ALCIDION

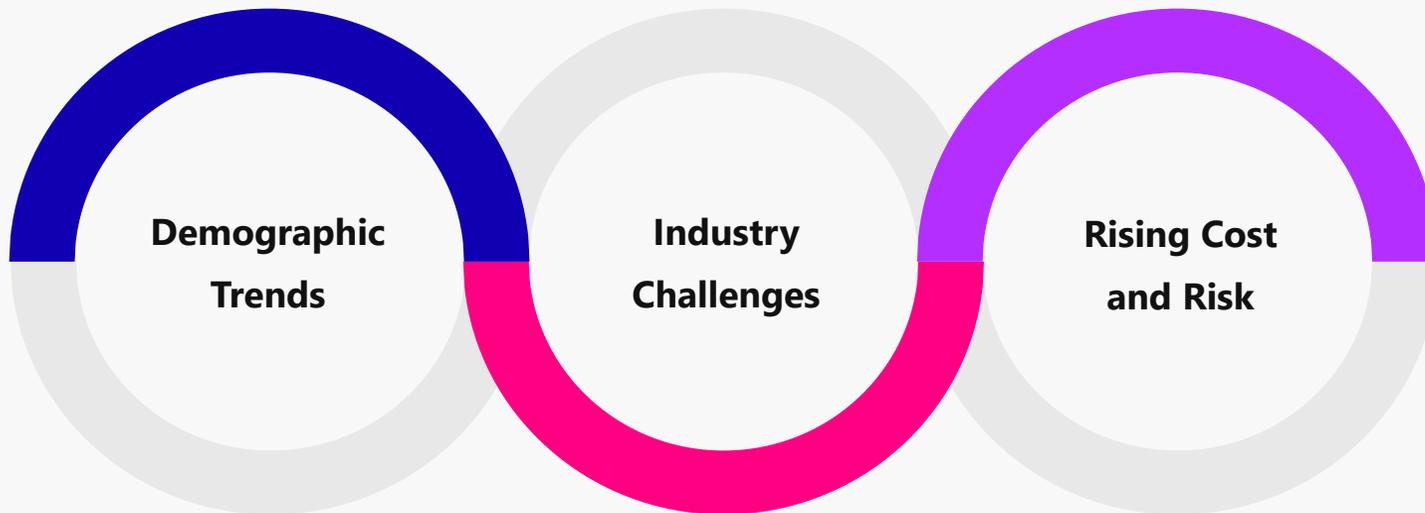# Investor Presentation

Leading the digital transformation of healthcare

Kate Quirke, Group Managing Director
October 2019

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Challenges facing healthcare providers

Demographic Trends

Industry Challenges

Rising Cost and Risk

- Ageing population
- Rise in chronic disease

- Disenfranchised Workforce
- Budget Pressure

- Increasing penalties for unsafe care and poor outcomes

Healthcare providers must adopt technology to improve patient outcomes and deliver efficiencies to meet demand

Big single solution EMR is not the answer - care team productivity can drop by 20-30%

US$1TR
Cost of preventable errors per annum, globally

1 in 4
Australian patients who stay overnight will develop a hospital-acquired complication

$4.1B
cost of hospital-acquired complications to the Australian public sector in FY18. That's 8.9% of hospital expenditure

3rd
Adverse events in hospital are 3rd leading cause of death in the US

Our Solution

ALCIDION

Better lives by transforming healthcare delivery through smart technology

- Highly differentiated **platform providing smart infrastructure for healthcare**
- **AI-powered** clinical decision support system (CDSS) that improves safety and productivity
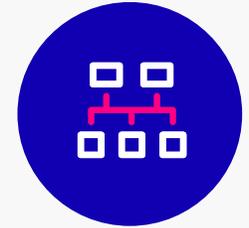- **Comprehensive solution** to transform healthcare delivery, supported by skilled service delivery team
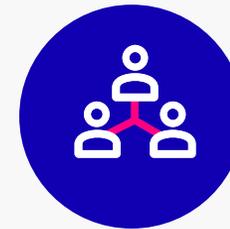
30K
Beds using our technology

215
Hospitals across the UK, Australia, New Zealand

42
Healthcare organisations transforming healthcare with us

11K
Active users
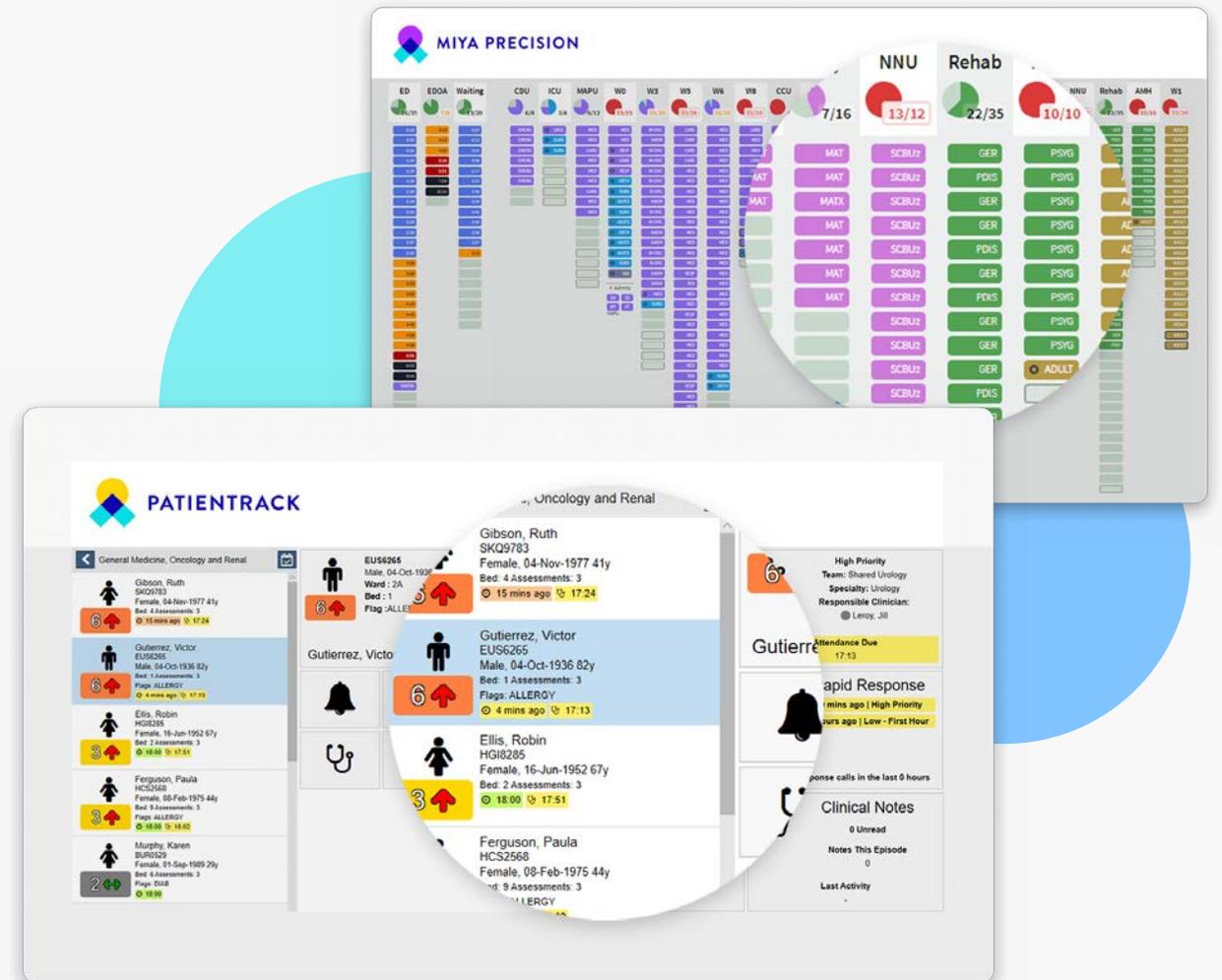
79M
Observations recorded

590K
Alerts generated

ALCIDION

Uniquely placed to transform healthcare delivery

- Miya Precision is an innovative events driven platform

- Adds real value to existing investment in Electronic Medical Records (EMR)

- Better decisions engineering the risk out of healthcare, pushed to the point of care

- Business intelligence to reduce costs and improve productivity

- Operates using open standards and able to integrate with any solution

- A highly differentiated combined product offering that incorporates electronic observations and clinical communications
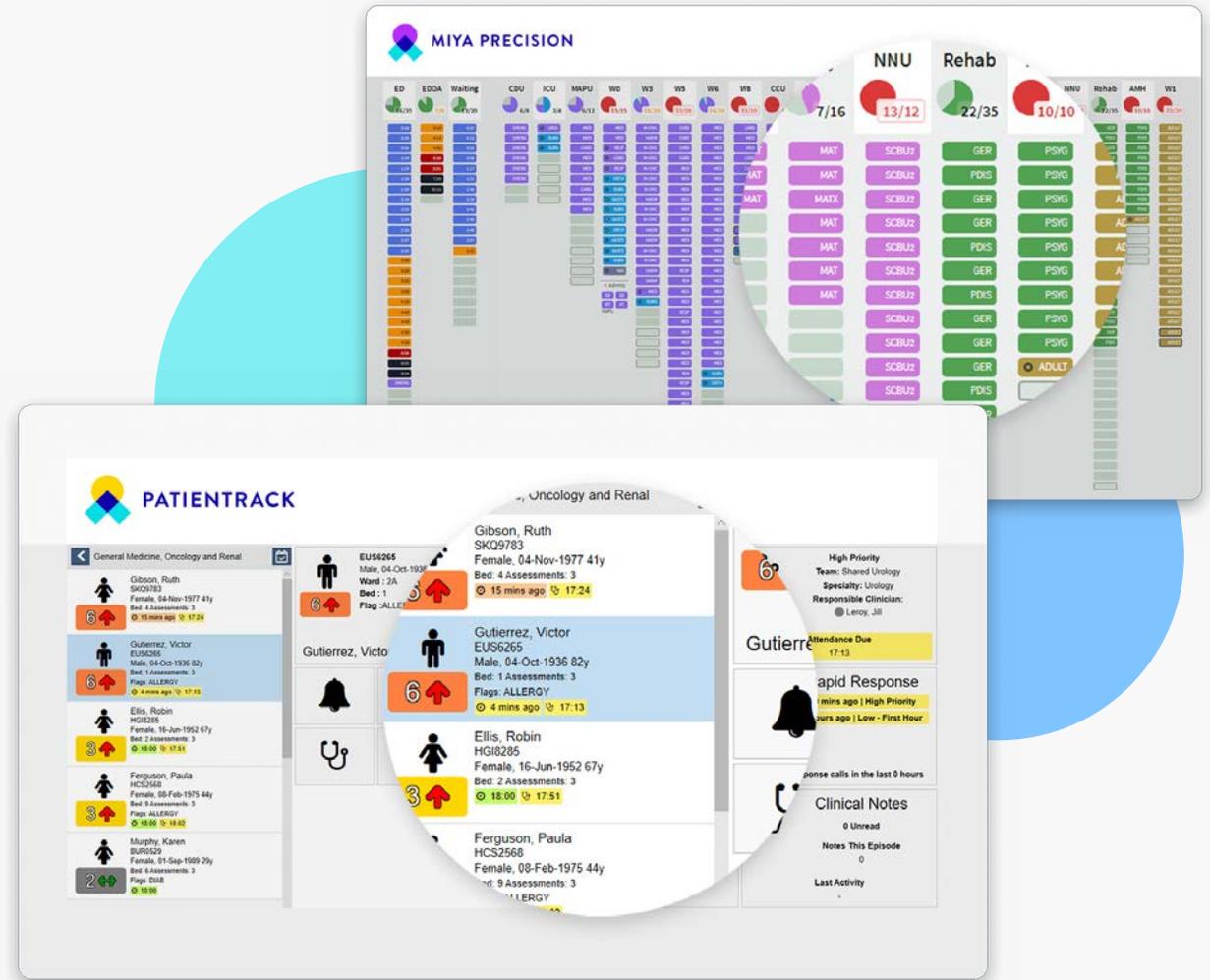
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Our solution: We're taking our customers from this…

... to smart technology at the point of care

ALCIDION

Our solutions are changing the delivery of healthcare

MIYA PRECISION

- Combines AI-based predictive analytics, Clinical Decision Support (CDS) and mobile alerts in one easy-to-use dashboard
- Integrates with any existing source system
- Doctors can customise Miya Precision to map the patient journey and view critical patient insights in real-time.

PATIENTRACK

- Clinicians know every patients' status in real-time.
- Doctors can intervene and prevent patient deterioration
- Uses predictive algorithms to ensure time-critical care.

SMARTPAGE
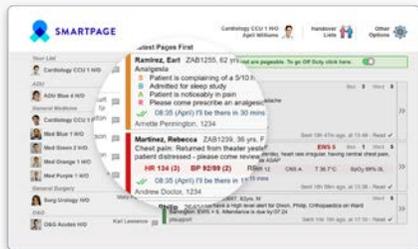
- Messaging and task management platform
- Delivers an easy to use messaging service with the security of encryption.
- Enables hospital staff to communicate and collaborate instantly.

SERVICES

- Alcidion provides services including project management, implementation consulting and support services for digital health projects.
- Several reseller agreements for leading complementary software platforms, completing our offering as a full-service health IT provider.

Benefits/ROI of our solutions

50% reduction in cardiac arrests

44% increase in clinical attendance

15 minutes saved for every doctor (per patient interaction)

29% reduction in length of stay

100% observation completion rate

10% decrease in ED patient admissions

Attractive revenue model

Revenue Model

Product Contracts

- Miya Precision
- Patientrack
- Smartpage
- Reseller products (e.g. Nextgate, OpenEP)

Product Contracts:
- Upfront fee for implementation and integration
- Annual license fee – payable annually or quarterly, upfront (for SaaS)
- Fees – based on number of beds typically
- Non-SaaS contracts - Annual license fee paid upfront with a quarterly payable support fee
- Average contract length is 3-5 years
- Very low churn rate

Services Contracts

- Data & Analytics
- Integration & Operability
- Service Delivery (Implementation services, managed services)

Services Contracts:
- Fixed price and fee for service
- Allow initial entry to customer and then expand products
- Repeatable revenue, low churn
- Solid ongoing base of revenue

Our customers

Departments of Health

- Federal and State departments
- Oversee financing of healthcare, and in some cases make technology decisions
- Alcidion has contracts to deliver products and services to several state health departments
- State Departments of Health often contract for products and services at this level.

Health agencies (public & private)

- Typically hospitals which may be grouped together to form a Local Health District or Trust in the public sector.
- In the private hospital sector we are more often dealing with private hospital Groups, profit and not for profit.

Other

- There are many agencies connected to healthcare delivery that have a need for data analytics and information to drive research and change.
- Alcidion has provided support and products to organisations such as the Kolling Institute.
- We also work with healthcare service providers like Genesis Care providing products to support their business.

Financial Performance

![ALCIDION]

Alcidion's growth since listing

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

2016

Listed on the ASX

FEB 2018

Alcidion completes acquisition of Oncall Systems Ltd and its Smartpage solution

JULY 2018

Alcidion completes acquisitions of MKM Health, Patientrack and associated companies

JULY 2018

First integrated Miya Patientrack Smartpage contract signed worth $4.75M over 5 years with ACT Health

MARCH 2019

Signed first UK contract for integrated Miya Patientrack and Smartpage with Dartford & Gravesham NHS Trust

JULY 2019

FY19 delivered first year of positive operational cash flow and $16.9M revenue, earnings near breakeven

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FY2019 Financial Highlights

300%
INCREASE IN STATUTORY REVENUE

33%
INCREASE ON FY2018 COMBINED PROFORMA REVENUE

$2.0M
POSITIVE OPERATIONAL CASH FLOW

$39K
EBITDA LOSS; EARNINGS APPROACHING BREAKEVEN
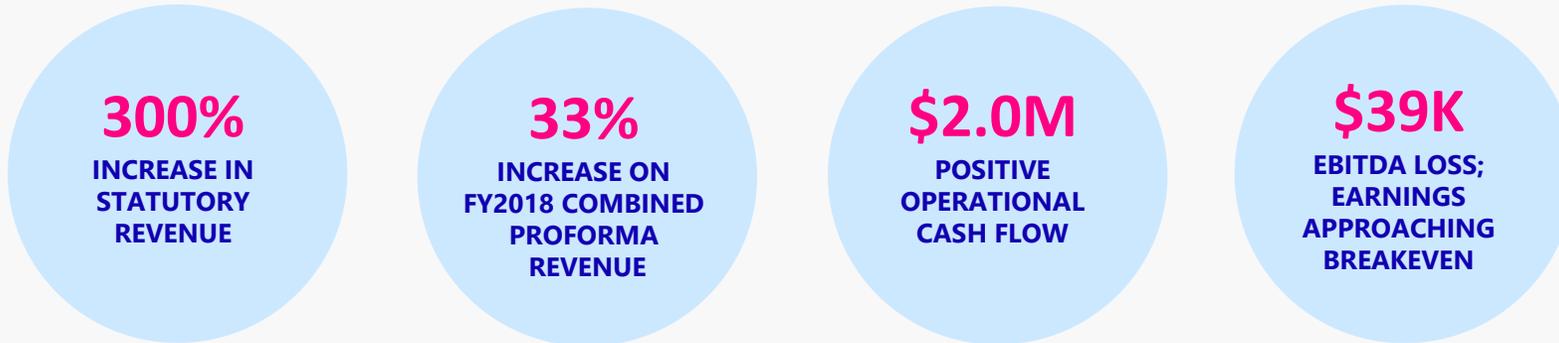
- First full year of positive operational cash inflow ($2.0M), with an overall net inflow of $282K
- FY2019 earnings close to breakeven; net loss of 84K and EBITDA loss of $39K. 98% improvement on FY2018
- Cash reserves boosted to $3.2M
- Strategically significant contracts signed include ACT Health and Dartford & Gravesham NHS Trust for first fully integrated product suite Other contracts include NSW Health, Queensland Health, Brighton & Sussex Hospitals NHS Trust

FY19 Revenue Recurring vs Non-Recurring ($m)

FY19 Revenue ($m)

9.0

7.9

■ Recurring ■ Non-Recurring

FY19 Revenue Products vs Services ($m)

■ Product
■ Services

Total FY19 $16.9M

9.3

7.6

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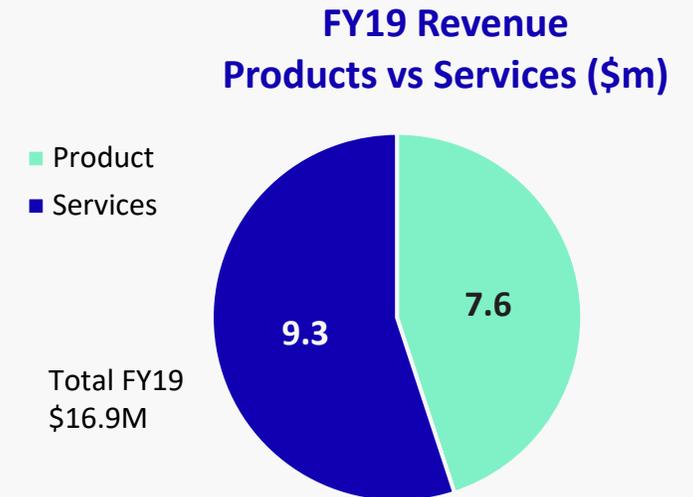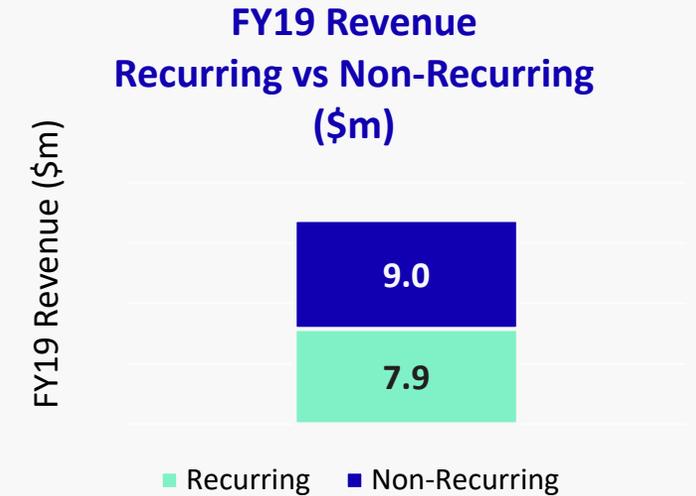
Q1 FY2020 Update

- $12.9M revenue already contracted for FY2020 as at Q1; 16% increase vs PCP FY2019

- $2.54M of new contracts sold in Q1, adding $1.24M revenue to be recognised in FY2020, with total sold revenue out to FY25 of $34.0M

- Strategically important contract signed with Healthscope - first sale to a major private hospital network of our data and analytics capabilities

- Q1 FY2020 Cash surplus from operations of $136K

- Third consecutive quarter of positive net cash flow and fourth positive quarter since beginning of FY2019

- Improved cash reserves of $4.4M

Our opportunity
for growth

Growth Strategy

Accelerate growth in existing markets

Scale existing business

Geographical expansion

Add distribution channels

Further develop Out of Hospital Care
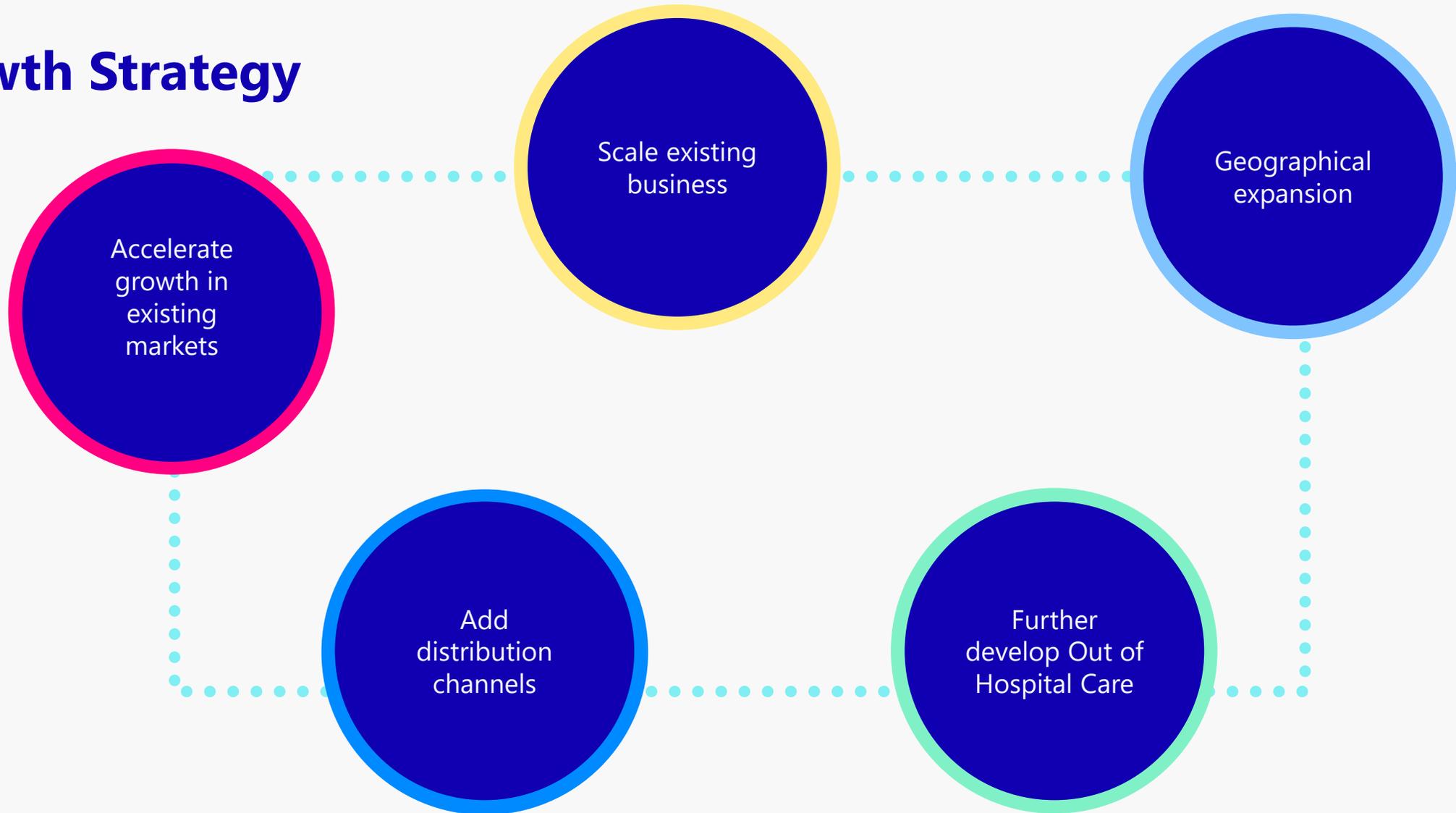
Australia – ready to expand

Current state of play

- EMR penetration in public sector is high: 60-70% of hospitals (beds) covered by part or all EMR
- Hospital spending rising by 4.2% per annum, widespread upgrade of legacy systems underway

Strategy

- Public sector: Smart CDSS / mobile EMR as platform to add value to the existing EMR/IT investments
- Private Sector: Position as alternate to EMR or 'leap frog'

Selection of key customers

Australia – opportunity and strategy

$240M total market opportunity focused on Miya Precision and Smartpage

- Total beds: 62000
- Beds using Patientrack: 4200
- Beds using Miya: 2580
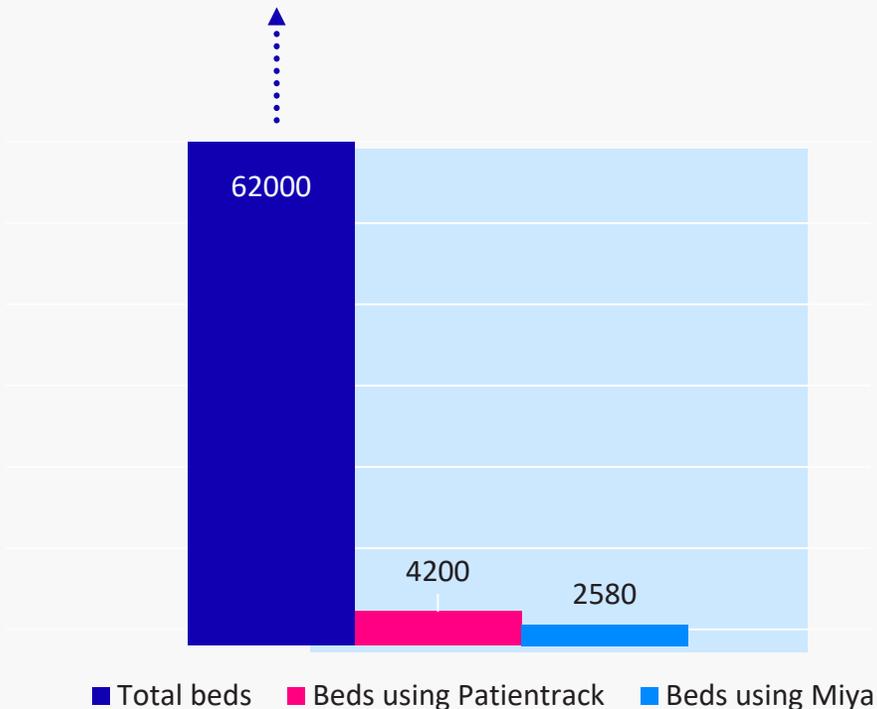
Market potential

- $161M over 5 years for Miya and Smartpage + $85M for Patientrack

- 34,000 beds private – this is the market for Patientrack in Australia

AUSTRALIA
50+ customers covering over 150+ hospitals for services and products

UK - our largest potential market

Current state of play

- Early adopter of new technology within Europe, lags behind US with only 35% of hospitals deploying CDSS as of 2014
- NHSX - government leading push to paperless healthcare
- Mix of integrated EMR and Best of Breed solutions

Strategy

- Dual strategy – leapfrog integrated EMR
- Add value to existing EMR implementations
- Focus on penetration and growth through replacement of paper and pagers as per NHSX strategy

Selection of key customers

NHS Dartford and Gravesham NHS Trust

NHS Derbyshire Healthcare NHS Foundation Trust

NHS Western Sussex Hospitals NHS Foundation Trust

NHS Manchester University NHS Foundation Trust

Basildon and Thurrock University Hospital NHS Foundation Trust

NHS Bolton NHS Foundation Trust

NHS George Eliot Hospital NHS Trust

NHS Fife

UK – opportunity and strategy

$582M total market opportunity over five years for Miya, Patientrack and Smartpage

145000

9500

1000

■ Total beds ■ Beds using Patientrack ■ Beds using Miya
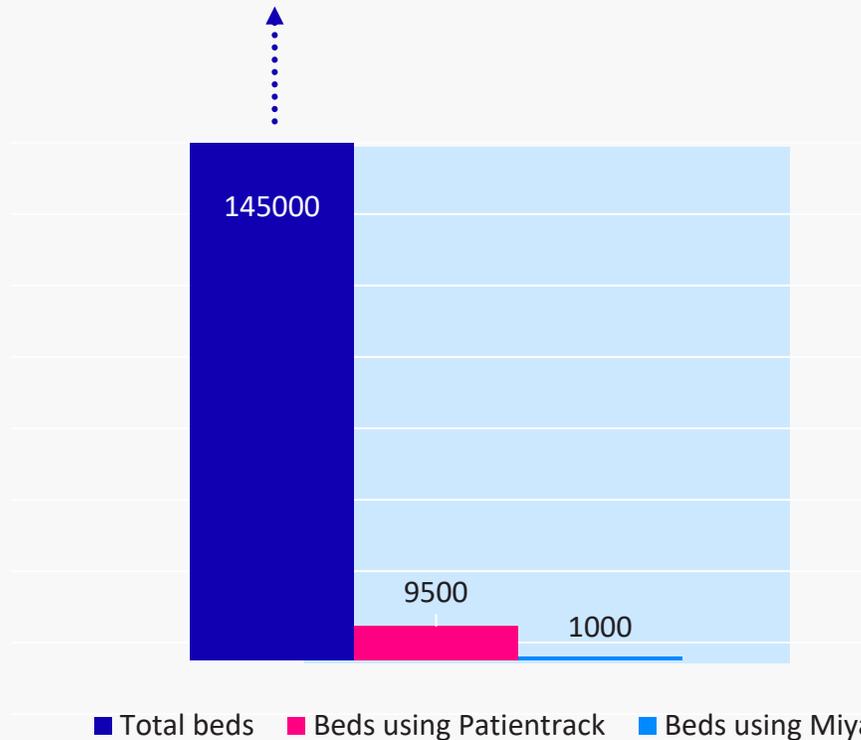
Market potential

- Miya Precision opportunity: $540M over 5 years
- Patientrack opportunity: $42M over 5 years
- Assumes 30% of hospitals still to choose a Patientrack like solution

UNITED KINGDOM
Currently have16 Trusts covering 35 hospitals

NZ - strong existing presence provides future potential to upsell

Current state of play

- Best of breed more commonly used over integrated EMR
- Patientrack clear market leader for patient observations in South Island District Health Boards and Northern Region with 40% of the market

Strategy

- Offer an alternative to an integrated EMR
- Provide the base for an interoperability platform to support their best of breed approach
- Continue Smartpage sales for communication

Selection of key customers

NZ – opportunity and strategy

$42M total market opportunity over five years for Patientrack, Smartpage and Miya

Strategy

- Offer an alternative to an integrated EMR
- Provide the base for an interoperability platform to support their best of breed approach
- Continue Smartpage sales for communication

Chart:

	Beds
10000	Total public beds
4329	Beds using Patientrack
400	Beds using Miya
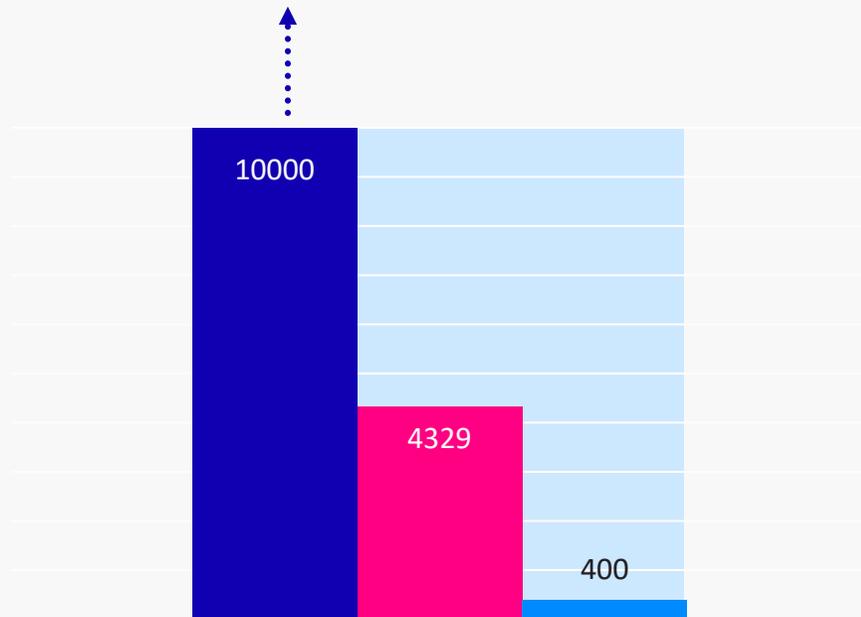
■ Total public beds ■ Beds using Patientrack ■ Beds using Miya

NEW ZEALAND
Existing contracts with 11 DHBs covering 30 hospitals for Patientrack and data services

Global Market Opportunity

- Similar drivers for adoption exist

- Shift to digitalisation still at an early stage in many markets

- Currently analysing markets with earliest potential

- Canada, Singapore, South Africa, Germany, Scandinavia are early possibilities

- Entry to these markets and others may be through channel partners

Number of Hospitals by Region (2016)
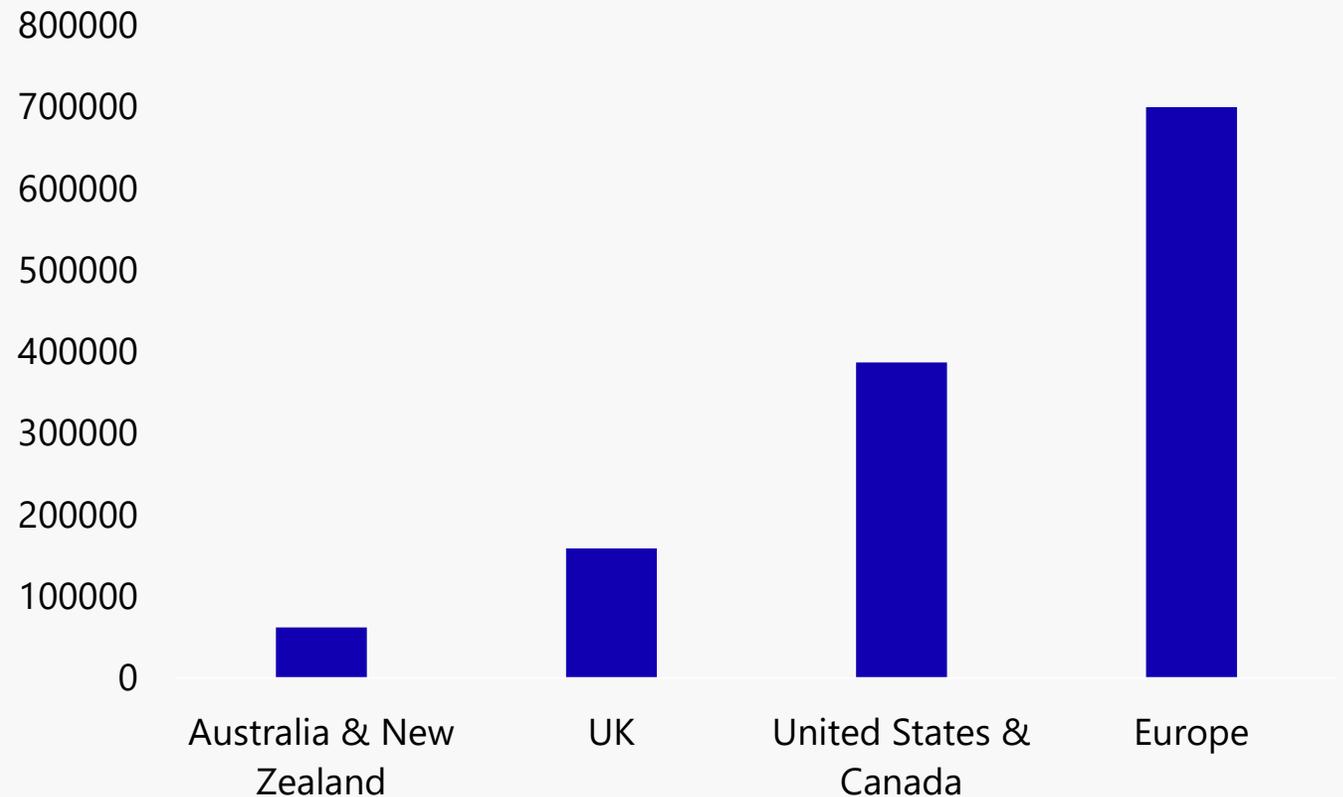
Competitive landscape

	Mobile EMR	Clinical decision support	Inter-operability platform	Patient flow	Clinical Communication	Electronic observations	Data analytics	Integration services
Alcidion	✓	✓	✓	✓	✓	✓	✓	✓
EPIC	✓	✓			✓	✓	✓	
Cerner	✓	✓				✓	✓	
Intersystems			✓			✓		
Allscripts		✓				✓	✓	
Orion Health			✓				✓	✓
DXC			✓				✓	✓
Nervecentre	✓			✓	✓	✓		
Telstra Health				✓	✓		✓	✓
System C				✓		✓	✓	✓
CARPS					✓			

The opportunity for Alcidion

- Large market opportunity at the right time– digital patient data is driving demand for better healthcare analytics

- A leading-edge technology suite – increasingly looked upon as a strategic solution for improving healthcare delivery

- Differentiated offering – meets a range of needs for the healthcare organisation from improved safety to productivity

- Track record of delivering commercial results – management brings deep specialist healthcare IT + deep industry relationships

- Near-term value creation as contracted revenue pipeline grows and clear growth strategy to capture expanding market opportunity

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Appendix

Deep experience in healthcare & IT

KATE QUIRKE
GROUP MANAGING DIRECTOR

Kate has more than 25 years of experience in the healthcare information sector. Prior to becoming a Director and CEO of Alcidion Group she was one of five working Directors for MKM Health, based in Victoria. She has been involved in large systems procurements and implementations across Australia and Asia Pacific.

COLIN MACKINNON
CFO & COO

Colin has over 35 years' experience in building and managing businesses offering IT solutions and services. Over his career he has set up and managed IT professional services teams within international consulting practices in Australia, New Zealand and the United Kingdom as well as performing key business leadership roles in the formation and growth of software and IT services businesses.

JULIA STEVENS
GENERAL MANAGER, PRODUCT

Julia is a delivery focussed professional with over 15 years' experience in the health sector. Her versatile career has seen her work with clients as a developer, business analyst, project manager, account manager, product manager and in sales. Julia works tirelessly with her clients to achieve the best result for them and their patients.

ANDY SMALLMAN
GM, AU NORTHERN REGION

Andy has more than 25 years' experience in the heath ICT industry, initially based in the United Kingdom and since 1999 in Australia. He has worked on numerous Health Sector ICT engagements including strategic planning, project management and system related projects including implementation, development and integration.

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Deep experience in healthcare & IT

MALCOLM PRADHAN
DIRECTOR & CHIEF MEDICAL OFFICER

With over 20 years of experience in Medical Informatics, Malcolm Pradhan is one of the world's leading minds in Clinical Decision Support. Prior to co-founding Alcidion in 2000, Malcolm was the Associate Dean of IT and Director of Medical Informatics, University of Adelaide. Throughout his career, Malcolm has contributed to the Health Informatics community, and has specialised in research into patient safety, optimisation, and data analysis.

EVIE KARAGIANNIS
GENERAL MANAGER, AU SOUTHERN REGION

Evie has worked in Healthcare IT for over 25 years, bringing a wealth of experience and knowledge to her role. Prior to joining Alcidion she was part of the Executive Team at PowerHealth were her role as Project Director included full responsibility for global project delivery alongside sales and business development.

DONALD KENNEDY
GENERAL MANAGER, UK

Donald has over 35 years of international experience working with healthcare organisations to recognise and realise the benefits of implementing innovative technology to tackle strategic challenges. He has helped organisations in Australia, New Zealand and the UK deliver a wide range of consultancy, strategy and technology projects; from advisory assignments to multi-million-dollar transformational system implementations.

KAYE HOCKING
GM, MARKETING AND SALES SUPPORT

Kaye has worked in the healthcare sector for over 25 years, spanning roles in healthcare delivery organisations, IT companies and service delivery providers. She has developed expertise in account management, business development, consulting, solution design and implementation.

Company snapshot

Capital Structure

Ordinary shares on issue	900.7m
Share price (09/10/19)	0.25
Market capitalisation	$225m
Net cash (30/09/19)	$4.2m

Share Price / Volume History (last 12 months)
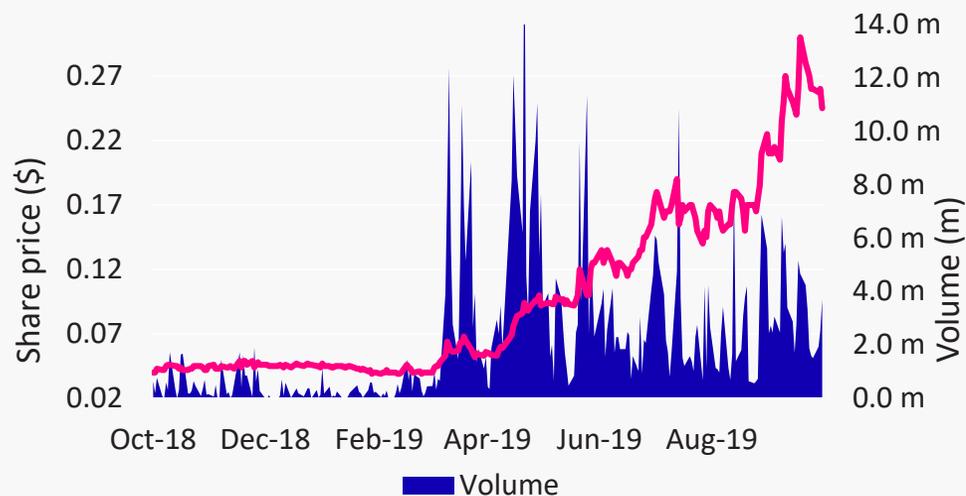
Major Shareholders

Name	Shares Held	% issued shares
Malcolm Pradhan	134.6m	14.9%
Ray Blight	95.8m	10.6%
Caledonia Nominees Pty Ltd (Donald Kennedy)	71.7m	8.0%
Isle of Wight Pty Ltd (Colin Mackinnon)	70.6m	7.8%
Kate Quirke	55.5m	6.2%
Other significant management and staff	83.4m	9.3%
Top 20 Holders	538.4m	59.8%

Board

Name	Position
Rebecca Wilson	Non-Executive Chair
Kate Quirke	Managing Director
Dr. Malcolm Pradhan	Executive Director
Ray Blight	Non-Executive Director
Nick Dignam	Non-Executive Director
Simon Chamberlain	Non-Executive Director

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Contacts

Kyahn Williamson
Head of Investor Communication
WE Buchan
Kwilliamson@we-Buchan.com
+61 401 018 828