

**20 July 2018**

Australian Securities Exchange  
20 Bridge Street,  
Sydney NSW 2000

## **Alcidion Appendix 4C – Quarter ending 30 June 2018 (Q4 FY2018)**

**Adelaide, South Australia, 20 July 2018** - Alcidion Group Limited (ASX: **ALC**), today released its Appendix 4C Quarterly Cash Flow statement for the three-month period ending 30 June 2018.

Alcidion's cash balance as at 30 June 2018 was \$3.1 million, with a minimal net operating cash outflow for Q4 FY2018 of \$70k compared to the prior quarter (Q3 FY2018 : \$1,033k outflow), driven by a strong uplift in receipts from customers mostly covering the cost base.

Cash receipts from customers were \$1.6 million, a significant improvement from the previous quarter (Q3 FY2018 : \$519k) reflecting the higher volume of work with a completion deadline of 30 June 2018. Overall, total cash receipts for FY2018 were \$4.2 million, a slight decrease from the previous financial year (FY2017 : \$4.4 million).

Staff costs and corporate costs in Q4 FY2018 were \$1.6 million, representing a small increase from the previous quarter (Q3 FY2018 : \$1.5 million) mainly due to increased corporate costs associated with the completion of Alcidion's transformative acquisition of MKM Health and Patientrack which occurred just subsequent to the reporting period. Alcidion incurred approximately \$205k of non-recurring acquisition-related advisory and integration costs during Q4 FY2018.

### **Completion of MKM Health and Patientrack acquisition**

Alcidion announced the completion of the MKM Health and Patientrack acquisition on 3 July 2018. MKM Health is a leading provider of IT solutions to healthcare providers across Australia and New Zealand, and UK-based Patientrack is a world leading supplier of healthcare software targeted at improving patient safety in hospitals.

This acquisition is transformative for Alcidion and creates a new and leading specialist healthcare IT solution provider focused on "next generation" decision intelligence and analytics technology with established customers across three geographic markets – the UK, Australia and New Zealand.

Consideration for the acquisition is comprised of a scrip component and a cash component. The scrip component was satisfied by the issue of approximately 198 million Alcidion shares at 5.05c per share (equivalent to approximately \$10 million). The cash consideration of \$2 million (subject to completion adjustments) is expected to become payable to the MKM Health and Patientrack shareholders during the second and third quarters of FY2019 and will be funded from Alcidion's existing cash reserves.

Further contingent consideration of \$4 million is payable in Alcidion shares in twelve months subject to the revenue and EBITDA performance of MKM Health and Patientrack over this period.

### **Contract wins**

Patientrack announced in May 2018 that it had signed contract extensions for the continued and expanded use of its proprietary Patientrack software in four of its flagship National Health Service (NHS) Trusts in England and Scotland. The contract extensions are for between periods of one to three years and have a combined value of \$890,000.

During the quarter, MKM Health also signed a three-year development & support contract with eHealth NSW, to supply development and support of integration services on the Enterprise Service Bus (ESB) and Enterprise Patient Repository (EPR) platforms, with a value of up to \$3.8 million.

MKM Health also announced in May 2018 that it had entered into a global reseller agreement with NextGate Solutions Inc., a global leader in healthcare enterprise identification. This will enable MKM Health to extend its scope of system integration and data management services offered to the Australian and New Zealand health care sectors.

Additionally, Alcidion has also recently announced a significant contract win and a number of contract extensions, subsequent to the Q4 FY2018 reporting period.

On July 5 2018 Alcidion announced it has signed a five year contract with ACT Health with a value of \$4.75 million to deploy a Electronic Patient Journey Board solution, that fully integrates the Miya Flow, Patientrack and Smartpage software components. The solution, which has been licenced Territory wide, will initially be rolled out at the Canberra Hospital and the new University of Canberra Hospital with over 800 beds. The contract includes an initial services payment to Alcidion of \$629k for installation, customisation, implementation and training.

Alcidion also announced on 19 July 2018, it has signed three-year contract extensions with the Northern Territory Department of Health for the provision of its Miya software across six hospital sites. The contract value is approximately \$888k p.a, with a total contract value of \$2.6 million, and two options for one-year contract extensions.

### **Outlook**

On the basis of the contract wins outlined above, and the full integration of the MKM Health and Patientrack business which has commenced in the current quarter, Alcidion expects to deliver continued growth in its customer and revenue base in FY2019.

As outlined in the Appendix 4C, Alcidion also expects its cost base to increase next quarter reflecting the increased scale of the business following the acquisitions.

**### ENDS ###**

For further information, please contact:

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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")**

**30 JUNE 2018**

<b>Consolidated statement of cash flows</b>	<b>Curent quarter (JUNE 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	1,580	4,165
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(106)	(381)
(d) leased assets	-	-
(e) staff costs	(880)	(3,582)
(f) administration and corporate costs	(677)	(2,060)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	74
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>(70)</b>	<b>(1,784)</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)
(c) investments	-	-

Consolidated statement of cash flows		Curent quarter (JUNE 18) \$A'000	Year to date (12 months) \$A'000
	(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</b>	<b>Net cash from / (used in) investing activities</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>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	3,162	5,531
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(70)	(1,784)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(669)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Curent quarter (JUNE 18) \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(2)	12
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>3,090</b>	<b>3,090</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Curent quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,237	372
5.2	Call deposits	1,653	2,590
5.3	Bank overdrafts	200	200
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,090</b>	<b>3,162</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**

-

-

-

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	410	44
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%
- Corporate Visa credit card of NZD5,000 provided by ASB, interest rate 20.95%

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	(250)
9.4 Leased assets	-
9.5 Staff costs	(2,660)
9.6 Administration and corporate costs	(890)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(3,800)</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	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: ...20 July 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.