



9 September 2020

Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

FY2020 Results Presentation

Melbourne, Victoria - Alcidion Group Limited (ASX: ALC) today releases the attached FY2020 results investor presentation that will be presented to investors this week by Managing Director Kate Quirke.

Kate Quirke will be conducting a series of 1-1 investor briefings this week, from Wednesday 9th September to Friday 11th September 2020.

ENDS

For further information, please contact:

Kyahn Williamson

WE Communications

Ph: +61 401 018 828

kwilliamson@we-worldwide.com

About Alcidion

Alcidion (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 Limited.

Investor Presentation

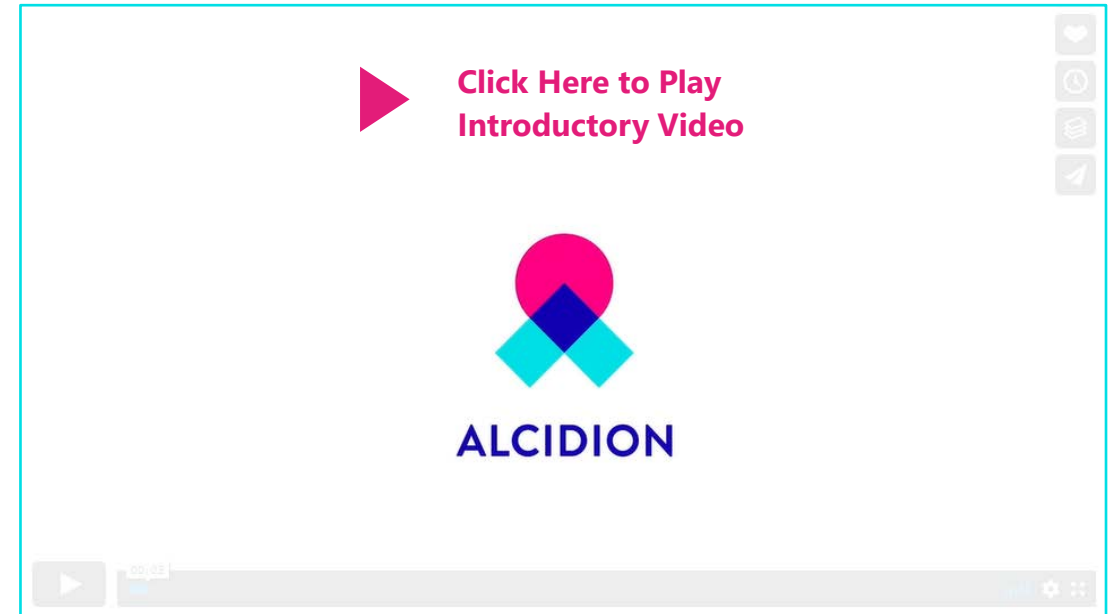
FY20 Full Year Results Update

Kate Quirke, Group Managing Director
September 2020



Health informatics company enabling healthcare organisations to utilise technology to transform healthcare delivery

- Unique software & service offering to support safer & smarter healthcare delivery
- Targeting three core geographies:
 - Australia
 - New Zealand
 - United Kingdom



“Making the right thing to do, the easiest thing to do”

307

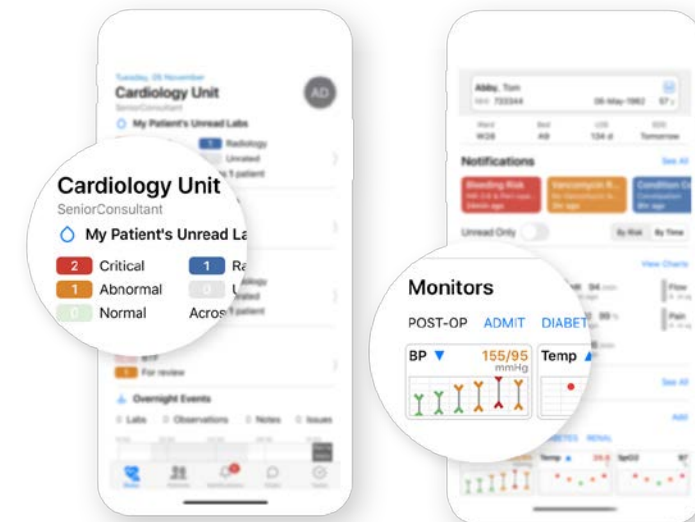
Hospitals
Across UK, AUS & NZ

63

Healthcare Organisations
Partnering with ALC

50K

Beds
Using ALC technology



Solid growth achieved in FY20 despite a challenging environment

\$18.6M

REVENUE DELIVERED IN
FY2020, 10% INCREASE ON
FY2019

\$12.8M

PRESOLD REVENUE FOR
FY21, 9% INCREASE ON
PRIOR YEAR

35%

INCREASE IN RECURRING
REVENUE BASE ON FY2019

\$16.2M

RAISED IN NOVEMBER
2019 TO ACCELERATE
GROWTH IN ALL MARKETS

\$15.9M

CASH RESERVES AT 30 JUNE
2020

\$1B+

GROWING MARKET
OPPORTUNITY ACROSS
THREE EXISTING SECTORS

Supporting healthcare providers through COVID-19

- **COVID-19 pandemic** created significant challenges for healthcare organisations, as providers were forced at short notice to quickly adopt measures to deal with the impact of the virus
- **Some delays in contract signings** in H2 as customer focus shifted, however sales pipeline remains strong & COVID has enabled new opportunities
- **Alcidion moved quickly** to develop new capabilities into Miya Precision & Patientrack to support providers manage the virus
- **Monitoring dashboard** solution developed for Miya Precision, enabling monitoring of COVID-19 patient vital signs, both in-hospital & remotely
- **COVID-19 assessment tool** developed for Patientrack & offered to current customers at no cost, supporting the critical short-term needs of our customers
- **Seamless transition** of Alcidion staff to remote working conditions, with no impact to operations
- **No reduction** in staff or services offered

Customers using Miya Precision for remote monitoring of COVID-19 patients



Health
Murrumbidgee
Local Health District

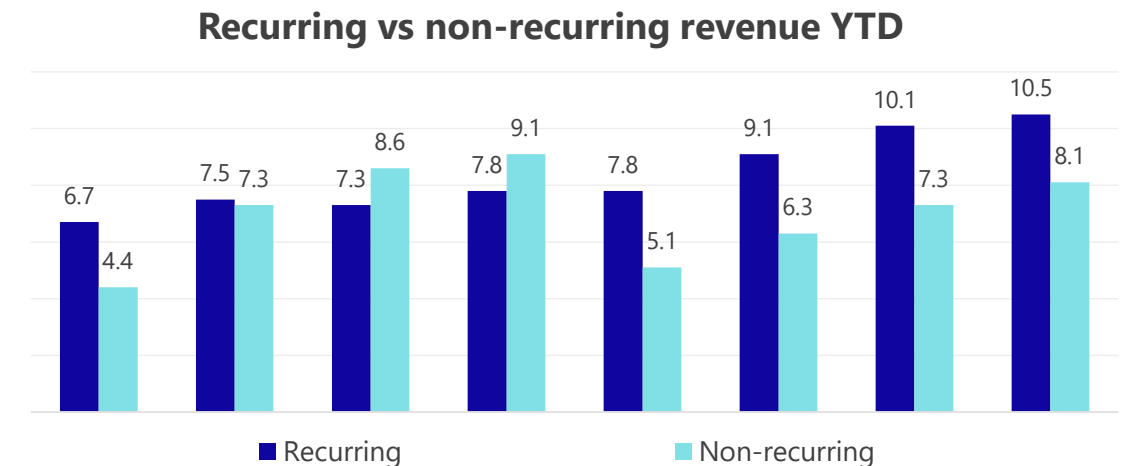
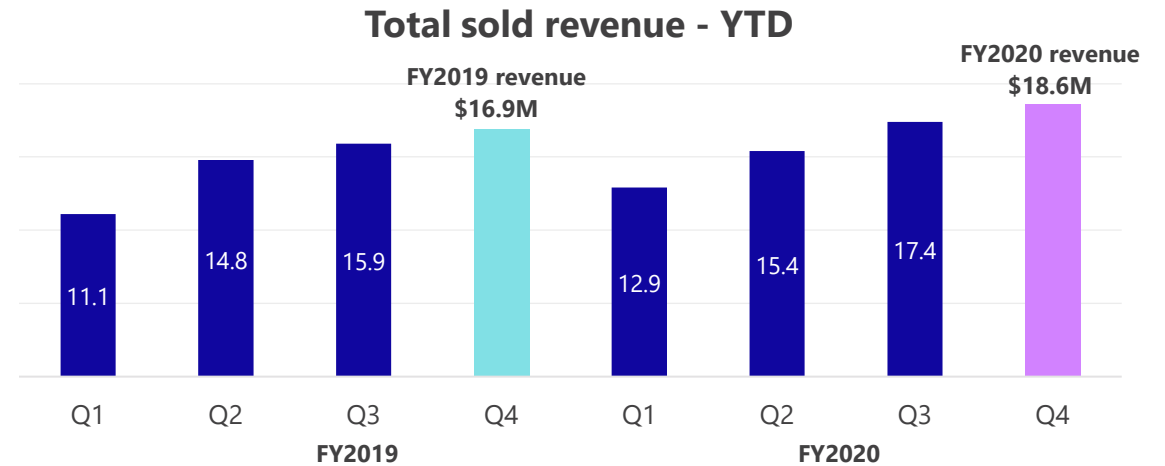


Health
Sydney
Local Health District

Financials

FY2020 Financial Highlights

- **10% revenue growth** achieved in FY2020 despite challenging environment in second half due to COVID-19
- Recurring revenue base **increased 35%** on prior year
- **Strong cash balance of \$15.9M** at 30 June, well-capitalised to drive further growth in FY2021
- As at 30 June, **\$12.8M sold revenue** is already contracted to be recognised in FY2021, 9% up on last year



Profit & Loss (Pro Forma)

Profit & Loss (\$A000s)	FY19	FY20
Recurring	7,824	10,459
Non-recurring	9,040	8,150
Total Revenue	16,864	18,608
Service delivery	(5,537)	(6,174)
Hosting costs	-	(381)
Sales staff + commissions	(1,411)	(2,092)
Product development + support & other	(3,171)	(3,054)
Re-sold Products / Sevices	(834)	(2,066)
Cost of Sales	(10,953)	(13,767)
Gross Profit	5,912	4,841
Gross profit margin %	35%	26%
Salaries & Wages	(2,649)	(4,136)
Marketing	(636)	(559)
Operations & Admin	(1,134)	(2,224)
Other	(1,531)	(1,694)
Operating Expenses	(5,950)	(8,612)
EBITDA	(39)	(3,771)

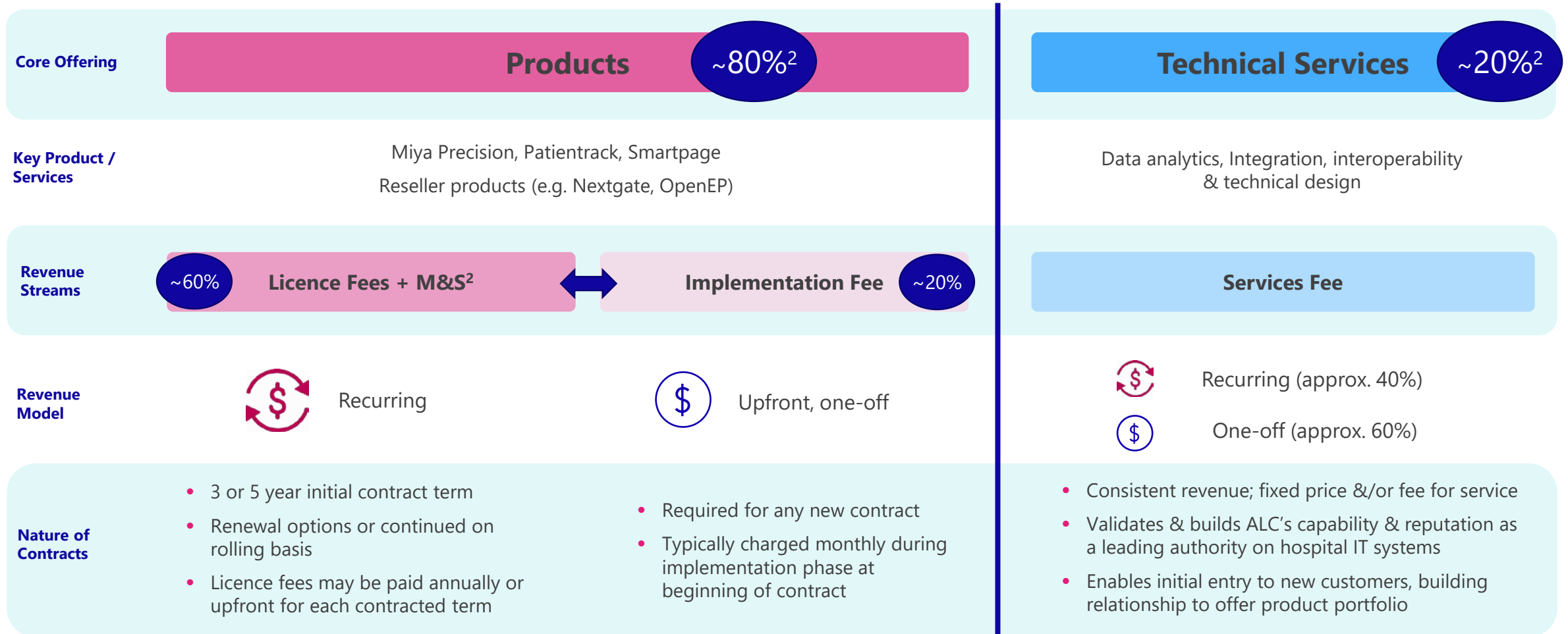
FY20 Revenue Split	Services	Prod. Imp	Products	Total
Recurring	1,748	0	8,710	10,459
Non-recurring	2,776	3,674	1,700	8,150
Total Revenue	4,524	3,674	10,410	18,608

Key Comments

- 10% pcp revenue growth, despite experiencing delays of some contracts as a result of COVID-19 in H2'20
- 56% revenue attributable to Products (Miya Precision, Patientrack, Smartpage) predominantly recurring in the form of licence & maintenance & support fees
 - Licence fees paid upfront are classified as non-recurring, albeit will be paid again on extension or renewal of current contracted licence term
 - Over time expect Products to increase as a percentage of total revenue, underpinning an increasing recurring revenue base
- Gross profit margin % lower than other software-driven healthcare peers due to Cost of Sales incl. several items that others typically show in operating expenses
 - From H1'21 onwards, ALC will begin to report Sales staff & Product Development + support costs within operating expenses
- Service delivery includes Services & Product Implementation
- Reduced FY20 gross profit \$ & margin the result of enlarged sales team which won't generate revenue until FY21 & significantly increased cost of re-sold product which included strategic one-off deal done at low margin
- Large personnel investment in FY20 to bolster management, sales & product development capability to underpin material growth phase
 - Full year impact from H2'20 recruitments are included in planned FY21 strategic investments as well as increased investment in marketing
 - FY20 investments in sales & product expected to accelerate revenue growth from FY21

Revenue Breakdown

Licence + M&S¹ recurring revenue underpin future growth, supported by implementation & service fees benefiting current cash flow



1. M&S = Maintenance & Support

2. Approximate percentage of FY20 revenue; may vary quarter to quarter

Cash Flow

Cash Flow Statement (A\$000's)	FY19	FY20
Cash flows from operating activities		
Receipts from customers	16,469	20,543
Payments to suppliers and employees	(14,494)	(22,556)
Interest received	16	74
Finance costs and low value lease payments	-	(79)
Net cash inflows (outflows) from operating activities	1,991	(2,017)
Cash flows from investing activities		
Payments for plant and equipment	(265)	(124)
Acquisition of business, net of cash acquired	(1,476)	-
Payment of contingent consideration – Oncall Systems	-	(238)
Net cash (outflows) from investing activities	(1,741)	(362)
Cash flows from financing activities		
Net of proceeds from issues of equity securities	-	15,362
Proceeds from borrowing	92	-
Repayment of principal on lease liabilities – AASB 16	-	(175)
Repayments of borrowings	(61)	(31)
Net cash inflows from financing activities	31	15,155
Net increase/(decrease) in cash and cash equivalents	282	12,776
Cash and cash equivalents at the beginning of the year	2,890	3,172
Cash and cash equivalents at the end of the year	3,172	15,948

Key Comments

- Strong cash balance of \$15.9M at 30 June 2020, raised \$16.2m via Placement in November 2019
- Positive cash conversion cycle – typically receive licence & M&S fees in advance of work being completed which along with regular monthly services fees, allow the Company to scale with less working capital
- 56% increase in payments to suppliers & employees includes:
 - Year end headcount increase from 84 to 114 – due to strategic investment in sales, product development & management
 - Extra payments made for resold third-party products in FY20

A photograph of a doctor in blue scrubs with a stethoscope around their neck, using a tablet computer on a teal table. The image is overlaid with a blue gradient.

Growth Strategy Update

FY2020 Operational Highlights

A year of solid progress – expanded user base, product evolution & scale up

- Growing customer base, with key Miya Precision reference sites across UK, Australia & NZ
- UK scale up underway, key sales & marketing hires in place supporting future growth
- Miya Memory (mobile EMR) & remote patient monitoring launched– successful pilots have led to first contracts
- Investment in digital health a strategic priority for healthcare providers
- Positive outlook – improved base of pre-sold work, healthy sales pipeline, investments for growth to take make impact in FY21

Significant contracts signed in FY2020



More signed already in FY2021



Delivering on our growth strategy

Accelerate growth in existing markets

- Key hires in Sales & Marketing made in each market
- Solid early results – new contract signings & enhanced sales capability
- UK marketing launch of Miya Precision in September 2020
- Supported by accelerated marketing strategy

Scale up the business

- Key hires in place to support scale – PPC, Commercial, IT, Quality Management
- Continued development of Miya Precision platform
- Enhanced deployment capabilities to support partner strategy
- Product consolidation created 16 Miya Precision modules to encompass whole product suite – revised website

Further develop out-of-hospital care

- Development of remote patient monitoring accelerated in response to COVID-19
- Currently in-use at Murrumbidgee LHD & being implemented at Sydney LHD

Geographic expansion

- Assessment of potential new markets continues
- In COVID-19 environment, priority focus is existing markets
- M&A activity – reviewing market for aligned businesses

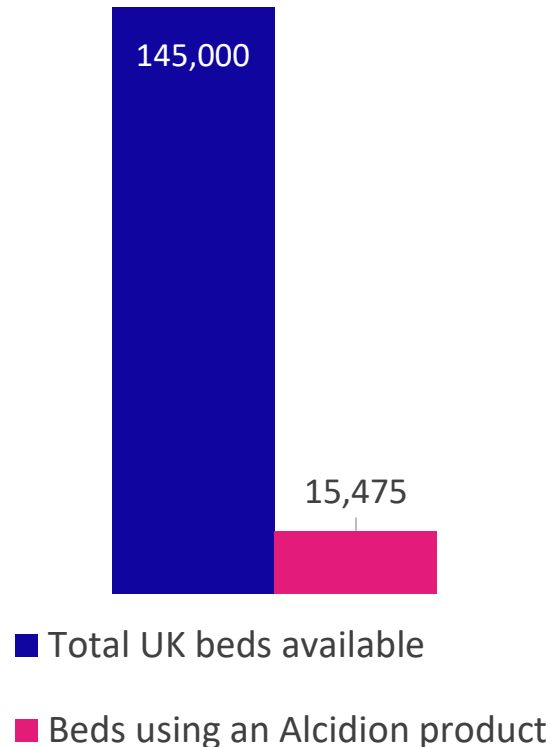
Add distribution channels

- Continued development of partnerships with organisations that may seek to act as distribution channels

UK Market Update

Current market presence

18 NHS Trusts
45 Hospitals



Key reference sites



Market Dynamics

- Government-led investment in digital health as part of NHS reform
- Mix of integrated EMR and Best of Breed solutions
- Increasing frameworks established for efficient digital health procurement

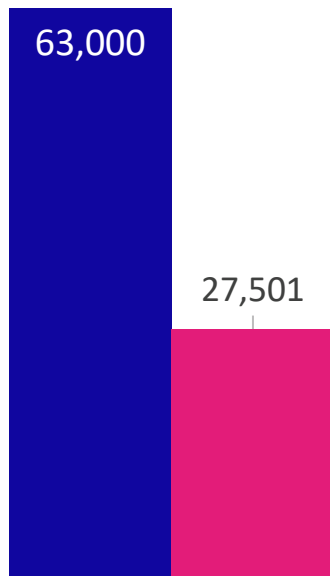
Progress & Outlook

- Patientrack (Miya Observations) deployed in several "emergency" hospitals at COVID-19 peak
- Market presence expanded via several new contract signings / extensions
- Smartpage added to NHS Clinical Communications Procurement Framework
- New GM Lynette Ousby appointed & restructuring of UK operations
- Major marketing campaign launched in August 2020, Miya Precision launch in September

Australia Market Update

Current market presence

33 Customers
236 Hospitals



■ Total AU beds available

■ Beds using an Alcidion product

Key reference sites



Market Dynamics

- Healthcare services moving to integrated models of care
- Digital health a core part of investment in integrated care model
- Government digital health spend currently \$2Bn & set to rise

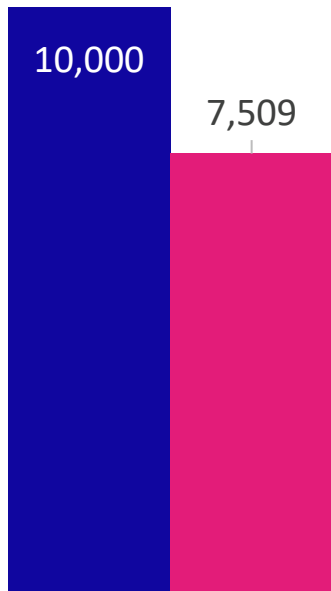
Progress & Outlook

- Strengthening relationships within NSW Health – Murrumbidgee LHD & Sydney LHD, with opportunity to expand
- ACT Health – now live with Miya Precision, contract extensions signed
- New GM of Sales & Marketing appointed to drive marketing & sales strategy in ANZ
- Growing pipeline around virtual care & adding value to EMR investments

New Zealand Market Update

Current market presence

18 District Health Boards
45 Hospitals



■ Total NZ beds available
■ Beds using an Alcidion product

Key reference sites



Market Dynamics

- Miya Observations & Assessments clear market leader for patient observations in South Island & Northern Region DHBs
- Best of Breed solutions more commonly used over EMRs
- Integration & interoperability a key driver

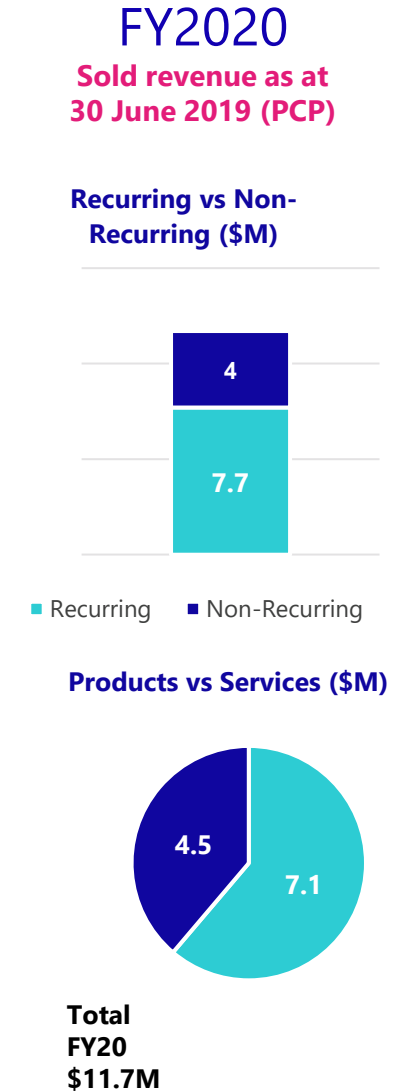
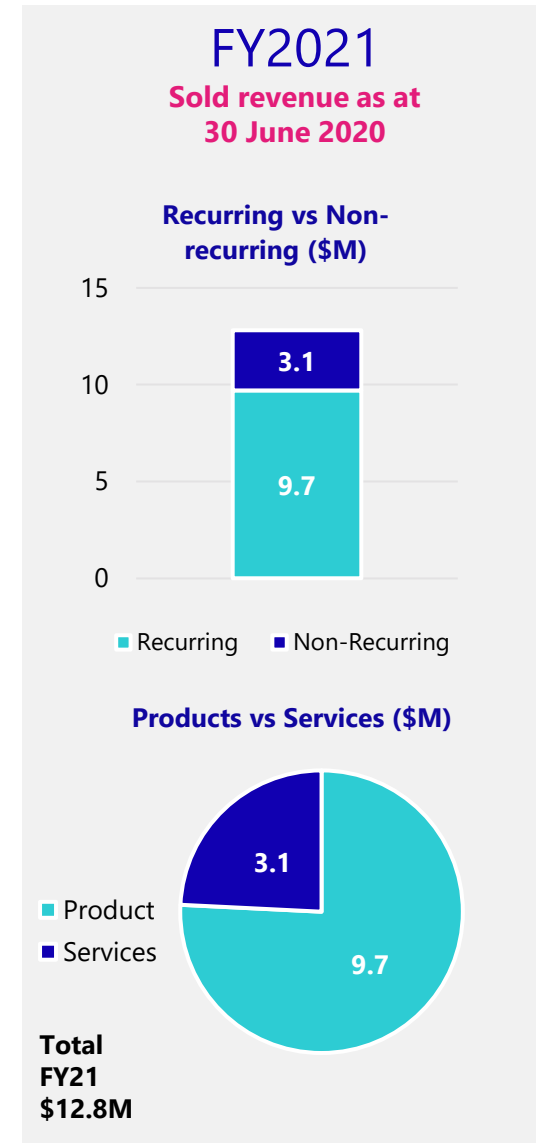
Progress & Outlook

- Benefit from new sales appointments for ANZ region
- Smartpage adopted at Nelson DHB & trial underway at Counties Manukau DHB
- Opportunity to add Miya Precision modules to existing customers, in-line with digital transformation needs
- All of healthcare sector review has signalled future investment in digital health in improving data driven decision making

Outlook

Poised for growth in FY2021

- Cash reserves of \$15.9M at 30 June 2020 to support planned investment, cost base to stabilise in FY21
- \$12.8M sold revenue already contracted to be recognised in FY21 – 9% increase on prior year
- Further \$17.0M sold out to FY2025
- Repositioned product suite supporting expanded sales capabilities in the UK & ANZ
- Strong pipeline of potential business despite some short-term delays to signed contracts



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Contacts

Kyahn Williamson

Group Head: Corporate and Investor
Communication
WE Communications

kwilliamson@we-worldwide.com

+61 401 018 828