

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.

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.

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