

The Citadel Group Limited

2020 Annual General Meeting

19 November 2020

Agenda

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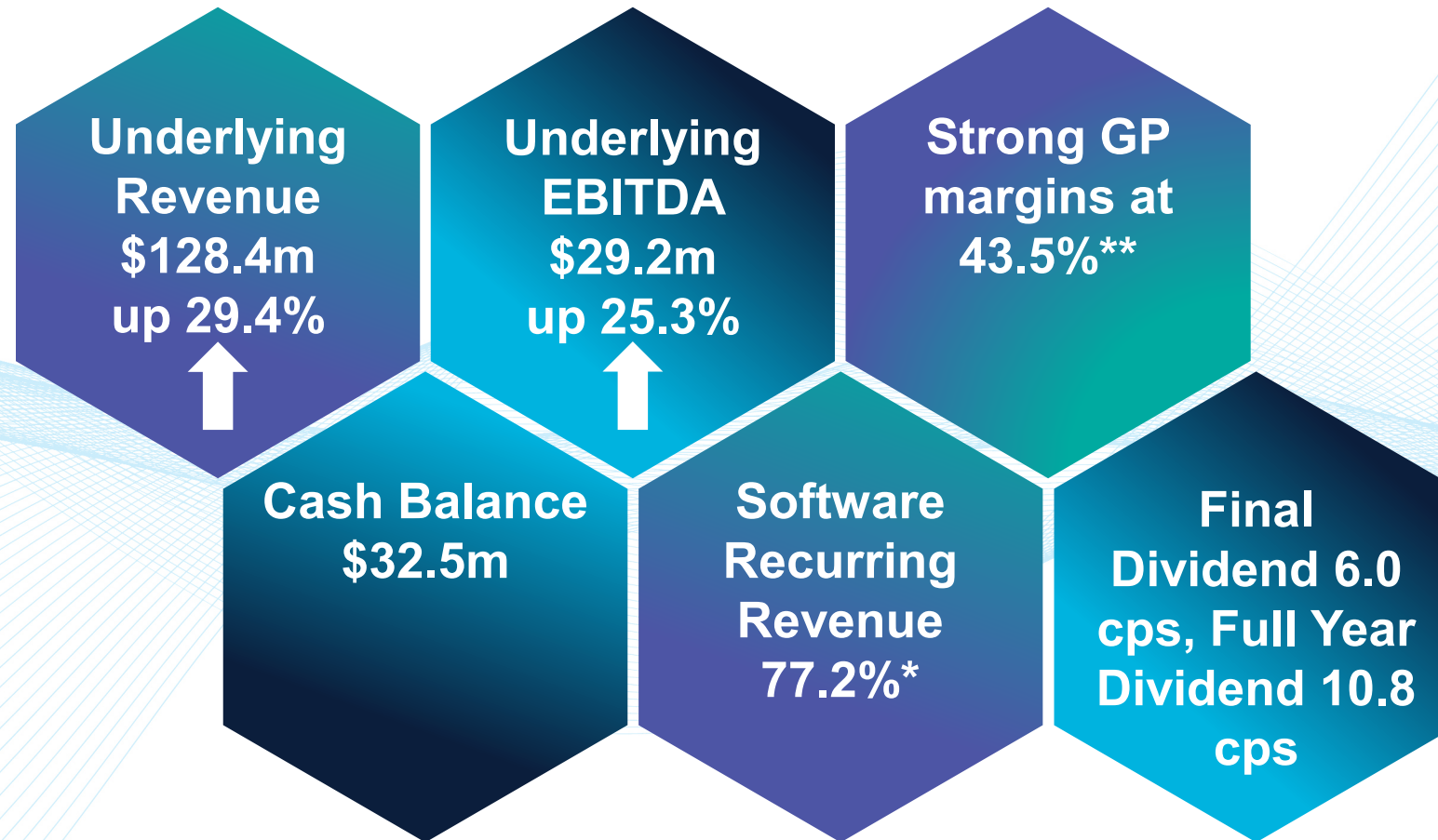
1. Welcome and introductions
2. Chairman's address
3. Chair of Nomination and Remuneration Committee's address
4. CEO and Managing Director's address
5. Formal business of the Meeting

Chairman's Address Peter Leahy AC

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Key FY20 Metrics



*FY20 pro forma
**48.8% excluding Noventus

All comparisons to PCP

Chair of Nomination and Remuneration Committee's address Jayne Shaw

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CEO and Managing Director's Address

Mark McConnell

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An Emerging Global Software Company

Global Challenger Brand in Health Software



- #1 Market Leading products in:
- > Pathology, Cancer Care (Aus)
 - > Radiology and Maternity (UK)
 - > Successful transformational acquisition of Wellbeing Software
 - > Significant cross sell opportunities - estimated market opportunity \$250-\$350m total contract value revenue in tenders over next 2-3 years

Defensive, recurring revenue model



- > Pro forma software revenue \$69.4m, at 65.3% gross profit margin*
- > 77.2% of software revenue is recurring*
- > Defensive business model with limited impact from COVID-19

Citadel-IX™ Growing at 66.5%**



- > Proprietary secure Document Records Management System (DRMS) platform, Citadel-IX™, expanding rapidly via direct and indirect channels in Australia and overseas
- > Channel partnership accelerates growth opportunities

Right markets at the right time



- > Well positioned to capture a share of expected digital health spend over the next 3-5 years due to push for digitisation, regionalisation and interoperability
- > Pedigree in secure information management – well placed to benefit from regulatory tailwinds (GDPR, ISO 27001, Data Privacy, Cyber Security)

*FY20 pro forma

**FY20 actual growth from PCP

FY20 Highlights



Strong performance through COVID-19 reflects defensive nature of business model

FY20 underlying revenue of \$128.4m and underlying EBITDA of \$29.2m in line with market consensus



The acquisition of Wellbeing completed with financial performance in line with market consensus

Successfully completed integration of Wellbeing into the Group, with synergies of \$1.5m per annum commencing FY21



Secured channel partnerships and strategic relationships

Opening up new local and international markets and actionable growth opportunities via partnerships with Micro Focus and LeanIX and establishing strategic relationship with Change Healthcare in the UK



Successful integration of Noventus with early outperformance

Noventus achieved \$21.5m full year revenue, experiencing minimal impact from COVID-19



Strong balance sheet and capital management ahead of plan with net debt of \$54.5m

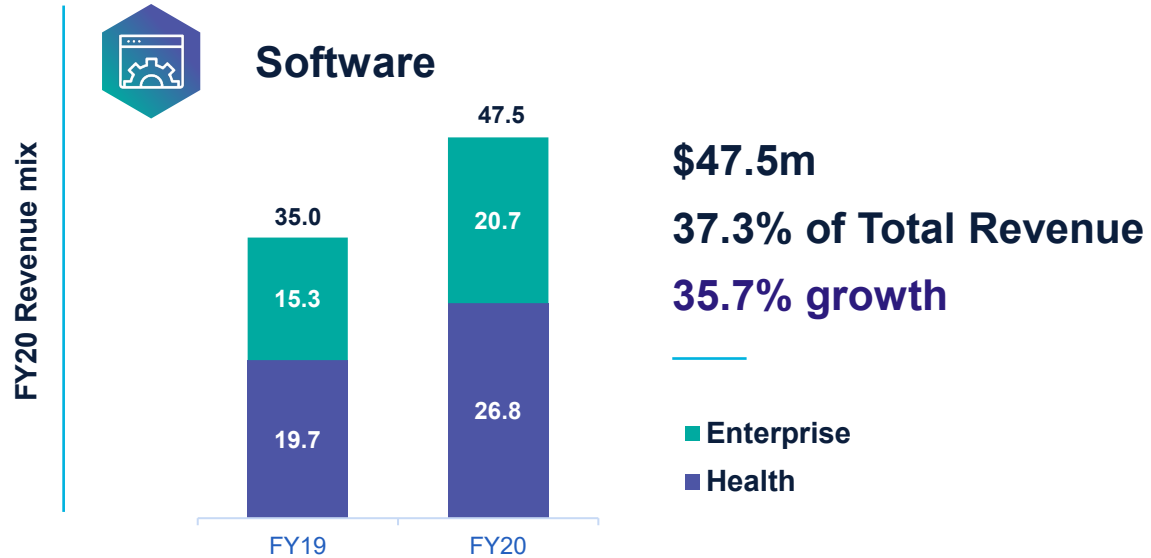
Cash position strong at \$32.5m, gross bank debt of \$86.5m



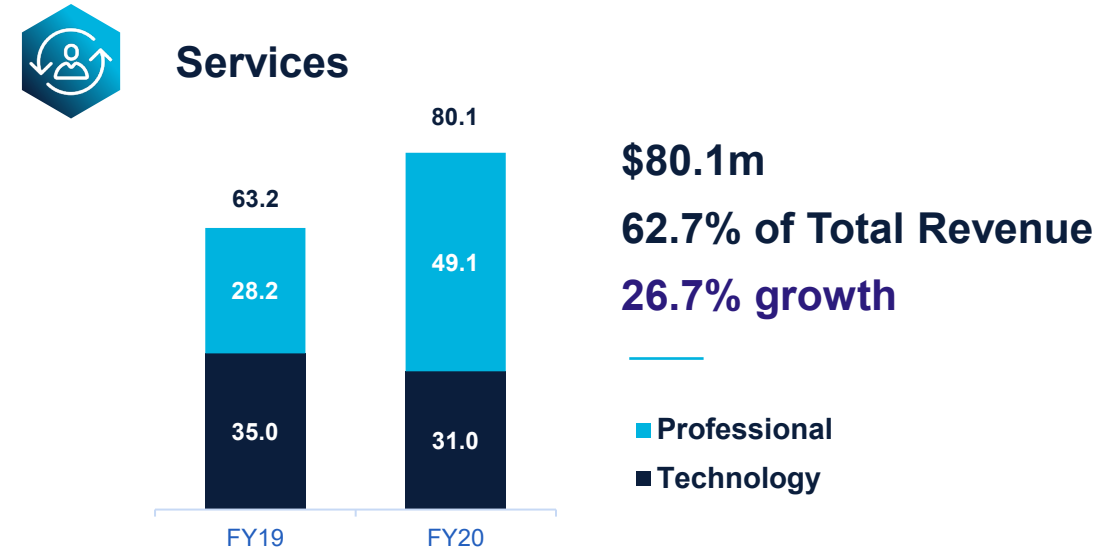
Dividends for FY20 maintained at 10.8cps

Final dividend declared of 6.0cps consistent with FY19

Two operating segments



- FY20 Business update**
- Health Software**
- > 10 year contract extension of the Queensland Health contract until 2029 to continue to provide Auslab™ and the upgrade to Auslab Evolution™
 - > Wellbeing awarded NIMIS contract in Ireland (7 years, £3.6m TCV) Revenue to commence in FY21
- Enterprise Software**
- > Revenue growth in Citadel Information Exchange (Citadel-IX™) of 66.5%
 - > Launch of goTRIM Pro™, an advanced mobile Content Manager interface
 - > Extending current partnership with Micro Focus, developing a significant global Big Pharma client pipeline



- Professional Services**
- > Early extension of Defence contract out to July 2021
 - > Revenue from Noventus \$21.5m, ahead of expectations with no material impact from COVID-19
 - > Entered into strategic partnership with LeanIX – enterprise architecture software
- Technology**
- > 3 year managed services contract for AV/VC support with University of Melbourne – engaged by three of the Group of Eight (G8) universities
 - > \$9.7m+ building works contract won in May 2020, with \$2.5m recognised in FY20 and remainder to be delivered in FY21



Q1 - Contracts Update

Key wins in Software and Services in Q1 delivering to plan

- Shortlisted for 3 UK pathology tenders with decisions expected over the next 2-9 months;
- New Charm contracts with Calvary and the Far North Day Hospital;
- Large scale AV building project with Deakin University to be delivered in H1;
- New multi-year contract with BAE for LED walls;
- 15 room pilot with University of Melbourne; and
- New 9-year Citadel-IX Contract (3 + 3 + 3 years) and an extension of one of our Royal Commission managed services contracts.



Q1 – Trading Update

Q1 performance in line with our expectations

- No outlook statement in respect of FY21 earnings.
- Trading over Q1 has been materially in line with our expectations, with a return to spending for University clients and a strong pipeline of opportunities in the UK for our pathology product.
- Organic growth remains the focus, however we continue to look at acquisitions in the eHealth sector to complement our existing product suite. The acquisition of eQstats in September has been integrated quickly and we have already seen cross sell contracts executed with our existing client base.
- We will continue to pursue organic and strategic growth initiatives primarily in the Health and Enterprise segments.

Formal Business of The Meeting

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Formal Business

Item 1: Financial Statements and Reports

“To receive and consider the Financial Report, the Directors’ Report and Auditor’s Report for the Company for the year ended 30 June 2020.”



Formal Business

Item 2: Remuneration Report

“That for the purposes of section 250R(2) of the Corporations Act the Shareholders of the Company adopt the Remuneration Report for the financial year ended 30 June 2020.”



Formal Business

Item 2: Remuneration Report

Proxy Results

For	Against	Open	Total	Abstain
18,767,215	257,516	328,780	19,353,511	2,823,262
96.97%	1.33%	1.70%		



Formal Business

Item 3: Re-election of Peter Leahy AC Lt Gen (Retd) as a Director of the Company

“That Lt General Peter Leahy AC, being a Director, who is retiring by rotation in accordance with Rule 50.2 of the Company’s Constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”



Formal Business

Item 3: Re-election of Peter Leahy AC Lt Gen (Retd) as a Director of the Company

Proxy Results

For	Against	Open	Total	Abstain
34,532,676	110,883	327,051	34,970,610	31,578
98.75%	0.32%	0.93%		



Formal Business

Item 4: Re-election of Mr Robert (Bob) Alexander as a Director of the Company

“That Mr Robert Alexander, having been appointed as a Director by the Board pursuant to Rule 49.1 of the Company’s Constitution, offers himself for re-election under Rule 49.2 of the Company Constitution and ASX Listing Rule 14.4.”



Formal Business

Item 4: Re-election of Mr Robert (Bob) Alexander as a Director of the Company

Proxy Results

For	Against	Open	Total	Abstain
34,547,487	101,452	321,671	34,970,610	31,578
98.79%	0.29%	0.92%		



Formal Business

Item 5: Re-election of Ms Jayne Shaw as a Director of the Company

“That Ms Jayne Shaw, having been appointed as a Director by the Board pursuant to Rule 49.1 of the Company’s Constitution, offers herself for re-election under Rule 49.2 of the Company Constitution and ASX Listing Rule 14.4.”



Formal Business

Item 5: Re-election of Ms Jayne Shaw as a Director of the Company

Proxy Results

For	Against	Open	Total	Abstain
34,543,148	100,842	325,120	34,969,110	33,078
98.78%	0.29%	0.93%		



Formal Business

Item 6: Approval of issue of equity to the CEO, Mark McConnell

(a) Approval of issue of share rights for FY20

“That approval be given, for the purposes of Listing Rule 10.14 and all other purposes, for the grant to the Chief Executive Officer and Managing Director, Mr Mark McConnell, of 61,551 Share Rights under the Company’s FY20 Long Term Incentive Plan at \$3.4118 per Share.”



Formal Business

Item 6a: Approval of issue of equity to the CEO, Mark McConnell

Approval of issue of share rights for FY20

Proxy Results

For	Against	Open	Total	Abstain
22,289,578	5,966,264	316,047	28,571,889	44,769
78.01%	20.88%	1.11%		



Formal Business

Item 6: Approval of issue of equity to the CEO, Mark McConnell

(b) Approval of FY21 share rights

“That approval be given, for the purposes of Listing Rule 10.14 and all other purposes, for the grant to the Chief Executive Officer and Managing Director, Mr Mark McConnell, of 89,148 Share Rights under the Company’s FY21 Long Term Incentive Plan at a price of \$4.3187 per Share.”



Formal Business

Item 6b: Approval of issue of equity to the CEO, Mark McConnell

Approval of FY21 share rights

Proxy Results

For	Against	Open	Total	Abstain
22,296,437	5,959,405	316,047	28,571,889	44,769
78.04%	20.86%	1.10%		



Formal Business

Item 7: Increase in Non-Executive Director Fee pool

“That for the purposes of Listing Rule 10.17, Rule 55.1 of the Company’s Constitution and for all other purposes, effective from the close of the Meeting, the total amount that may be paid in aggregate in any one year by the Company to the Non-Executive Directors as remuneration for services be increased by \$200,000 from \$500,000 to \$700,000.”



Formal Business

Item 7: Increase in Non-Executive Director Fee pool

Proxy Results

For	Against	Open	Total	Abstain
17,872,378	7,693,405	327,534	25,893,317	2,723,341
69.02%	29.71%	1.27%		



Close of Meeting

Poll results will be announced to the ASX as soon as they become available



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