



**15 October 2018**

Australian Securities Exchange  
20 Bridge Street,  
Sydney NSW 2000

### **Alcidion – Updated Investor Presentation**

**Adelaide, South Australia** – Alcidion Group Limited (ASX:ALC) has today lodged an updated investor presentation.

Executive Chairman, Ray Blight and Director and CEO, Kate Quirke will be conducting an institutional investor roadshow in Melbourne and Sydney on October 15 – 18. A group briefing for existing investors is also being held in each city.

**### 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](http://www.alcidion.com)

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# Investor Presentation

## Creating a leader in healthcare analytics

Ray Blight, Executive Chairman & Kate Quirke, Director and CEO

October 2018



# The market for healthcare analytics



The shift to digital patient data is driving the need for real-time healthcare analytics

- Patient data is increasingly moving to digital
- Current health IT systems negatively impact productivity
- Clinical risk and avoidable errors remain a major issue
- Disparate legacy IT systems and manual communication tools exacerbate the problem
- Significant market exists for healthcare analytics technology
- Alcidion's products provide a critical line of defence to:
  - improve patient outcomes
  - reduce avoidable errors
  - better manage resources
- Alcidion products support better and faster decisions for safe, efficient and cost effective patient care

**21.5% p.a. growth**

in the Clinical Decision Support Market (2013-2018)

(Source: IndustryARC)



**UK  
Government  
allocated  
£4 billion**

to transition the National  
Health Service into a paperless  
environment

**~\$40 billion  
spent in the US**

in digitising patient data via  
EHR and other systems, in  
accordance with the US  
Patient Protection and  
Affordable Care Act

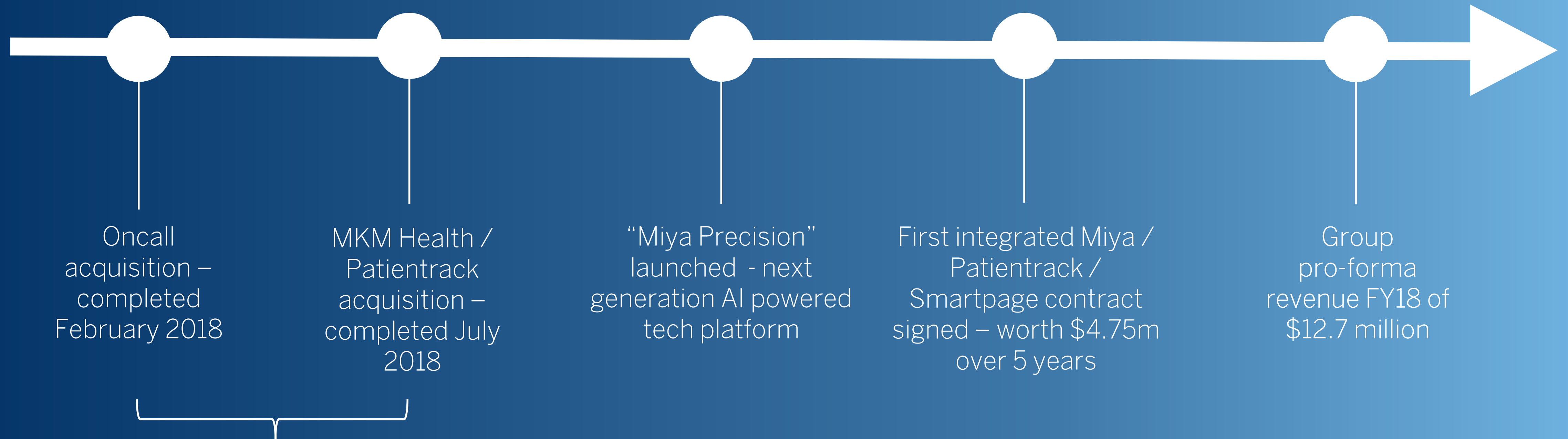




# Our transformation over the past 12 months



Leading core technology (Miya) + acquisitions (MKM and Oncall)  
= a market leading proposition



Two acquisitions delivered a diversified product platform, enhanced IT and sales capability, significantly improving the Company’s financial position

## MKM Health / Patientrack acquisition – completed July 2018

Consideration \$12 million, with \$10 million in ALC shares and further \$2 million cash

Additional \$4 million payment in FY19 in ALC shares – subject to performance hurdles

Profitable business with existing customer base in UK, NZ and AU provides cross selling opportunity

Strengthens strategic capability of the group with a proven go-to-market capability

## Oncall acquisition – completed February 2018

Leading cloud-based, clinical communication system

Initial consideration NZ\$750K plus NZ\$2.25 million in FY20 (60% shares and 40% cash) - subject to performance

Reseller agreement with ALC + product integration with Miya in place, prior to acquisition

Combined product offering strengthens Alcidion's competitive advantage

# The Alcidion business today



A health informatics company specialising in clinical productivity, safety and efficiency



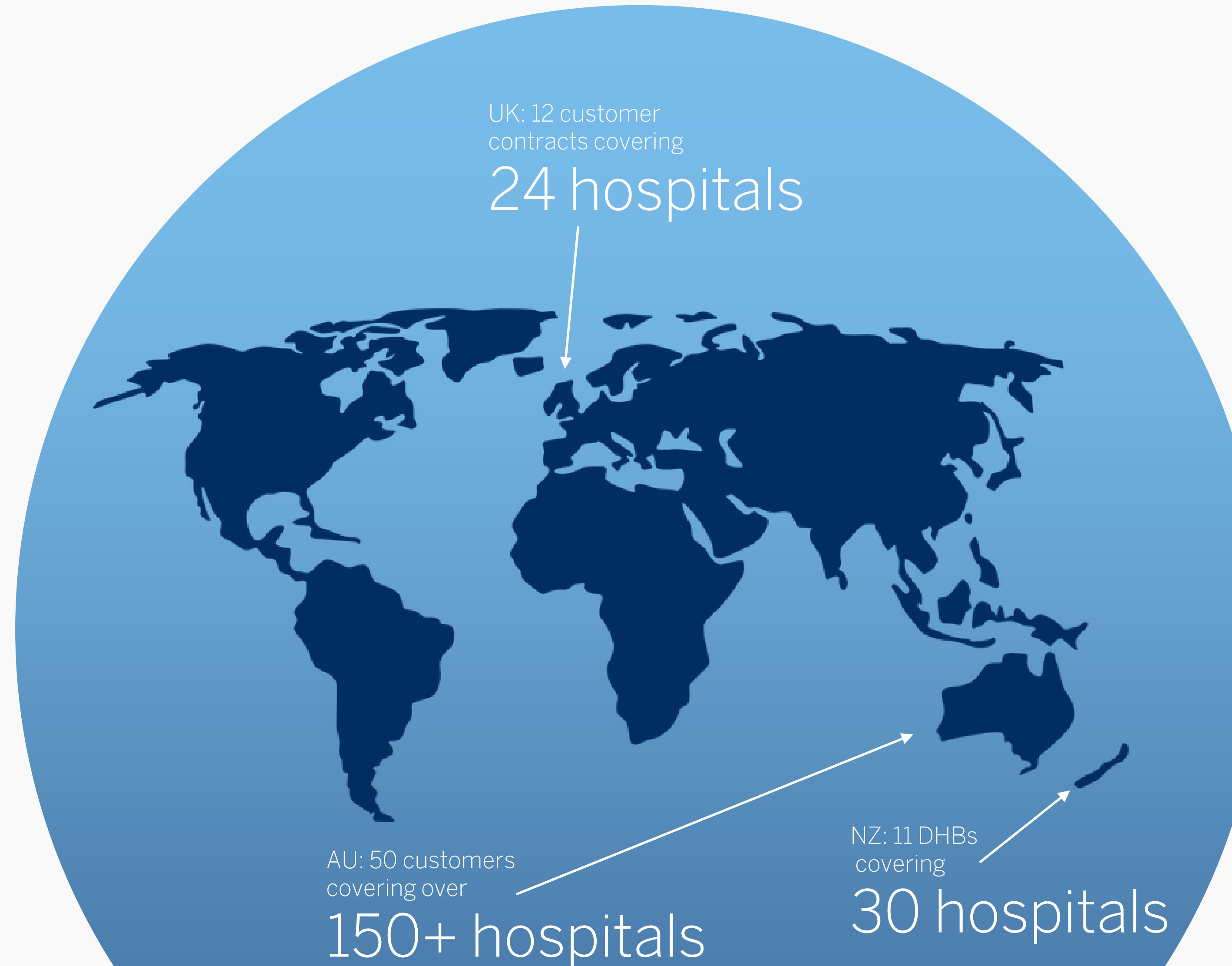
Unique product offering underpinned by leading edge, adaptable, platform technology



Solid base of contracted revenue, high potential for growth to existing and new customers



Highly experienced board & management leaders in healthcare IT and technology development, with proven go-to-market capability



# Alcidion's Miya platform



Core clinical decision technology – now enhanced for Healthcare Analytics

- Differentiated healthcare analytics/CDS platform that:
  - Integrates all patients vital information, both from point of care solutions and other hospital IT database systems, to simplify access to data
  - Monitors data and alerts clinicians to emerging risks, in real time
  - Extended for AI, performance metrics and advanced analytics
- Consolidates and drives value from the customer's data investments (leverages value from other vendor software)



Solves clinical & business problems in real-time

- Powerful armoury to attack avoidable errors and injury
- Raises care team productivity, more time for direct patient care
- Enhances business processes/workflows, improves revenue and efficiency, and lowers costs



# New platform technology + proven apps + trusted expertise



## Miya

- Next generation technology
- Artificial Intelligence predictive analytics, cloud based
- Alerts clinicians to risks
- Multiple products improving safety, productivity and accuracy of billing



- A leading clinical messaging solution
- Smartphone enabled technology, replacing legacy communication systems
- Three modules – clinical, orderly and emergency



- Patient safety & workflow software solution
- Digital & mobile bedside app capturing vital signs, early warning scores & clinical responses
- Electronic completion and processing of over thirty patient assessments
- 10,000 licensed beds served to date across 40 hospitals in AU, NZ and UK



- Established provider of IT solutions and services working exclusively in health
- Specialized health IT advisory, implementation and integration projects
- Experts in data management & analytics, integration & operability, managed services



# Competitive advantage



Converts “commodity” data into decision intelligence for high performance

High value intelligence automatically pushed to the user (clinical & logistics)



**Analytics/AI Layer**  
Next generation apps to solve errors, raise productivity and improve care outcomes

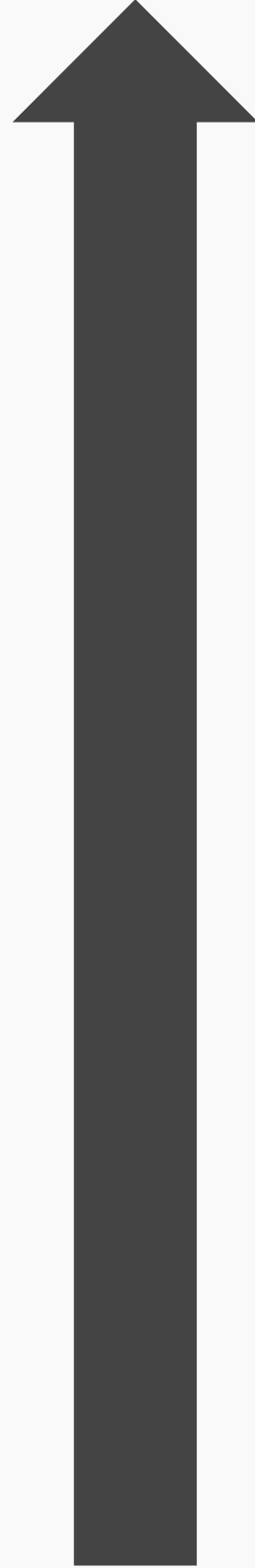
**Process/Presentation Layer**  
Speeds up care team workflows and business logistics

**Data Layer**  
Next generation apps to solve errors and improve outcomes

- LABS/RADIOGRAPHY
- EHR
- PATIENT ADMINIS
- DEPARTMENT SYSTEMS



High Service Value



Commodity Value

# Alcidion's Patientrack



Leading digital healthcare solution, highly complementary to the Miya product suite

- Best-in-class patient safety software, developed with clinicians and evolved over eight years
- Complete digital and mobile bedside patient data collection solution which improves patient safety and the efficiency and quality of care in an easy-to-use application
- Real time data available at the point of care
- Captures Early Warning Scores (EWS), clinical responses to EWS and assessment protocols – key to early intervention
- Clinical data focused on improved patient outcomes and enhanced economic benefits

*“Any clinician can instantly see the profiles of the sickest patients in the hospital. Patientrack has helped us introduce some of the biggest and most immediate changes in clinical practice I have ever seen.”*

*Dr Gavin Simpson, Critical Care Consultant, NHS Fife Scotland*

**40** acute hospitals using Patientrack solution in proven deployments across UK & ANZ

**10,000**  
licenced beds served to date

**20,000**  
active users

**500** Million  
vital signs analysed

**80%** Reduction in cardiac arrests + 20% reduction in hospital stay demonstrated in clinical trials

# Market opportunity – AU, NZ, UK

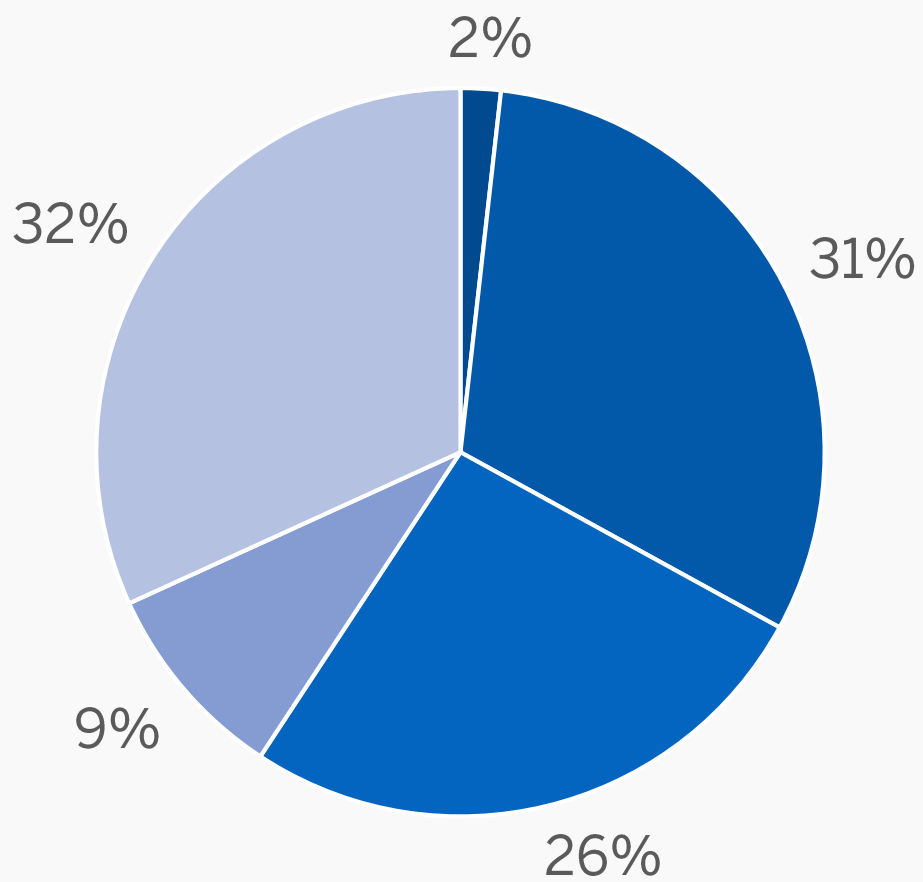


- International expansion initially focused where current customers exist - AU, NZ and UK
- Significant opportunity to cross-sell
- Market adoption remains at an early stage with strong global growth drivers including need to eliminate preventable patient deaths and avoidable cardiac arrests

- In 2016, the number of hospital beds across these regions:
  - 145,000 in UK & Ireland
  - 700,000 in Europe
  - 62,000 in Australia and New Zealand

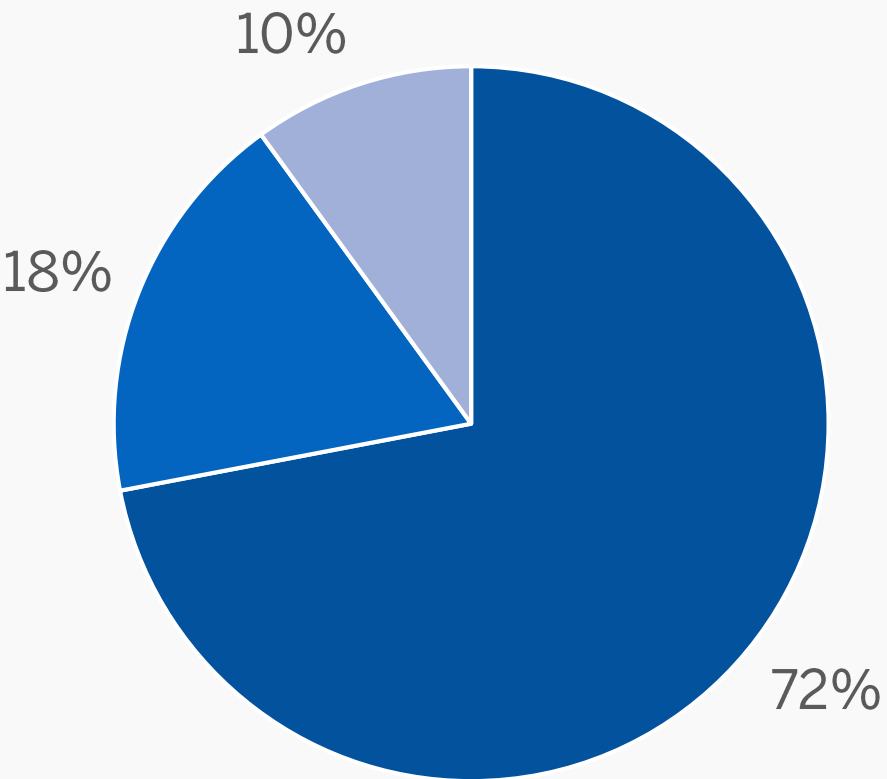
*Source: OECD, UK Department of Health, Australian Institute for Health & Welfare, Health USA  
Europe includes Germany, France, Italy, Netherlands, Sweden & Switzerland*

Group Revenue by product / services (FY18 pro forma)



■ Smartpage ■ Miya ■ Patientrack ■ MKM other Product ■ Services

Group Revenue by geography (FY18 pro forma)



■ Australia ■ NZ ■ UK

source – management estimates



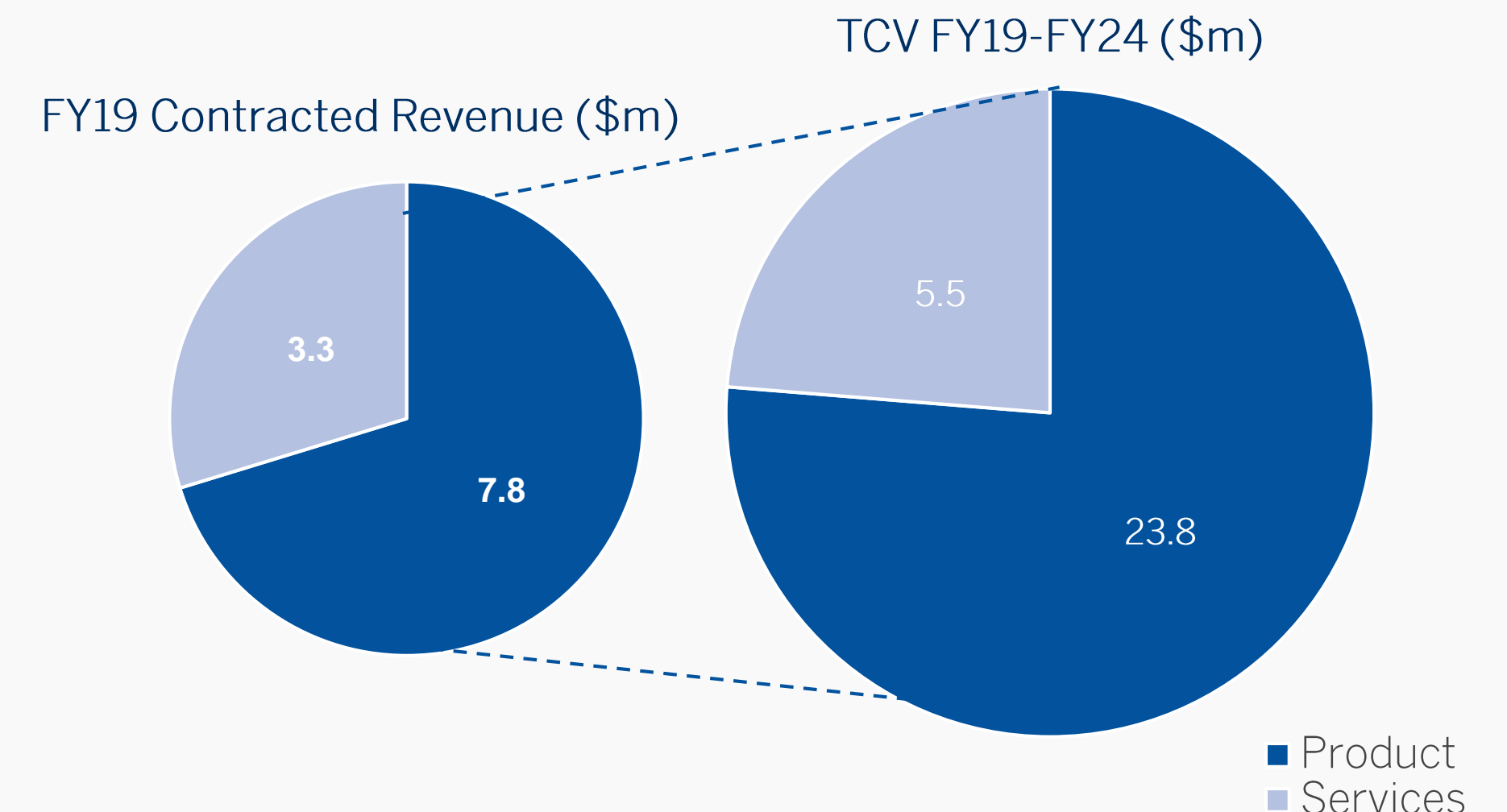
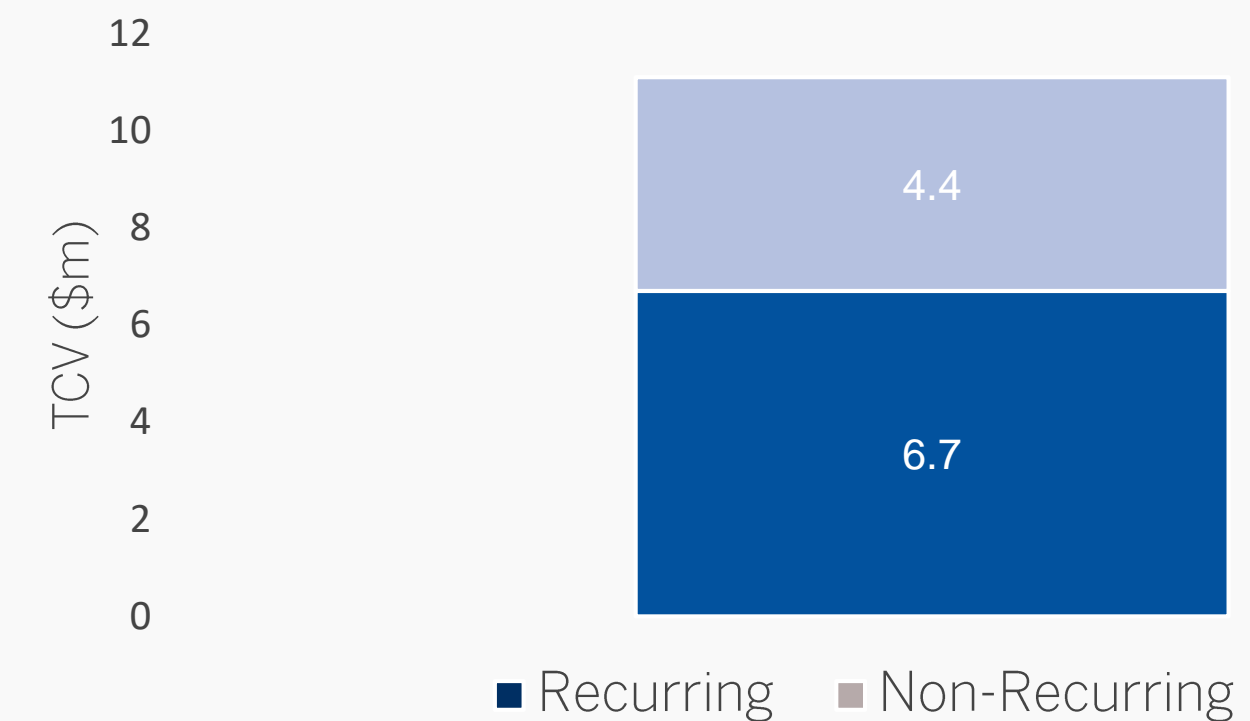
# Q1 FY19 Highlights



First quarter as the expanded Alcidion group delivers impressive growth in contracted revenue

- \$9.1 million Total Contract Value (TCV) secured in Q1
  - 30 new contracts and renewals
- Total contracted revenue of \$29.3 million (out to FY24)
- \$11.1 million scheduled to be recognised in FY19
- Solid base of recurring revenue
- 70% of FY19 contracted revenue generated from products (Miya, Patientrack and Smartpage) – includes upfront and recurring licence fees
- \$5.1m cash receipts from customers resulting in positive operational net cash flow of \$221K, despite acquisition costs incurred in quarter

Alcidion Group FY19 Contracted Revenue  
Recurring vs Non-recurring (\$m)



# Diverse client base



Department of Health



MELBOURNE HEALTH



Royal Adelaide Hospital





# FY18 pro forma financials



- Group pro forma revenue \$12.7m – after downward adjustments to align revenue recognition with ALC accounting standards
  - Eg, Deferment of approximately \$600K unearned revenue
- Pro forma FY18 net loss of \$1.6 million – includes \$1m one off M&A costs and \$675K one-off additional expenses from alignment with ALC accounting standards
- Patientrack contracts transition to annual / subscription licensing as market accepts these pricing models
- New revenue recognition rules resulting in phased recognition of upfront licence fees vs immediate recognition on invoicing
  - Eg, \$1.5 million Hunter New England Patientrack licence fee booked in FY17 would be recognised over the following 12-18 months

	Alcidion FY18 (\$M) Audited	MKM Group FY18 (\$M) Unaudited	Combined Group pro forma FY18 (\$M) Unaudited
Revenue	4.2	8.5	12.7
COGS	(1.2)	(5.5)	(6.8)
Gross Profit	2.9	3.0	5.9
Operating Costs	(5.1)	(2.0)	(7.1)
EBITDA	(2.2)	.9	(1.3)
Net Income	(2.1)	.4	(1.6)



# Growth strategy



	Key Initiatives	Implementation Progress	
Business Integration	Consolidate and integrate the acquired businesses		<ul style="list-style-type: none"> <li>• Senior management roles and team have been established</li> <li>• Back office functions, including Group Financial Controller recruitment underway</li> <li>• Cross training of sales and marketing team complete</li> <li>• Product integration largely complete</li> </ul>
Growth	Focus on sales to existing customer base/territory		<ul style="list-style-type: none"> <li>• Invest in sales and marketing resource – have appointed new sales executive and engaged marketing program for UK</li> <li>• Responding to opportunities</li> <li>• Focus on key reference sites and established customers – ACT Health project and Mid Central DHB</li> <li>• Grow pipeline – pipeline has some solid opportunities with increasing ability to meet market needs demonstrated in number of tender responses</li> <li>• Speed up pipeline conversion – focus on existing customer contracts and relationships</li> </ul>
Lead	Continue to evolve innovative offering of advanced patient safety analytics and AI in Cloud		<ul style="list-style-type: none"> <li>• Expand the analytics offerings in 2018 into new high risk patient safety areas</li> <li>• Establish further global partnerships to evolve complete offering</li> <li>• Execute Proof of Concept (PoC) for new platform capabilities in AI and machine learning</li> </ul>
Expand	Drive international growth		<ul style="list-style-type: none"> <li>• Invest in existing markets in UK and NZ</li> <li>• Use UK as platform to enter near geographies</li> <li>• Identify partners with access to new markets such as Asia and North America</li> </ul>

# Why invest in Alcidion

- The digitisation of healthcare is driving demand for better healthcare analytics and clinical decision support systems
- Miya platform – leading edge technology – leverages AI and data to highlight risk, prevent error and improve productivity
- Complementary product suite + specialist healthcare IT capability has created a highly differentiated and competitive offering
- Attractive outlook as business completes shift from technology development to focusing on commercialisation
- Near-term value creation with completion of integration and focus on cross-selling opportunities
- Leadership team combines technology leadership, specialist healthcare IT and proven sales and marketing capability
- Clear pathway to cash flow generation and profitability
- Ongoing focus on investment in technology to address major patient safety issues across all western health systems



# Company snapshot



## Capital Structure

Ordinary Shares on issue	805.7m
Share price (3 month VWAP July-Sep 2018)	0.048
Market Capitalisation	\$32.2m
Net Cash (30/9/18)	\$2.8m
Enterprise Value	\$29.4m

## Major Shareholders

Name	Shares Held	% of Shares on issue
Dr. Malcolm Pradhan	134.6m	16.7%
Mr Ray Blight	94.8m	11.8%
BSPE Medical Technology Pty Ltd (Blue Sky)	84.9m	10.5%
Isle of Wight Pty Ltd (Colin Mackinnon – MKM Health)	42.9m	5.3%
Caledonia Nominees Pty Ltd (Donald Kennedy – Patientrack)	42.8m	5.3%
Ms Kate Quirke	29.1m	3.6%
<b>Top 20 Holders</b>	<b>528m</b>	<b>65.5%</b>

## Share Price / Volume History (last 12 months)



SOURCE: Iress; S&P Capital IQ

## Board

Name	Position
Ray Blight	Executive Chairman
Kate Quirke	Executive Director
Dr. Malcolm Pradhan	Executive Director
Nick Dignam	Non-Executive Director
Geoff Rohrsheim	Non-Executive Director
Rebecca Wilson	Non-Executive Director



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