

**31 January 2018**

Australian Securities Exchange  
20 Bridge Street,  
Sydney NSW 2000

## **Alcidion Appendix 4C – Quarter ending 31 December 2017 (Q2 FY2018)**

**Adelaide, South Australia, 31 January 2018** - Alcidion Group Limited (ASX: **ALC**), today released its Appendix 4C Quarterly Cash Flow statement for the three-month period ending 31 December 2017.

Alcidion's cash balance as at 31 December 2017 was \$4.8 million, with net operating cash outflows for the quarter of \$828k. Cash receipts from customers were \$528k, a reduction from the previous comparable quarter (Q1 FY2018 : \$1.5 million) affected by delays in billing cycles and contract signing. The Q1 FY2018 cash receipt also included the R&D tax credit rebate of \$0.989 million.

Alcidion normally experiences a reduced cycle of customer receipts in Q2 and Q3 compared to Q1 and Q4, and this is considered normal revenue phasing for the Company.

Staff costs and corporate costs in Q2 FY2018 were \$1.3 million and were in-line with the previous quarter.

During the quarter, Alcidion has also continued to invest in its core Miya technology and the development of its predictive analytics platform. The predictive analytics platform is a revolutionary new concept in decision intelligence in the healthcare sector, and Alcidion believes will be a key point of differentiation in the market.

### **Acquisition of Oncall Systems**

On December 6 2017, Alcidion announced that it had entered into a definitive agreement to acquire Oncall Systems Limited, a leader in advanced clinical messaging and mobile task management systems for hospitals and allied healthcare. Oncall Systems has designed Smartpage, a clinical communications suite that is comprised of three software modules for Clinical, Orderly and Emergency messaging and tasking and is delivered via the cloud. Alcidion can successfully bolt-on complementary technologies such as Smartpage to its core Miya platform. Alcidion has already demonstrated, via its reseller agreement with Oncall, that Smartpage effectively bolts onto Miya Patient Flow and Miya Access (bed management) to enhance their existing product functionality.

Since Alcidion entered into its initial reseller agreement with Oncall in May 2017, the Company have been successful in tendering for a three-year \$500,665 supply contract to Monash Health in respect of the integrated Miya Smartpage solution (with an option to extend by two years). Overall, the acquisition of Oncall offers significant growth potential for Alcidion and enhances the Company's market presence in both the Australian and New Zealand markets.

The consideration for Oncall is comprised of two components, the first component being an initial upfront cash payment of NZ\$750k and the second component is a purchase price uplift to be paid based on Oncall's revenue performance in the first 18 months under Alcidion's ownership. As at 31 December 2017, this cash consideration had not yet been paid. It is expected that this consideration will be paid during Q3 FY2018.

### **Strengthening Alcidion's Executive Management Team**

Alcidion announced an important addition to its Executive Management Team in December 2017 with the appointment of Mr Kevin Moynihan, a veteran health IT executive and founder of clinical IT company, Kestral Computing. Mr Moynihan has joined Alcidion as Executive Vice President of Business Development and will be responsible for managing emerging business initiatives and identifying new business opportunities, with an initial focus on Miya's new predictive analytics platform, new revenue and safety modules as well as Smartpage.

Additionally, under the terms of the Oncall acquisition, Dr Aidan Gill, Oncall's founder and Managing Director will enter into an employment contract with Alcidion and will form a key part of Alcidion's Executive Management Team going forward.

### **M&A Strategy**

Alcidion continues to pursue a number of strategic merger and acquisition opportunities within the Health IT sector to accelerate its commercialisation strategy. Alcidion is currently engaged in active discussions with several potential partners and acquisition targets.

### **Outlook**

Alcidion is well placed to fund further growth opportunities with a closing cash balance of \$4.8 million as at 31 December 2017. The second half of FY2018 will see Alcidion increasingly focussed on its sales and marketing efforts under its refreshed Business Development team. The company also expects to execute additional contracts during the period which will support further growth in its revenue base.

**### ENDS ###**

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### **About Alcidion**

Alcidion Group Limited (ASX:ALC) is a publicly listed, innovative health informatics company that specializes in clinical products that improve productivity, safety and efficiency. Alcidion's solutions target key problems for Emergency Rooms, Inpatient Services and Outpatient Departments and are built upon a next generation health informatics platform, which incorporates an intelligent EMR, Clinical Decision Support Engine, Data Integration Capability, Smartforms, Terminology Support and Standards Based Web Services.



Alcidion's focus is on delivering solutions that enable high performance healthcare and which assist clinicians by minimising key clinical risks, tracking patient progress through journeys and improving quality and safety of patient care.

[www.alcidion.com](http://www.alcidion.com)

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

**ALCIDION GROUP LIMITED**

**ABN**

**77 143 142 410**

**Quarter ended ("current quarter")**

**31 DECEMBER 2017**

<b>Consolidated statement of cash flows</b>	<b>Curent quarter (December 2017) \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	528	2,067
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(70)	(170)
(d) leased assets	-	-
(e) staff costs	(919)	(1,827)
(f) administration and corporate costs	(384)	(793)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	42
1.5 Interest and other costs of finance paid	(0)	(0)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(828)</b>	<b>(681)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(22)	(22)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Curent quarter (December 2017) \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(22)</b>	<b>(22)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	5,678	5,531
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(828)	(681)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(22)	(22)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Curent quarter (December 2017) \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	1	1
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>4,829</b>	<b>4,829</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Curent quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	457	1,419
5.2	Call deposits	4,172	4,259
5.3	Bank overdrafts	200	200
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,829</b>	<b>5,678</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

(234)

-

Director's wages, superannuation and reimbursements

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-

-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	200	-
8.2 Credit standby arrangements	405	54
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Loan facilities is an overdraft of \$200,000 provided by CBA at 9.31% secured over assets.

Credit standby arrangements:

- Corporate MasterCard credit cards of \$10,000 provided by CBA at 14.55% secured over assets.
- Pre-approved Equipment loan facility of \$250,000 provided by CBA, interest rate is determined at time of each Equipment loan, secured over assets.
- Corporate Amex credit cards of \$145,000 provided by American Express, interest rate 15%

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(95)
9.4 Leased assets	-
9.5 Staff costs	(920)
9.6 Administration and corporate costs	(405)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(1,420)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  ..... Date: ...31 January 2018.....  
(Company secretary)

Print name: ....Duncan Robert Craig.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.