

27 July 2020

Australian Securities Exchange
20 Bridge Street,
Sydney NSW 2000

Q4 FY2020 Business Update **Solid results during challenging times**

Melbourne, Australia – Alcidion Group Limited (ASX: ALC) today released its Appendix 4C for the three-month period ended 30 June 2020 (Q4 FY2020) and this business update.

Highlights:

- Healthy Q4 sales performance despite challenging market, with \$3.7M contracted revenue added in the quarter, more than double the corresponding period last year
- Final FY2020 revenue anticipated to be in the range of \$18.4M and \$18.7M
- \$12.8M in revenue has already been contracted to be recognised in FY21 with a further \$17.0M sold out to FY2025
- Net operating cash flow surplus for the quarter of \$0.25M, resulting in cash reserves of \$15.9M at 30 June 2020
- Cash receipts for the quarter from operations of \$7.6M, consistent with usual uplift at year-end
- Alcidion products have been enhanced for in-hospital and remote monitoring of COVID-19 patients and deployed live into hospitals
- Significant contracts signed and announced since 1 April 2020 include:
 - NHS Fife – 5-year Patienttrack extension across entire board
 - NHS Lanarkshire – 5-year agreement to implement Patienttrack across board
 - Sydney LHD – initial 12-month contract for Miya Precision to support COVID-19 virtual care
 - Murrumbidgee LHD – 12-month contract for full Miya Precision platform including MEMRe
 - ACT Health – 2-year extension to long term integration support contract

Alcidion Managing Director Kate Quirke said, “Despite challenging market conditions during the final quarter of the financial year, as the COVID-19 Pandemic (“COVID”) continued globally, we are pleased to deliver a healthy sales performance in the final quarter. Whilst COVID has delayed the signing of some contracts, with frontline healthcare organisations focused on the provision of critical care, we are pleased that the pipeline of potential business has continued to grow and we remain confident of our further growth.”

“The benefits that our technology can deliver; in managing risk, assisting clinicians to monitor patients and manage resources, both in the hospital and remotely, has been highlighted during COVID. This environment, and the enhancements we have made to our product suite to help healthcare providers manage COVID-19 risk, have contributed to us securing new customers and contracts in Australia and the UK.”

“Our involvement in the Monklands digital hospital experience run by NHS Lanarkshire was a springboard to our first Patienttrack contract with this NHS board, further expanding our presence in

NHS Scotland. We are also pleased to see the use of Miya Precision expand across NSW, with both Sydney LHD and Murrumbidgee LHD signing contracts for initial 12-month periods.

“Despite the current global climate, we are pleased to report growth in Q4 and FY2020 overall. We enter FY2021 well prepared to drive further growth, with a solid base of contracted revenue, much of which is recurring revenue, and a healthy pipeline of potential sales. In the current environment the strength of our value proposition to support both short term COVID-19 management and the long-term digital transformation of healthcare, is being increasingly recognised.”

New business update

During Q4 FY20, Alcidion signed new contracts and renewals, with a total contract value of \$3.7M to be recognised over FY20 and FY21.

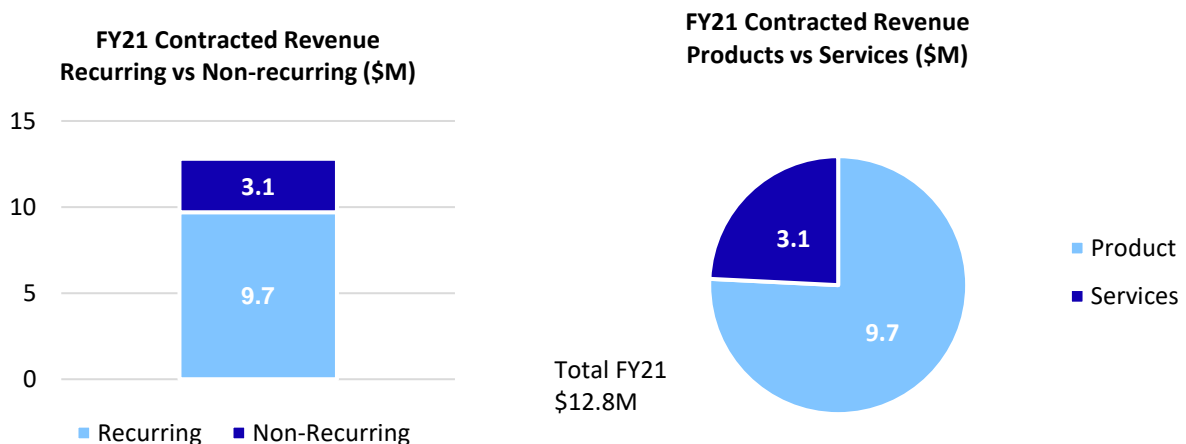
Significant contracts signed during the quarter include an extension and renewal agreement with NHS Fife to extend Patientrack across all facilities, with a value of \$1.47M over five years. At the end of June, Alcidion signed an initial 12-month \$0.56M contract with Sydney Local Health District to implement Miya Precision to support remote monitoring of COVID-19 positive patients. The implementation, which is already underway, will see Miya Precision deployed to support Sydney LHD’s virtual hospital (**rpavirtual**) which is currently being used to monitor patients who have tested positive for COVID-19 and are in home isolation. This innovative virtual care model reduces the risk for health workers, as well as the need for personal protective equipment (PPE), by enabling remote, automated monitoring and communication with patients.

The first few weeks of FY21 has seen Alcidion announce several further contracts including two 12-month contracts with Murrumbidgee LHD for the continued use of Miya Precision at Wagga Wagga Base Hospital. Alcidion has also signed a five-year contract with NHS Lanarkshire, its second NHS Scotland customer, to deploy Patientrack across its three acute hospitals and community health network, totalling 1,250 beds. The Total Contract Value is \$1.52M over five years.

The company also recently announced a two-year extension, worth \$1.3M, to our long standing information technology support services contract with ACT Health.

Alcidion enters FY2021 with a healthy sold revenue pipeline with \$12.8M contracted to be recognised in FY2021, a 9% increase in presold revenue announced at the beginning of FY20. Of this, \$9.7M is recurring and \$3.1M is non-recurring. Product revenue accounts for \$9.7M, with \$3.1M revenue being for services.

An additional \$17.0M is contracted to be recognised over four years to FY2025.



Cash flow highlights

Cash receipts in Q4 were \$7.6M, a 90% increase on Q3 (\$4.0M). This increase was largely due to the usual upswing in customer receipts ahead of financial year end. Q4 operating cash outflows also increased to \$7.3M. In comparison to the previous quarter, an additional \$1.1M was paid to resold product suppliers, an additional \$0.65M spent on planned headcount increases and \$0.34M more spent on GST/VAT.

Alcidion delivered a net operating cash surplus of \$0.25M in the quarter.

Overall, Alcidion had a net operational cash outflow for the FY2020 financial year of \$2.6M. This reflects strategic investments made in FY2020 to grow our capabilities across all markets, funded by the successful \$16.2M placement to institutional investors in November 2019.

At 30 June, Alcidion's cash reserves were \$15.9M, remaining the same as the prior quarter.

The related party payment of \$259k in item 6.1 of the Appendix 4C relates to the payment of non-Executive Director fees and Executive Director remuneration in Q4.

Growth achieved in FY2020

At this stage, Alcidion is planning to report its FY2020 audited full year financial results by the end of August. It expects to report full year revenues of between \$18.4M and \$18.7M.

Investor webcast

Alcidion Managing Director Kate Quirke will host an audio webcast with investors via Zoom [this morning at 9:00am](#) Australian Eastern Standard Time (AEST).

Investors are invited to register for the webcast at the following link:

https://us02web.zoom.us/webinar/register/WN_FjemQb1aRm2CTwhVoBH2cQ

Registered participants will receive a confirmation email containing the Zoom access link and alternative phone dial-in details.

ENDS

For further information, please contact:

Kyahn Williamson

WE Communications

Ph: +61 401 018 828

kwilliamson@we-worldwide.com

About Alcidion

Alcidion Group Limited (ASX:ALC) has a simple purpose: to transform healthcare with smart, intuitive technology solutions that meet the needs of hospital and allied healthcare, worldwide. It offers a complementary set of software products and services 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. In 2017 Alcidion acquired Oncall System and its Smartpage clinical communication system. In 2018 it acquired the Patientrack bedside patient monitoring software and MKM Health, an IT solutions and services provider. These offerings now operate under the Alcidion brand. With over 25 years of combined healthcare



experience, Alcidion 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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This announcement is authorised for release by the Board of Directors of Alcidion Group Limited.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ALCIDION GROUP LIMITED

ABN

77 143 142 410

Quarter ended ("current quarter")

30 JUNE 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,633	20,815
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,486)	(2,803)
(c) advertising and marketing	(152)	(677)
(d) leased assets	(32)	(79)
(e) staff costs	(4,332)	(14,794)
(f) administration and corporate costs	(966)	(3,747)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	58	74
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – GST received/(paid)	(471)	(1,419)
1.9 Net cash from / (used in) operating activities	252	(2,630)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	(238)
(c) property, plant and equipment	(36)	(75)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Term deposit	-	-
2.6	Net cash from / (used in) investing activities	(36)	(313)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	16,200
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	700
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1,005)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(200)
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	-	15,695

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	15,933	3,372
4.2	Net cash from / (used in) operating activities (item 1.9 above)	252	(2,630)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(36)	(313)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	15,695

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(200)	(175)
4.6	Cash and cash equivalents at end of period	15,949	15,949

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	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	15,860	15,844
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	89	89
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,949	15,933

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

(259)

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	-	-
	155	21
	-	-
	155	21

7.5 **Unused financing facilities available at quarter end**

134

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Credit standby arrangements:

- Corporate MasterCard credit cards of \$10,000 provided by CBA at 14.55% secured over assets
- Corporate Amex credit cards of \$145,000 provided by American Express, interest rate 15%

8. Estimated cash available for future operating activities

\$A'000

8.1 Net cash from / (used in) operating activities (Item 1.9)

252

8.2 Cash and cash equivalents at quarter end (Item 4.6)

15,949

8.3 Unused finance facilities available at quarter end (Item 7.5)

134

8.4 Total available funding (Item 8.2 + Item 8.3)

16,083

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

N/A

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

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.

Date: 27 July 2020

Authorised by: By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.