

**23 July 2019**

Australian Securities Exchange  
20 Bridge Street,  
Sydney NSW 2000

### **Alcidion delivers positive cash flow for Q4 and FY19 overall**

#### **Highlights**

- Positive operating cash flow of \$566K for final quarter
- Cash flow surplus from operations of \$2.1M for FY19 overall, improved cash position of \$3.4M
- FY19 final revenue likely to be in range \$16.5M to \$16.9M subject to final year-end adjustment
- Strong start to FY20, with \$11.7M sold revenue to be recognised in FY20 and a further \$19.5M out to 2024
- Strategic reseller agreement signed with Better by Marand for Medications Management

**Adelaide, South Australia** – Alcidion Group Ltd (ASX:ALC) today released its Appendix 4C quarterly cash flow statement for the three month period ended 30 June 2019 (Q4 FY19).

The company delivered a net operating cash flow surplus of \$566K in Q4, the second consecutive quarter of positive operating cash flow. The company delivered a net operating cash flow surplus of \$2.1M for FY19, after three cash flow positive quarters and one quarter (Q2) with a small negative cash flow.

Available cash reserves are now \$3.4M, up from \$2.9M at the end of Q3.

Cash receipts for the quarter were \$6.1M, in line with Q3. Operational cash outflows for Q4 were approximately \$700k higher than Q3, primarily due to the payment of \$400K in VAT on UK Q3 sales, sales commissions related to these two major UK contracts, and advance payment of superannuation contributions for Q4.

Operational cash outflows in Q1 FY20 are forecast to be similarly higher than usual, due to the payment of annual performance bonuses, changed timing of PAYG payments and further planned investments relating to completing the operational integration of the businesses acquired in FY2019, predominantly around branding and market presence.

#### **Business Update Q4 FY19**

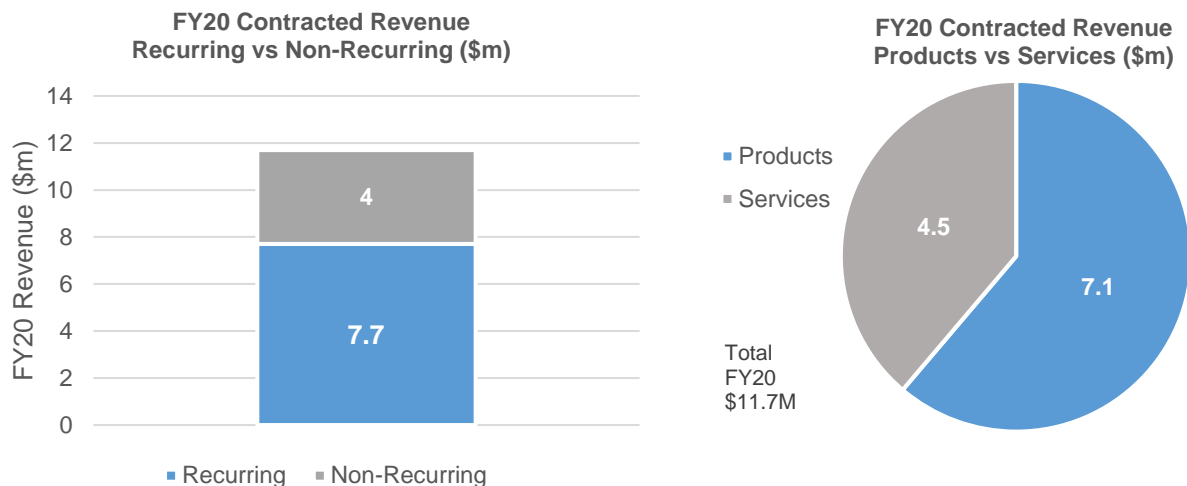
The company signed 23 new contracts during the quarter, with a total contract value (TCV) of \$1.8M, capping off a strong year of sales and contributing to a pipeline of revenue to be recognised in future periods.

During this quarter, Alcidion announced the signing of a contract for the development of the national Child Digital Health Record (CDHR) which is to be trialled in two NSW Health Districts. The CDHR initiative will provide a digital record of children's health and development information, currently captured in hard copy 'baby books'. Total value of the contract is ~\$700k.

Other new contracts were renewals of annual support contracts, as well as short term services contracts, the revenue from which was partly recognised in Q4 and the balance to be recognised in FY20.

The company enters FY20 with a positive outlook with \$11.7M in contracted revenue to be recognised in FY20. By comparison, it wasn't until the end of Q1 FY19, that Alcidion had \$11.1M in contracted revenue to be recognised that year.

An additional \$19.5M of future sold revenue will be recognised out to FY24.



In April, Alcidion entered into a reseller agreement with European healthcare software provider Better by Marand, to sell its electronic medication management system, OPENeP, in the UK, Australia and New Zealand. This is part of Alcidion's strategy to establish partnerships with complementary technology platforms, enabling the company to offer a best-in-breed solution that covers a wide range of clinical needs. The company was recently selected as preferred supplier of the OPENeP solution, to Dartford and Gravesham NHS Trust in the UK. This contract is still subject to negotiation and final approval.

Interest in the Alcidion platform continues to grow and future growth will be driven by Alcidion's own Miya, Patientrack and Smartpage products, as well as continuing strong demand for Alcidion's proven expertise as a health systems integrator.

### Transformative year as expanded Alcidion quadruples revenue

The company will report its final revenue for FY19 with the release of the audited financial results due to be lodged with the ASX in line with reporting requirements. We expect FY19 revenue to be between \$16.5M to \$16.9M subject to any final year-end adjustments, which is approximately four times the \$4.2M Alcidion Group revenue in FY18. It also represents a solid 30% increase in revenue over the unaudited pro forma FY18 revenue for the combined companies of \$12.7M.

Managing Director of Alcidion, Kate Quirke said: "Alcidion has delivered on its promise that FY19 would be a transformative year. We have successfully integrated the acquired businesses, strengthened and integrated the product suite and enhanced third party relationships, expanded the customer base and built upon our UK market presence.

"Our commercial success demonstrates that we have been able to gain market acceptance for the combined Alcidion proposition in our three main territories. In particular, the signing of our first integrated Miya, Patientrack and Smartpage installations, with leading hospitals in Australia and overseas, also marks an important milestone and validation.

"We have achieved positive operational cash flow for the year and have used that to rebuild cash reserves, thereby strengthening our balance sheet, all whilst acquiring the Oncall Systems, MKM Health and Patientrack businesses over the last 18 months. We enter FY20 with a strong outlook based on the current contracted revenue and our healthy sales pipeline."

### **New Non-Executive Director Appointed**

During the quarter, Simon Chamberlain was appointed to the role of Non-Executive Director. An accomplished executive and business leader with a skillset that strongly complements Alcidion's Board, Mr Chamberlain's 20-year career spans executive roles at high profile companies including General Manager at Medibank Private, Executive Manager of Qantas Airways' Hooroo business, and most recently in his current role as General Manager at MedAdvisor (ASX: MDR).

### **Company Secretary Resignation**

Alcidion also advises that joint company secretary Michael Sapountzis has resigned. Melanie Leydin, currently joint company secretary, will be the sole company secretary.

### **Investor Conference Call**

Alcidion Managing Director Kate Quirke is hosting a conference call with investors this morning at 9:15am Australian Eastern Standard Time (AEST).

#### **Call details:**

Australia:	1800 558 698
Alternate Australia:	1800 809 971
Hong Kong	800 966 806
Singapore:	800 101 2785
United Kingdom:	0800 051 8245
United States:	1 855 881 1339

**Conference ID: 379155**

**### ENDS ###**

For further information, please contact:

**Kyahn Williamson, WE Buchan**

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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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## 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 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$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	6,124	21,501
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(214)	(523)
(d) leased assets	(19)	(102)
(e) staff costs	(3,406)	(12,682)
(f) administration and corporate costs	(1,188)	(4,381)
1.3 Dividends received	-	-
1.4 Interest received	1	15
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	(92)
1.7 Government grants and tax incentives	-	-
1.8 Other – GST received/(paid)	(731)	(1,664)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>566</b>	<b>2,072</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(65)
(b) businesses (see item 10)	-	(1,495)
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$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	-	-
2.5 Other	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(1,560)</b>

<b>3. 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	-	61
3.6 Repayment of borrowings	(11)	(276)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(11)</b>	<b>(216)</b>

<b>4. 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	2,858	3,090
4.2 Net cash from / (used in) operating activities (item 1.9 above)	566	2,072
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(1,560)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(11)	(216)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(42)	(15)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>3,371</b>	<b>3,371</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>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,171	2,658
5.2	Call deposits	-	-
5.3	Bank overdrafts	200	200
5.4	Other	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,371</b>	<b>2,858</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**

(161)

-

Directors' 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	410	42
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:

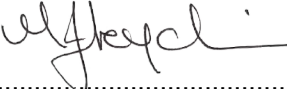
- Corporate MasterCard credit cards of \$10,000 provided by CBA at 14.55% secured over assets
- Pre-approved Equipment loan facility of \$250,000 provided by CBA, interest rate is determined at time of each Equipment loan, secured over assets.
  - o \$60,662 has been utilised to purchase Laptop equipment 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%

<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	(193)
9.4 Leased assets	(21)
9.5 Staff costs	(3,628)
9.6 Administration and corporate costs	(1,622)
9.7 Other – GST received/(paid)	(290)
<b>9.8 Total estimated cash outflows</b>	<b>(5,754)</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	MKM Health Pty Ltd	-
10.2 Place of incorporation or registration	New South Wales, Australia	-
10.3 Consideration for acquisition or disposal	11,543	-
10.4 Total net assets	(822)	-
10.5 Nature of business	Medical IT Products and Services	-

### 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 July 2019

Print name: Melanie Leydin

### 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.