

**23 April 2018**

Australian Securities Exchange  
20 Bridge Street,  
Sydney NSW 2000

## **Alcidion Appendix 4C – Quarter ending 31 March 2018 (Q3 FY2018)**

**Adelaide, South Australia, 23 April 2018** - Alcidion Group Limited (ASX: **ALC**), today released its Appendix 4C Quarterly Cash Flow statement for the period ending 31 March 2018.

Alcidion's cash balance as at 31 March 2018 was \$3.2 million, with net operating cash outflows for the quarter of \$1,033k and net investing cash outflows for the quarter of \$647k. The net investing cash outflow was associated with Alcidion's acquisition of Oncall Systems and was comprised of the initial cash consideration payable in February 2018 (NZ\$750k less completion adjustments, resulting in a A\$647k cash payment).

Cash receipts from customers were \$519k, broadly in-line with the previous quarter (Q2 FY2018 : \$528k) and were similarly affected by delays in billing cycles as well as the higher volume of work with a completion deadline of 30 June 2018.

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 Q3 FY2018 were \$1.5 million, representing a small increase from the previous quarter (Q2 FY2018 : \$1.3 million) mainly due to increased corporate costs associated with [advisory/legal fees associated with the acquisition of Oncall Systems? *ALC to confirm?*].

### **Completion of Oncall Systems acquisition**

Alcidion announced the completion of the Oncall Systems acquisition on 2 February 2018. Oncall Systems designed Smartpage, a cloud-based, clinical communications suite with three modules for clinical, orderly and emergency messaging. The consideration for Oncall Systems is comprised of two components, the first being the cash payment of NZ\$750k less completion adjustments. This component was paid by Alcidion during Q3 FY2018.

The second component of the acquisition consideration is a purchase price uplift based on a 2x multiple of Oncall's revenue in the first 18 months of Alcidion's ownership, capped at a maximum additional payment of NZ\$2.25m (A\$2.0m). This component is payable 40% in cash and 60% in Alcidion shares and is not payable until FY2020.

### **Smartpage – Monash Health update**

The Clinical module of the proprietary Smartpage messaging technology achieved a successful production deployment at Monash Health in Melbourne in Q3 FY2018. This forms part of the



three year contact between Alcidion and Monash Health in respect of the Smartpage solution, with a value of approximately \$389k.

The after-hours mobile task management solution went live at the Monash Medical Centre and Monash Children's Hospital on 13 March 2018, with the installation running smoothly and completed on time and on budget. Rollout to the remainder of the Monash Health public hospitals is planned within the coming year.

The current contract is set to run for three years, but Monash Health has the option to apply two additional one-year extensions, bringing the potential total contract value to \$500,000.

### **M&A Strategy**

Alcidion continues to assess 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 estimate that cash outflows for the next quarter (Q4 FY2018) will be similar to the cash outflows incurred in Q3 FY2018. It is also estimated that cash receipts in Q4 FY2018 will increase, particularly given end of financial year billing as well as the Company's increasing focus on 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 in FY2019 and beyond.

### 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 MARCH 2018**

<b>Consolidated statement of cash flows</b>	<b>Curent quarter (March 18) \$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	519	2,586
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(105)	(275)
(d) leased assets	-	-
(e) staff costs	(874)	(2,702)
(f) administration and corporate costs	(591)	(1,384)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	18	61
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>(1,033)</b>	<b>(1,714)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(22)
(b) businesses (see item 10)	(647)	(647)
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Curent quarter (March 18) \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2</b> Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other (provide details if material)	-	-
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>(647)</b>	<b>(669)</b>

<b>3.</b> <b>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</b> <b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b> <b>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	4,829	5,531
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,033)	(1,715)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(647)	(669)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Curent quarter (March 18) \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	13	15
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>3,162</b>	<b>3,162</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	372	457
5.2	Call deposits	2,590	4,172
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>3,162</b>	<b>4,829</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**

(184)

-

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**

-

-

-

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	200	-
8.2 Credit standby arrangements	405	65
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%

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
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>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	Oncall Group	-
10.2 Place of incorporation or registration	Auckland, New Zealand	-
10.3 Consideration for acquisition or disposal	647	-
10.4 Total net assets	(3)	-
10.5 Nature of business	Medical IT	-

**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:  .....  
(Company secretary)

Date: ...23 April 2018.....

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.