreed with the Board.

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.

## 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	200,000
29/05/2020	29/05/2025	\$0.00	1,000,000
6/10/2020	16/11/2025	\$0.00	5,000,000
1/07/2022	1/07/2025	\$0.00	2,316,000
			<b>8,516,000</b>

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 issues on the exercise of options

There were no ordinary shares of Beamtree Holdings Limited issued on the exercise of share options during the year ended 30 June 2023.

This concludes the remuneration report, which has been audited.

# Beamtree Holdings Limited

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## 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

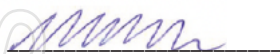
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**Officers of the company who are former directors of BDO Audit Pty Ltd**  
There are no officers of the company who are former directors of BDO Audit Pty Ltd.

**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 2023



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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 2023, 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 year.



Gareth Few  
Director

**BDO Audit Pty Ltd**  
  
Sydney  
24 August 2023

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



# Beamtree Holdings Limited

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## 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

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 2023. The directors have the power to amend and reissue the financial statements.

# Beamtree Holdings Limited

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## Consolidated statement of profit or loss and other comprehensive income

		2023	2022
	Note	\$'000	\$'000
<b>Revenue</b>	<b>4</b>	<b>22,768</b>	<b>16,547</b>
Other income	5	26	245
Fair value adjustments		565	2,543
<b>Expenses</b>			
Employee benefits expense		(17,630)	(14,240)
Sales and marketing		(2,030)	(943)
Share based payment expense		(516)	(326)
Consultancy, hosting and other direct costs		(3,000)	(2,509)
Other expenses		(1,423)	(3,601)
Depreciation and amortisation expense	6	(4,893)	(3,616)
Finance costs	6	(56)	(67)
<b>Total expenses</b>		<b>(29,548)</b>	<b>(25,302)</b>
<b>Loss before income tax expense</b>		<b>(6,189)</b>	<b>(5,967)</b>
Income tax benefit / (expense)	7	(719)	1,518
<b>Loss after income tax expense for the year attributable to the owners of Beamtree Holdings Limited</b>		<b>(6,908)</b>	<b>(4,449)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Foreign currency translation		(110)	(13)
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of cash flow hedges taken to equity, net of tax		167	(139)
<b>Other comprehensive income for the year, net of tax</b>		<b>57</b>	<b>(152)</b>
<b>Total comprehensive income for the year attributable to the owners of Beamtree Holdings Limited</b>		<b>(6,851)</b>	<b>(4,601)</b>
		Cents	Cents
Basic earnings per share	36	(2.80)	(1.85)
Diluted earnings per share	36	(2.80)	(1.85)

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	2023 \$'000	2022 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	8,806	6,351
Trade and other receivables	9	5,304	6,873
Contract assets		333	30
<b>Total current assets</b>		<b>14,443</b>	<b>13,254</b>
<b>Non-current assets</b>			
Property, plant and equipment		317	410
Right-of-use assets	10	203	555
Intangibles	11	45,681	47,500
Deferred tax assets	7	1,884	2,187
<b>Total non-current assets</b>		<b>48,085</b>	<b>50,652</b>
<b>Total assets</b>		<b>62,528</b>	<b>63,906</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	4,970	4,194
Contract liabilities	13	3,114	2,792
Lease liabilities	15	218	362
Derivative financial instruments	16	-	163
Current tax liability	7	6	8
Employee benefits	17	1,154	1,404
Deferred considerations – shares	18	2,769	-
<b>Total current liabilities</b>		<b>12,231</b>	<b>8,923</b>

# Beamtree Holdings Limited

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## Consolidated statement of financial position (continued)

	Note	2023 \$'000	2022 \$'000
<b>Non-current liabilities</b>			
Investment bond payable	14	537	537
Lease liabilities	15	-	218
Other provisions		50	50
Deferred tax liabilities	7	2,377	2,042
Employee benefits	17	112	227
Deferred considerations – shares	18	-	3,334
<b>Total non-current liabilities</b>		<b>3,076</b>	<b>6,408</b>
<b>Total liabilities</b>		<b>15,307</b>	<b>15,331</b>
<b>Net assets</b>		<b>47,221</b>	<b>48,575</b>
<b>Equity</b>			
Issued capital	19	55,266	50,195
Reserves	20	1,130	647
Accumulated losses	21	(9,175)	(2,267)
<b>Total equity</b>		<b>47,221</b>	<b>48,575</b>

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



## Beamtree Holdings Limited

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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 2021	42,189	839	-	(938)	42,090
Loss after income tax benefit 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)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 19)	7,400	-	-	-	7,400
Share-based payments (note 34)	-	326	-	-	326
Options exercised (note 19)	240	-	-	-	240
Performance rights and options transferred from reserve (note 19)	366	(366)	-	-	-
Performance shares issued on acquisition of subsidiary	-	-	3,120	-	3,120
Lapse of performance shares issued on acquisition of subsidiary (note 20)	-	-	(3,120)	3,120	-
<b>Balance at 30 June 2022</b>	<b>50,195</b>	<b>647</b>	<b>-</b>	<b>(2,267)</b>	<b>48,575</b>

## Beamtree Holdings Limited

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	Issued capital	Reserves	Contingent consideration	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022	50,195	647	-	(2,267)	48,575
Loss after income tax benefit for the year	-	-	-	(6,908)	(6,908)
Other comprehensive income for the year, net of tax	-	57	-	-	57
Total comprehensive income for the year	-	57	-	(6,908)	(6,851)
<i>Transactions with owners in their capacity as owners:</i>					
Issue of ordinary shares (note 19)	5,000	-	-	-	5,000
Capital fundraising expenses	(301)	-	-	-	(301)
Share issued under ESS and STI	282	-	-	-	282
Share-based payments (note 34)	-	516	-	-	516
Performance rights transferred from reserve	90	(90)	-	-	-
<b>Balance at 30 June 2023</b>	<b>55,266</b>	<b>1,130</b>	<b>-</b>	<b>(9,175)</b>	<b>47,221</b>

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



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## Consolidated statement of cash flows

	Note	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		25,413	17,455
Payments to suppliers and employees (inclusive of GST)		(25,372)	(20,614)
R&D tax incentive		815	730
Interest received		24	-
Rent income received		2	245
Interest and other finance costs paid		(34)	(42)
Income taxes refunded/(paid)		(80)	(92)
<b>Net cash from/(used in) operating activities</b>	<b>33</b>	<b>768</b>	<b>(2,318)</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of business, net of cash acquired		-	(2,654)
Payments for property, plant and equipment		(117)	(61)
Payments for intangibles	11	(2,534)	(2,447)
<b>Net cash used in investing activities</b>		<b>(2,651)</b>	<b>(5,162)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares (net of transaction costs)	19	4,699	240
Repayment of lease liabilities		(361)	(526)
<b>Net cash from/(used in) financing activities</b>		<b>4,338</b>	<b>(286)</b>
Net increase/ (decrease) in cash and cash equivalents		2,455	(7,766)
Cash and cash equivalents at the beginning of the financial period		6,351	14,117
<b>Cash and cash equivalents at the end of the financial year</b>		<b>8,806</b>	<b>6,351</b>

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

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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 \$8.8M at the end of FY23 compares to \$6.3M cash balance at the end of FY22 following a capital raise of \$4.7M, net of transaction fees.
- The Company's annual recurring revenue (ARR) growth of 25% YoY, along with the strong pipeline going into next year.
- 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.

### 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

# Beamtree Holdings Limited

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Limited ('company' or 'parent entity') as at 30 June 2023 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.



# Beamtree Holdings Limited

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## Note 1. Significant accounting policies (continued)

### Cash flow hedges

Cash flow hedges have been 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 was recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion was recognised in profit or loss. Amounts taken to equity were 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.

Existing hedging instrument matured in the first half of FY23.

### 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, it's 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.

### 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.

# Beamtree Holdings Limited

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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.

### 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 11. 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 weighted average 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.

# Beamtree Holdings Limited

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## 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.

## 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 17, 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.

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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.

The rationale for one operating segment is because Beamtree ostensibly serves one market segment being healthcare with the same customer buying many of our products. This is consistent with last year's report and also allows Beamtree to maintain and control costs by having a single layer of management.

## Note 4. Revenue

	2023	2022
Consolidated	\$'000	\$'000
License, subscription and usage fees	21,584	14,249
Consulting and other services	1,184	2,298
<b>Revenue</b>	<b>22,768</b>	<b>16,547</b>

	License, subscription and usage fees	Consulting and other services	Total
Consolidated - 2023	\$'000	\$'000	\$'000
<b>Sales channels</b>			
Direct Customers	20,287	984	21,271
Global partners	1,297	200	1,497
	<b>21,584</b>	<b>1,184</b>	<b>22,768</b>
<b>Geographical regions</b>			
Australia	15,185	307	15,492
Europe	959	111	1,070
Rest of the world	5,440	766	6,206
	<b>21,584</b>	<b>1,184</b>	<b>22,768</b>
<b>Timing of revenue recognition</b>			
Revenue recognised at a point in time	542	103	645
Services transferred over time	21,042	1,081	22,123
	<b>21,584</b>	<b>1,184</b>	<b>22,768</b>



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	License, subscription and usage fees	Consulting and other services	Total
Consolidated - 2022	\$'000	\$'000	\$'000
<b>Sales channels</b>			
Direct Customers	13,470	2,298	15,768
Global partners	779	-	779
	<b>14,249</b>	<b>2,298</b>	<b>16,547</b>
<b>Geographical regions</b>			
Australia	11,454	952	12,406
Europe	588	391	979
Rest of the world	2,207	955	3,162
	<b>14,249</b>	<b>2,298</b>	<b>16,547</b>
<b>Timing of revenue recognition</b>			
Revenue recognised at a point in time	812	-	812
Services transferred over time	13,437	2,298	15,735
	<b>14,249</b>	<b>2,298</b>	<b>16,547</b>

## 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.

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## 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.

## Note 5. Other Income

	2023	2022
Consolidated	\$'000	\$'000
Interest received	26	-
Rental income	-	245
<b>Other income</b>	<b>26</b>	<b>245</b>

## Accounting policy for other income

### 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. Rent income is recognised via monthly rent invoice to tenant based on signed sublease agreement. The sublease ended in May 2022. Potential(x)'s office lease ended in August 2022.

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## Note 6. Expenses

	2023	2022
Consolidated	\$'000	\$'000

Loss before income tax includes the following specific expenses:

### Depreciation

Leasehold improvements	23	144
Plant and equipment	153	274
Fixtures and fittings	12	91
Buildings right-of-use assets	352	519
<b>Total depreciation</b>	<b>540</b>	<b>1,028</b>

### Amortisation

Capitalised development costs	1,679	796
Patents and trademarks	-	1
Software	1,275	761
Customer list	1,399	1,030
<b>Total amortisation</b>	<b>4,353</b>	<b>2,588</b>

### Total depreciation and amortisation

	<b>4,893</b>	<b>3,616</b>
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### Finance costs

Interest and finance charges paid/payable on investment bond payable	34	25
Interest and finance charges paid/payable on lease liabilities	22	42
<b>Finance costs expensed</b>	<b>56</b>	<b>67</b>

### Net foreign exchange loss

Net foreign exchange loss	(289)	40
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### Superannuation expense

Defined contribution superannuation expense	1,393	932
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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

	2023	2022
Consolidated	\$'000	\$'000

### Income tax benefit

Current tax	-	62
Deferred tax - origination and reversal of temporary differences	639	(1,518)
Adjustment recognised for prior periods	80	(62)
<b>Aggregate Income tax (benefit) / expense</b>	<b>719</b>	<b>(1,518)</b>

Deferred tax included in income tax benefit comprises:

(Increase) / decrease in deferred tax assets	304	(1,124)
Increase / (decrease) in deferred tax liabilities	335	(394)
<b>Deferred tax - origination and reversal of temporary differences</b>	<b>639</b>	<b>(1,518)</b>

Numerical reconciliation of income tax benefit and tax at the statutory rate

<b>Loss before income tax (benefit) / expense</b>	<b>(6,189)</b>	<b>(5,967)</b>
<b>Tax at the statutory tax rate of 25%</b>	<b>(1,547)</b>	<b>(1,492)</b>

### Tax effect amounts which are not deductible/(taxable) in calculating taxable income:

Net fair value gain on deferred consideration - shares	(144)	(636)
Acquisition costs	-	116
Write down - brand name	-	120
Share-based payments	129	82
Hedging	-	7
Entertainment expenses	11	2
	<b>(1,551)</b>	<b>(1,801)</b>

Adjustment recognised for prior periods	80	(62)
Current year tax losses not recognised	2,417	859
Non Refundable R&D Tax Offsets	(187)	-
Other items	(40)	(514)

<b>Income tax (benefit) / expense</b>	<b>719</b>	<b>(1,518)</b>
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## Note 7. Income tax (continued)

	2023	2022
	\$'000	\$'000
<b>Consolidated</b>		

Amounts credited directly to equity

Deferred tax assets - 144

	2023	2022
	\$'000	\$'000
<b>Consolidated</b>		

### Deferred tax asset

Deferred tax asset comprises temporary differences attributable to:

#### Amounts recognised in profit or loss:

Allowance for expected credit losses	18	18
Employee benefits	523	394
Lease liabilities	54	145
Provision for lease make good	13	13
Accrued expenses	257	53
Contract liabilities	-	556
Software development and capitalised development expenditure	594	604
Other provision	-	74
Investment bond payable	-	134
Transaction costs on share issue	238	196
R&D non-refundable	187	-

**Deferred tax asset 1,884 2,187**

#### Movements:

Opening balance	2,187	1,177
Credited to profit or loss	(304)	1,124
Credited to equity	-	(114)
<b>Closing balance</b>	<b>1,884</b>	<b>2,187</b>

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## Note 7. Income tax (continued)

	2023	2022
	\$'000	\$'000
<b>Consolidated</b>		

### Deferred tax liability

Deferred tax liability comprises temporary differences attributable to:

#### Amounts recognised in profit or loss:

Prepayments	-	143
Right-of-use assets	100	137
Brand name	154	275
Capitalised development software	986	
Customer relationship	1,137	1,487
<b>Deferred tax liability</b>	<b>2,377</b>	<b>2,042</b>

#### Movements:

Opening balance	2,042	597
Charged/(credited) to profit or loss	335	(394)
Additions through business combinations	-	1,839
<b>Closing balance</b>	<b>2,377</b>	<b>2,042</b>

	2023	2022
	\$'000	\$'000
<b>Consolidated</b>		

### Provision for income tax

Provision for income tax 6 8

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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.

## Note 8. Cash and cash equivalents

	2023
Consolidated	\$'000
<b>Current assets: Cash and cash equivalents</b>	
Cash	5,661
Other financial assets (term deposit and bank guarantee)	3,145
	<b>8,806</b>

### Accounting policy for cash and cash equivalents

Cash is recognised as it is transacted either on receipt or payment. Cash is reconciled on a daily basis comparing the accounting records to the external bank statements. Beamtree currently has placed \$3M on 4 Months Term Deposit expiring 13th October 2023 earning 4.52%

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## Note 9. Trade and other receivables

	2023	2022
Consolidated	\$'000	\$'000
<b>Current assets</b>		
Trade receivables	4,232	5,363
Less: Allowance for expected credit losses	(71)	(71)
	<b>4,161</b>	<b>5,292</b>
Other receivables	411	118
R&D tax incentive receivable	-	815
	<b>411</b>	<b>933</b>
Deposits and prepayments	732	648
<b>Total Trade and other receivables</b>	<b>5,304</b>	<b>6,873</b>

### R&D tax incentive receivable

The R&D Tax incentive is no longer refundable to as Beamtree has surpassed \$20M in Revenues and forms a part of the Income Tax calculation.

### Deposits and prepayments

Deposits and prepayments includes a bank guarantee for the Tenancy 3, Level 1, 16 Eveleigh Street, Redfern NSW premises for the amount of \$95k. This has been deposited for 12 months at an interest rate of 3.5% p.a.

### Allowance for expected credit losses

The expected credit loss provision assessment has been performed to align with the nature of the risk associated with each respective customer.

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
	2023	2023	2023
Consolidated	%	\$'000	\$'000
Not overdue	0.74%	543	4
1 - 30 days overdue	0.17%	1,744	3
31 - 60 days overdue	1.13%	532	6
61 - 90 days overdue	1.52%	789	12
90 + days overdue	7.36%	625	46
		<b>4,233</b>	<b>71</b>



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## Note 9. Trade and other receivables (continued)

	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
		<b>5,363</b>	<b>71</b>

The expected credit losses have not materially changed year on year and management has not changed the credit loss provision level.

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

	2023	2022
Consolidated	\$'000	\$'000
Opening balance	71	23
Additional provisions recognised	-	48
Unused amounts reversed	-	-
<b>Closing balance</b>	<b>71</b>	<b>71</b>

### 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 10. Right-of-use assets

	2023	2022
Consolidated	\$'000	\$'000
<b>Non-current assets</b>		
Buildings - right-of-use	914	1,772
Less: Accumulated depreciation	(711)	(1,217)
<b>Net book value</b>	<b>203</b>	<b>555</b>

### 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 2021	812
Additions through business combinations	262
Depreciation expense	(519)
<b>Balance at 30 June 2022</b>	<b>555</b>
Depreciation expense	(352)
<b>Balance at 30 June 2023</b>	<b>203</b>

### 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 11. Intangibles

Period ended	2023 \$'000	2022 \$'000
<b>Non-current assets</b>		
Goodwill – at cost	30,927	30,927
Brand name – at cost	641	1,098
Less: Write down	(24)	(481)
	<b>617</b>	<b>617</b>
Capitalised development costs – at cost	10,159	7,625
Less: Accumulated amortisation	(3,941)	(2,262)
	<b>6,218</b>	<b>5,363</b>
Patents and trademarks – at cost	14	14
Less: Accumulated amortisation	(1)	(1)
	<b>13</b>	<b>13</b>
Acquired Software – at cost	5,671	5,671
Less: Accumulated amortisation	(2,313)	(1,038)
	<b>3,358</b>	<b>4,633</b>
Customer list – at cost	6,996	6,996
Less: Accumulated amortisation	(2,448)	(1,049)
	<b>4,548</b>	<b>5,947</b>
<b>Total Intangibles</b>	<b>45,681</b>	<b>47,500</b>

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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 30 June 2022	30,927	5,363	4,633	5,947	617	13	47,500
Additions	-	2,534	-	-	-	-	2,534
Amortisation expense	-	(1,679)	(1,275)	(1,399)	-	-	(4,353)
<b>Balance at 30 June 2023</b>	<b>30,927</b>	<b>6,218</b>	<b>3,358</b>	<b>4,548</b>	<b>617</b>	<b>13</b>	<b>45,681</b>

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.

## 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.

## Brand name

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.

## 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.

## 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.

## 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.



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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:

	2023	2022
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	12,345
	<b>30,927</b>	<b>30,927</b>

Consolidated	Compound Annual Growth Rate (CAGR)	Discount Rates	Terminal Growth Rate
CGUs			
Clinical Decision Support (Diagnostic Technology & Clinical Decision Support)	49%	13.5%	3%
Pavilion (Coding Assistance & Data Quality)	35%	13.5%	3%
Potential(x) (Analytics & Knowledge Networks)	9%	13.5%	3%

## 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.

## 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 2023, 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 FY24 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	30%	20%	15%
Change in CAGR – reduce CAGR to	45%	33%	8%

## 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.

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.

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## Note 12. Trade and other payables

	2023	2022
Consolidated	\$'000	\$'000
<b>Current liabilities</b>		
Trade payables	1,508	736
Accrued expenses	1,048	1,082
Other payables	2,414	2,376
	<b>4,970</b>	<b>4,194</b>

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.

## Note 13. Contract liabilities

### 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.

	2023	2022
Consolidated	\$'000	\$'000
<b>Current liabilities</b>		
Contract liabilities	3,114	2,792
<b>Reconciliation</b>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	2,792	1,894
Payments received in advance	9,283	5,467
Additions through business combinations	-	838
Transfer to revenue - performance obligations satisfied during the period	(8,961)	(5,407)
<b>Closing balance</b>	<b>3,114</b>	<b>2,792</b>

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## 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 \$3,114k as at 30 June 2023 (\$2,792k as at 30 June 2022) and is expected to be recognised as revenue in future periods as follows:

	2023	2022
Consolidated	\$'000	\$'000
Within 6 months	2,078	2,325
6 to 12 months	1,036	467
	<b>3,114</b>	<b>2,792</b>

## Note 14. Investment bond payable

	2023	2022
Period ended	\$'000	\$'000
<b>Non-current liabilities</b>		
Investment bond payable	537	537

### 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 15. Lease liabilities

	2023	2022
Consolidated	\$'000	\$'000
<b>Current liabilities</b>		
Lease liability	218	362
<b>Non-current liabilities</b>		
Lease liability	-	218
	<b>218</b>	<b>580</b>



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

	Less than 1 year	1 to 2 years	2 to 5 years	5 + years	Total
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2023</b>					
Lease payments	222	-	-	-	222
Finance costs	(4)	-	-	-	(4)
	<b>218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>218</b>
<b>2022</b>					
Lease payments	382	222	-	-	604
Finance costs	(20)	(4)	-	-	(24)
	<b>362</b>	<b>218</b>	<b>-</b>	<b>-</b>	<b>580</b>

### 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.

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### Note 16. Derivative financial instruments

	2023	2022
Consolidated	\$'000	\$'000
<b>Current liabilities</b>		
Forward foreign exchange contracts - cash flow hedges	-	163

Refer to note 23 for further information on financial instruments.

### Note 17. Employee benefits

	2023	2022
Consolidated	\$'000	\$'000
<b>Current liabilities</b>		
Annual leave	906	1,165
Long service leave	248	239
	<b>1,154</b>	<b>1,404</b>
<b>Non-current liabilities</b>		
Long service leave	112	227
	<b>1,266</b>	<b>1,631</b>

### 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.

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## Note 18. Deferred consideration – shares

	2023	2022
Consolidated	\$'000	\$'000
<b>Current liabilities</b>		
Deferred considerations – shares	2,769	-
<b>Non-current liabilities</b>		
Deferred considerations – shares	-	3,334

Deferred consideration – shares are issuable in connection with the acquisition of Potential(x). 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. The fair value movement recorded through the statement of profit and loss during the current period is a gain of \$565k reflecting a reduction in the fair value of the deferred shares from \$3,334k to \$2,769k at 30th June 2023.

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 19. Issued capital

	2023	2022	2023	2022
Consolidated	Shares	Shares	\$'000	\$'000
Ordinary shares – fully paid	266,137,943	244,236,400	55,266	50,195

### Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
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

<b>Balance</b>	<b>30-Jun-22</b>	<b>244,236,400</b>		<b>50,195</b>
Issue of Ordinary Capital	13-Jul-22	100,000	\$0.28	28
Conversion of performance rights	20-Jul-22	200,000	\$0.09	18
Conversion of performance rights	20-Oct-22	200,000	\$0.09	18
Issue of Ordinary Shares ESS	2-Mar-23	34,533	\$0.31	11
Issue of Ordinary Shares – STI	20-Mar-23	956,673	\$0.25	239
Issue of Ordinary Shares ESS	26-Apr-23	37,503	\$0.30	11
Issue of Ordinary Capital – Capital Raise	29-May-23	20,000,000	\$0.25	5,000
Cost of Capital fundraising				(301)
Issue of Ordinary Shares ESS	7-Jun-23	72,834	\$0.27	20
Conversion of performance rights	26-Jun-23	300,000	\$0.09	27
<b>Balance</b>	<b>30-Jun-23</b>	<b>266,137,943</b>		<b>55,266</b>



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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.

### 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 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

	2023	2022
Period ended	\$'000	\$'000
Foreign currency reserve	(107)	3
Hedging reserve – cash flow hedges	–	(167)
Share based payments reserve	1,237	811
	<b>1,130</b>	<b>647</b>

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## Note 21. Accumulated losses

	2023	2022
Consolidated	\$'000	\$'000
Accumulated losses at the beginning of the financial year	(2,267)	(938)
Loss after income tax expense for the year	(6,908)	(4,449)
Transfer from contingent consideration	–	3,120
<b>Accumulated losses at the end of the financial year</b>	<b>(9,175)</b>	<b>(2,267)</b>

## 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 had previously used derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Hedging matured in the first half of FY23. Derivatives were 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.

### 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.

The foreign currency risk is reviewed regularly by management and the board. During FY23 no new hedge contracts were entered into.

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## Note 23. Financial instruments (continued)

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	
	2023	2022	2023	2022
	\$'000	\$'000		
Buy Australian dollars				
Maturity:				
0 – 3 months	-	1,098	-	0.7611
3 – 6 months	-	-	-	-
6 – 12 months	-	-	-	-

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

	Average exchange rates		Reporting date exchange rates	
	2023	2022	2023	2022
Australian dollars				
US dollars	0.6728	0.7258	0.6663	0.6889
Pound Sterling	0.5596	0.5455	0.5244	0.5671
Euro	0.6422	0.6440	0.6104	0.6589
New Zealand Dollars	1.0925	1.0664	1.0904	1.1063

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	
	2023	2022	2023	2022
Consolidated	\$'000	\$'000	\$'000	\$'000
US Dollars	163	2,521	-	106
Pound Sterling	873	154	358	26
Euro	663	270	402	17
New Zealand Dollars	75	95	56	-
	<b>1,774</b>	<b>3,040</b>	<b>816</b>	<b>149</b>

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## Note 23. Financial instruments (continued)

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

		AUD strengthened		AUD weakened	
		Effect on profit		Effect on profit	
		before tax		before tax	
Consolidated - 2023	% change	\$'000	% change	\$'000	
US Dollars	10%	16	10%	16	
Pound Sterling	10%	87	10%	87	
Euro	10%	66	10%	66	
New Zealand Dollars	10%	8	10%	8	
		<b>177</b>		<b>177</b>	

### 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 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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### Note 23. Financial instruments (continued)

	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 - 2023	%	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Non-derivatives</b>						
Non-interest bearing	-	4,970	-	-	-	4,970
Trade and other payables						
Interest-bearing - variable Lease liability	5.00%	218	-	-	-	218
Interest-bearing - fixed rate Investment bond payable	6.50%	-	-	-	537	537
<b>Total non-derivatives</b>	<b>-</b>	<b>5,188</b>	<b>-</b>	<b>-</b>	<b>537</b>	<b>5,725</b>

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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
<b>Non-derivatives</b>						
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
<b>Total non-derivatives</b>	<b>-</b>	<b>4,556</b>	<b>218</b>	<b>-</b>	<b>537</b>	<b>5,311</b>
<b>Derivatives</b>						
Forward foreign exchange contracts	-	163	-	-	-	163
<b>Total derivatives</b>	<b>-</b>	<b>163</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163</b>

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 - 2023	\$'000	\$'000	\$'000	\$'000
<b>Liabilities</b>				
Deferred consideraton - shares (note 18)	-	2,769	-	2,769
<b>Total liabilities</b>	-	<b>2,769</b>	-	<b>2,769</b>

	Level 1	Level 2	Level 3	Total
Consolidated - 2022	\$'000	\$'000	\$'000	\$'000
<b>Liabilities</b>				
Forward foreign exchange contracts (note 16)	-	163	-	163
Deferred consideraton - shares (note 18)	-	3,334	-	3,334
<b>Total liabilities</b>	-	<b>3,497</b>	-	<b>3,497</b>

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 (resigned 24th November 2022)  
Paul Williams (resigned 24th November 2022)  
Bradley Lancken  
Stephen Borness  
James Birch  
Emma Gray (appointed 24th November 2022)

### 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:

Timothy Kelsey                      Chief Executive Officer  
Mark McLellan                    Chief Financial Officer and Chief Operations Officer  
Cheryl McCullagh                Chief Product Officer (appointed 1st July 2022)

### Compensation

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

	2023	2022
Consolidated	\$	\$
Short-term employee benefits	1,744,824	861,843
Post-employment benefits	152,998	99,036
Long-term benefits	5,693	903
Share-based payments	584,430	326,213
	<b>2,487,945</b>	<b>1,287,995</b>

## 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:

	2023	2022
Consolidated	\$	\$
<b>Audit services - BDO Australia</b>		
Audit or review of the financial statements	149,914	129,000
<b>Other serives - BDO Australia</b>		
Preparation of the tax return and transaction	84,013	62,764
Advisory and transaction support	73,500	79,505
	<b>307,427</b>	<b>271,269</b>



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## Note 27. Contingent liabilities

There were no contingent liabilities relating to the consolidated entity as at 30 June 2023 (30 June 2022: nil).

## Note 28. Commitments

There were no commitments relating to the consolidated entity as at 30 June 2023 (30 June 2022: 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:

	\$	\$
Consolidated		
Other transactions:		
Directors fees paid to Celerity Associates Pty Limited, a company related to Stephen Borness (incl. GST)	69,667	66,000
Advisory work undertaken by Bombora Investment Management, a company related to Michael Hill (incl. GST)	2,178	-
	<b>71,845</b>	<b>66,000</b>

### Receivable from and payable to related parties

Amount payable to Celerity Associates Pty Limited, a company related to Stephen Borness is \$4,282 (2022: \$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

	2023	Parent 2022
	\$'000	\$'000
Loss after income tax	(1,030)	(827)
<b>Total comprehensive income</b>	<b>(1,030)</b>	<b>(827)</b>

### Statement of financial position

	2023	Parent 2022
	\$'000	\$'000
Total current assets	5,151	12
Total assets	47,054	42,250
Total current liabilities	161	29
Total liabilities	1,057	417
<b>Equity</b>		
Issued capital (Net of Costs)	46,918	42,524
Share based payments reserve	1,611	811
Accumulated losses	(2,532)	(1,502)
<b>Total equity</b>	<b>45,997</b>	<b>41,833</b>

### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 (30 June 2022: \$Nil).

### Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 (30 June 2022: \$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.

# Beamtree Holdings Limited

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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 comparative analytics that support improvements in quality and in the value of care.

As part of the consideration, deferred shares of \$11.3M are due to be issued in first half of FY24. Refer note 18.

### 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 2023, the amounts recorded above are no longer deemed provisional.

Deferred Shares continue to be adjusted based on market price of Beamtree Shares at Balance Date.

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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)	2023 %	2022 %
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%	100%
Potential(x) Holdings Pty Ltd	Australia	100%	100%
Chappell Dean Pty Ltd	Australia	100%	100%
Beamtree Analytics Pty Ltd (formerly 'Potential(x) Pty Ltd')	Australia	100%	100%
Beamtree New Zealand Ltd (formerly 'Potential(x) New Zealand Ltd')	New Zealand	100%	100%
Beamtree Wellness Pty Ltd (formerly 'Potential(x) Wellness Pty Ltd')	Australia	100%	100%
Beamtree UK Ltd	United Kingdom	100%	100%
Beamtree Employee Share Scheme Pty Ltd	Australia	100%	-



# Beamtree Holdings Limited

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

	2023 \$'000	2022 \$'000
Consolidated		
<b>Loss after income tax expense for the year</b>	<b>(6,908)</b>	<b>(4,449)</b>
Adjustments for:		
Depreciation and amortisation	4,893	3,616
Write down - brand name	-	481
Share-based payments	516	326
Foreign exchange differences	104	(9)
Expected credit losses	-	48
Interest payable on investment bond	25	25
Accrued R&D incentive income	-	-
Net fair value gain on deferred shares	(565)	(2,543)
Other	(1)	(28)
<b>Change in operating assets and liabilities:</b>		
Decrease/(Increase) in contract assets	(303)	1,089
Increase in deferred tax assets	638	(1,404)
(Increase)/decrease in trade and other receivables	1,569	(2,151)
Decrease/(increase) in current tax assets	-	-
Increase in trade and other payables	810	2,663
(Decrease)/Increase in provision for income tax	-	(316)
Increase in employee benefits	(366)	346
Decrease/(increase) in contract liabilities	322	(12)
Decrease/(increase) in accrued expenses	34	-
<b>Net cash from/(used in) operating activities</b>	<b>768</b>	<b>(2,318)</b>

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## Note 34. Share-based payments

During the financial year, no unlisted options were issued. Set out below are summaries of options movements during the period:

2023							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of year
1/10/2018	30/09/2023	\$0.10	6,000,000	-	-	-	6,000,000
30/05/2019	29/05/2024	\$0.20	1,425,000	-	-	-	1,425,000
29/05/2020	10/06/2025	\$0.20	375,000	-	-	-	375,000
			<b>7,800,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,800,000</b>
<b>Weighted average exercise price</b>			<b>\$0.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$0.12</b>

2022							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of year
1/10/2018	30/09/2023	\$0.10	6,000,000	-	-	-	6,000,000
30/05/2019	29/05/2024	\$0.20	2,925,000	-	(1,200,000)	(300,000)	1,425,000
29/05/2020	10/06/2025	\$0.20	375,000	-	-	-	375,000
			<b>9,300,000</b>	<b>-</b>	<b>(1,200,000)</b>	<b>(300,000)</b>	<b>7,800,000</b>
<b>Weighted average exercise price</b>			<b>\$0.14</b>	<b>-</b>	<b>\$0.20</b>	<b>\$0.20</b>	<b>\$0.12</b>

The weighted average remaining contractual life of options outstanding at the end of the financial period was 1.06 years (2022: 1.46 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:

2023							
Grant date	Expiry date	Exercise price	Balance at the start of year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30/05/2019	29/05/2024	\$0.00	900,000	-	(700,000)	-	200,000
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
1/07/2022	1/07/2025	\$0.00	-	220,000	-	-	220,000
1/07/2022	1/07/2025	\$0.00	-	41,200	-	-	41,200
1/07/2022	1/07/2025	\$0.00	-	41,200	-	-	41,200
1/07/2022	1/07/2025	\$0.00	-	14,300	-	-	14,300
1/07/2022	1/07/2025	\$0.00	-	1,000,000	-	-	1,000,000
1/07/2022	1/07/2025	\$0.00	-	1,000,000	-	-	1,000,000
16/08/2022	17/08/2022	\$0.00	-	100,000	(100,000)	-	-
20/03/2023	20/03/2023	\$0.00	-	956,673	(956,673)	-	-
			<b>6,900,000</b>	<b>3,373,373</b>	<b>(1,756,673)</b>	<b>-</b>	<b>8,516,700</b>

2022							
Grant date	Expiry date	Exercise price	Balance at the start of 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
			<b>10,200,000</b>	<b>-</b>	<b>(3,300,000)</b>	<b>-</b>	<b>6,900,000</b>

The weighted average remaining contractual life of performance shares outstanding at the end of the financial period was 1.88 years (2022: 3.13 year)

Total expense recognised in the profit or loss for the year ended 30 June 2023 amounted to \$516k (2022: \$326k).

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### 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 2023 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

	2023	2022
Consolidated	\$'000	\$'000
Loss after income tax attributable to the owners of Beamtree Holdings Limited	(6,908)	(4,449)
	Cents	Cents
Basic earnings per share	(2.80)	(1.85)
Diluted earnings per share	(2.80)	(1.85)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	246,383,630	240,028,455
Weighted average number of ordinary shares used in calculating diluted earnings per share	246,383,630	240,028,455

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.

Beamtree Holdings Limited

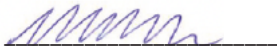
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In the directors' opinion:

- 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 2023 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 2023

## 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 2023, 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:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) 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 2023, the carrying value of Intangible Assets was \$45.681M as disclosed in Note 11.</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 11 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"> <li>Analysing management's key assumptions used in the discounted cash flow models to determine their reasonableness;</li> <li>Challenging the appropriateness of management's discount rates used in the discounted cash flow models which included engaging our internal valuation specialists;</li> <li>Challenging management's assumptions around the timing of future cash flows;</li> <li>Checking the arithmetic accuracy of the discounted cash flow models;</li> <li>Performing sensitivity analysis on key assumptions to determine if there would be a significant change to the carrying value of the assets;</li> <li>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</li> <li>Considering any additional impairment indicators as per AASB 136 <i>Impairment of Assets</i> and the effects of such on management's assumptions.</li> </ul>



## Revenue recognition

Key audit matter	How the matter was addressed in our audit
For the year ended 30 June 2023 the Group recognised \$22.768M (2022: \$16.547M).	Our audit procedures to address the key audit matter included, but were not limited to, the following:
Revenue recognition was identified as a key audit matter due to the significance of revenue to the financial report and the judgement applied.	<ul style="list-style-type: none"> <li>Understanding and documenting the processes and controls used by the Group in recording revenue;</li> </ul>
Refer to Note 4 of the financial report for the accounting policy and related disclosures.	<ul style="list-style-type: none"> <li>Assessing the revenue recognition policy for compliance with AASB 15 Revenue from Contracts with Customers;</li> <li>Performing analytical procedures to understand movements and trends in revenue for comparisons against expectations;</li> <li>Performing substantive testing on a sample of revenue transactions including review of the contract terms;</li> <li>Performing cut-off testing to ensure that revenue transactions around year end have been recorded in the correct reporting period; and</li> <li>Assessing the adequacy of the Group's disclosures within the financial statements.</li> </ul>

## 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 2023, 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](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 2023.

In our opinion, the Remuneration Report of Beamtree Holdings Limited, for the year ended 30 June 2023, 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 2023

## Beamtree Holdings Limited

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The shareholder information set out below was applicable as at 30 July 2023.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders	Ordinary shares % of total shares issued	Options over ordinary shares	
			Number of holders	% of total shares issued
1 to 1,000	86	0.02	-	-
1,001 to 5,000	469	0.52	-	-
5,001 to 10,000	349	1.08	-	-
10,001 to 100,000	764	10.61	-	-
100,001 and over	257	87.78	6	100.00
	<b>1,925</b>	<b>100.00</b>	<b>6</b>	<b>100.00</b>
Holding less than a marketable parcel	264	-	-	-

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### 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
NATIONAL NOMINEES LIMITED	19,700,000	7.40
FREESTATE HOLDINGS PTY LTD	17,896,624	6.72
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,881,114	6.72
MIRRABOOKA INVESTMENTS LIMITED	15,680,000	5.89
CELERITY NOMINEES PTY LIMITED	11,484,505	4.32
AMCIL LIMITED	10,045,097	3.77
PAUL RICHARD O'CONNOR	9,330,330	3.51
SANDTREE PTY LTD	9,037,575	3.40
SHOREBROOK PTY LTD	8,492,011	3.19
3RD WAVE INVESTORS PTY LTD	6,200,000	2.33
NETWEALTH INVESTMENTS LIMITED	6,091,245	2.29
CITICORP NOMINEES PTY LIMITED	3,995,810	1.50
OZREN TOSIC	3,273,150	1.23
K M FITZPATRICK & ASSOCIATES PTY LTD	3,230,000	1.21
CASTLEREAGH EQUITY PTY LTD	2,830,000	1.06
MR CHRISTOPHER BELL	2,499,000	0.94
MRS CLARE MAPLEDORA	2,250,000	0.85
DAVID BAMBACH	2,073,545	0.78
MARY ETHNA BLACK	1,728,144	0.65
MOHAMED HASSAN KHADRA	1,728,137	0.65
<b>TOTAL FOR TOP 20</b>	<b>155,446,287</b>	<b>58.41</b>
<b>TOTAL FOR OTHER INVESTORS</b>	<b>110,890,553</b>	<b>41.59</b>
<b>GRAND TOTAL</b>	<b>266,137,943</b>	<b>100.00</b>



Beamtree Holdings Limited

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Unquoted equity securities

	Number on issues	Number of holders
Options over ordinary shares issued	7,800,000	6

Substantial holders

Substantial holders in the company are set out below

	Ordinary shares Number held	% of total shares issued
NATIONAL NOMINEES LIMITED	19,700,000	7.40
FREESTATE HOLDINGS PTY LTD	17,896,624	6.72
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,881,114	6.72
MIRRABOOKA INVESTMENTS LIMITED	15,680,000	5.89

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.

Beamtree Holdings Limited

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