

12 October 2018

Australian Securities Exchange
20 Bridge Street,
Sydney NSW 2000

Alcidion Appendix 4C – Quarter ending 30 September 2018 (Q1 FY2019)

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

This is the first quarterly report for the Alcidion Group that includes MKM Health and Patientrack, following the completion of this acquisition on 3 July 2018.

The company delivered a positive operational cash flow for Q1FY19 of \$221,000 compared to the prior quarter (Q4 FY2018: cash outflow of \$70,000). Cash receipts from customers were \$5.1 million, compared to \$1.6 million in Q4 FY18.

Administration and corporate costs for the expanded group were almost double the previous quarter at \$1.3 million, but included one-off M&A costs of \$195,000. Staff costs for the expanded group were \$3.0 million in Q1 FY19 (Q4 FY18: \$0.9 million), which included the payment of annual bonuses. Staff costs are expected to stabilise at around \$2.9 million per quarter moving forward.

Alcidion's cash balance as at 30 September 2018 was \$2.8 million which was \$273,000 below the previous quarter due to investments of \$326,000 in equipment and an initial payment of cash consideration relating to the acquisition of MKM Health.

“This is a very positive result for Alcidion which clearly demonstrates the impact of the MKM Health and Patientrack acquisition in delivering a strong uplift in quarterly revenue and improved cash flow,” said Alcidion Executive Chairman Ray Blight.

“It was particularly pleasing to achieve positive operational cash flow, despite incurring significant one-off costs relating to the acquisition.”

Q1FY19 Sales Update: Total Contract Value (TCV) of \$9.1 million secured in Q1 comprised of new contracts and renewals

During the quarter, the combined group signed or renewed approximately 30 contracts, for Alcidion's products (Miya, Patientrack and Smartpage) and specialist IT services, with a TCV of \$9.1 million.

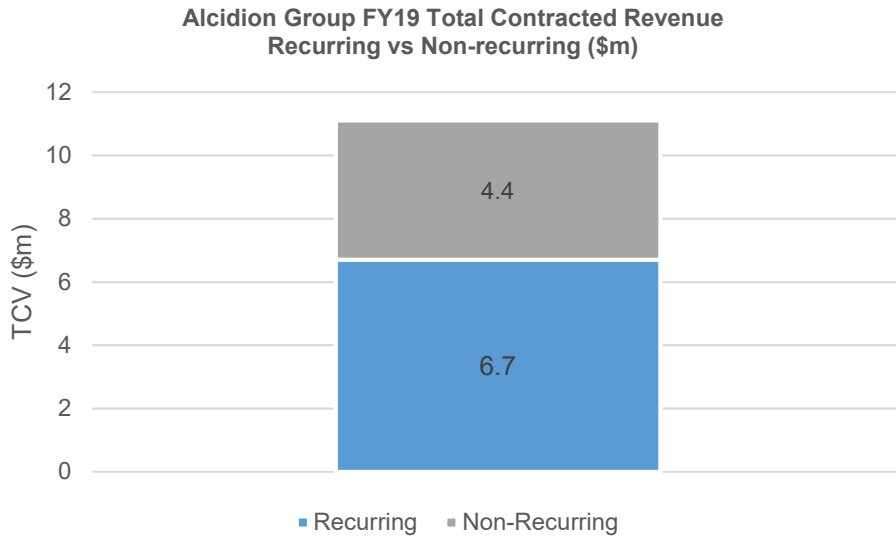
Material contract wins announced to the market during the quarter were:

- **ACT Health** - a five-year deal valued at over \$4.75 million with ACT Health to deploy an Electronic Patient Journey Board solution, and the first deployment of a fully integrated Miya Flow, Patientrack and Smartpage offering
- **Northern Territory Department of Health** - Contract Extension – TCV \$2.6 million over three years.
- **Alfred Health** – Strategic collaboration to deliver data management capability (contract terms not disclosed).

Contracted Revenue: Growing pool of revenue to be recognised in FY19 and beyond

At the end of Q1, the company already has a total of \$11.1 million contracted revenue (including services and product related fees), which are currently scheduled to be recognised in FY19; and a further \$18.2 million contracted revenue which will be recognised over the next five years.

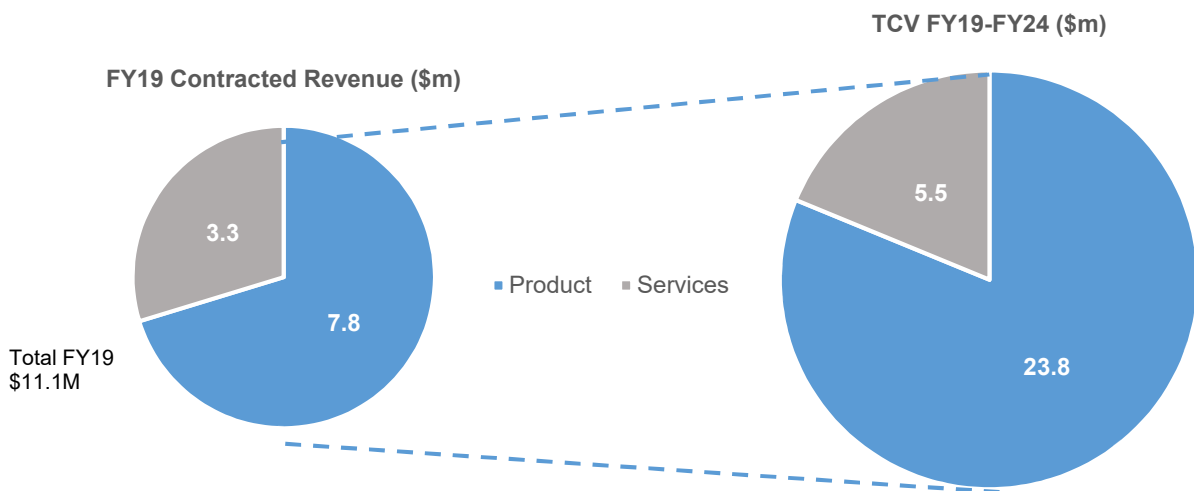
The Contracted Revenue for FY19 is comprised of \$6.7 million in recurring revenue and \$4.4 million in non-recurring revenue.



Alcidion’s product contracts (Miya, Patientrack and Smartpage) consist of upfront fees for installation, implementation and training, which are recognised on completion of the software installation, as well as licence fees which are generally recognised over the contract term.

Most service contracts relate to projects that are generally less than 12 months in duration and are accordingly classified as non-recurring with most of the revenue typically recognised in the year that the contract is signed. Some technical service contracts are for the provision of recurring services that are renewed year on year or are contracted for extended periods of three to five years. These service contracts are classified as recurring revenue.

The graph below shows the contracted revenue for FY19, and the total contracted revenue for FY19 – FY24 inclusive.





Summary

Alcidion Chief Executive Officer, Kate Quirke said: “We are very encouraged by the strong first quarter performance of the combined Alcidion group and were delighted to deliver our first combined sale of Miya, Patientrack and Smartpage during the period.

“The integration of the businesses is now almost complete and key management are able to refocus on sales and marketing activities which are expected to underpin solid sales growth during the remainder of FY19 and beyond.

“The focus is on advancing the cross-selling opportunities that have been created by having a larger, international customer base, a broader, complementary and increasingly integrated product suite supported by strengthened go-to-market capabilities,” concluded Ms Quirke.

ENDS

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About Alcidion

Alcidion Group Limited (ASX:ALC) has a simple purpose: to make healthcare better with smart, intuitive solutions that meet the needs of hospital and allied healthcare, worldwide. The Group consists of three healthcare software companies; Alcidion Corporation, Patientrack and Smartpage, and MKM Health, an IT solutions and services provider. Each company brings a complementary set of products and skills that create a unique offering in the global healthcare market; solutions that support interoperability, allow communication and task management, and deliver clinical decision support at the point of care to improve patient outcomes. With over 25 years of combined healthcare experience, the Alcidion Group of companies brings together the very best in technology and market knowledge to deliver solutions that make healthcare better for everyone.

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 SEPTEMBER 2018

Consolidated statement of cash flows	Curent quarter (SEPTEMBER 18) \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,061	5,061
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(161)	(161)
(d) leased assets	(26)	(26)
(e) staff costs	(3,004)	(3,004)
(f) administration and corporate costs	(1,269)	(1,269)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	11
1.5 Interest and other costs of finance paid	(0)	(0)
1.6 Income taxes paid	(92)	(92)
1.7 Government grants and tax incentives	-	-
1.8 Other – GST received/(paid)	(299)	(299)
1.9 Net cash from / (used in) operating activities	221	221

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(61)	(61)
(b) businesses (see item 10)	-	-
(c) investments	(265)	(265)

Consolidated statement of cash flows	Curent quarter (SEPTEMBER 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)	-	-
2.6 Net cash from / (used in) investing activities	(326)	(326)

3. Cash flows from financing activities		
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	61	61
3.6 Repayment of borrowings	(241)	(241)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(180)	(180)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	3,090	3,090
4.2 Net cash from / (used in) operating activities (item 1.9 above)	221	221
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(326)	(326)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(180)	(180)

Consolidated statement of cash flows		Curent quarter (SEPTEMBER 18) \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	11	11
4.6	Cash and cash equivalents at end of quarter	2,817	2,817

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	2,356	1,237
5.2	Call deposits	261	1,653
5.3	Bank overdrafts	200	200
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,817	3,090

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**

(180)

-

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. Financing facilities available <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.
 - o \$60,662 has been utilised to purchase Laptop equipment of an 18-month period at 5.54% interest rate.
- 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%

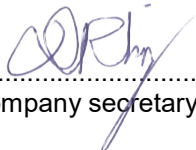
9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(250)
9.4 Leased assets	(26)
9.5 Staff costs	(2,874)
9.6 Administration and corporate costs	(890)
9.7 Other - GST received/(paid)	(300)
9.8 Total estimated cash outflows	(4,340)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	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:
(Company secretary)



Date: ...12 October 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.