

28 April 2021

Australian Securities Exchange
20 Bridge Street,
Sydney NSW 2000

Q3 FY2021 Business Update

Strong growth driven by organic sales; Completed ExtraMed acquisition

Highlights:

- Positive net operating cash flow of \$2.8M for Q3 FY21
- Strong organic growth adding \$4.8M of contracted revenue in Q3, of which \$3.0M will be recognised in FY21
- Contracted revenue to be recognised in FY21 (excluding ExtraMed acquisition which occurred after Q3 end) of \$24.7M at end of Q3 (\$15.9M recurring + \$8.8M non-recurring)
- Selected as preferred provider (as part of a Consortium) for a major healthcare IT project to capture data and support clinical decision making across the Australian Defence Force with potential Total Contact Value (TCV) of approximately \$21M over 5.5 years
- Expanded UK market presence via acquisition of ExtraMed, a leading provider of patient flow management software for hospitals in the UK
- Cash balance as of 31 March 2021 of \$15.3M, with a net increase of approximately \$6.6M to be received subsequent to the end of the quarter resulting from net proceeds of the capital raise (Placement + proposed Share Purchase Plan (SPP)) less payments relating to the acquisition of ExtraMed

Melbourne, Australia – Alcidion Group Limited (ASX: ALC) today released its Appendix 4C for the three-month period ended 31 March 2021 (Q3 FY2021) and this business update.

Alcidion Managing Director Kate Quirke said, “Alcidion has delivered another quarter of strong organic sales growth in the UK, Australia and New Zealand, with contracted revenue of \$24.7M expected to be recognised in FY21, excluding revenue from the acquisition of ExtraMed.

“Having already surpassed our FY20 revenue figure by 33%, we now enter a new phase following the acquisition of ExtraMed, which strengthens our current patient flow offering and puts us into a market leading position in the UK, with 27 NHS Trusts as customers. We are already moving to integrate these businesses and engage with our expanded client base in this market.

“Subsequent to the quarter we have also announced a capital raising of \$17.9M to replenish our cash reserves following the acquisition of ExtraMed in April and to provide additional working capital and growth funding for the expanded Alcidion Group. We thank the new and existing investors who participated in the institutional placement. We are also pleased to offer our loyal base of investors the opportunity to participate in the SPP that is currently underway, providing them the opportunity to purchase shares at the same price paid in the institutional placement.”

Business update

During Q3 FY2021, Alcidion signed new contracts and renewals with a total contract value of \$4.8M.

The revenue split between products, product implementation and services as at end of Q3 is as follows:

A\$M	Products	Product Imp	Services	Total
Recurring	15.9	-	-	15.9
Non-recurring	-	5.6	3.2	8.8
Total	15.9	5.6	3.2	24.7

Major contracts signed during the quarter included a five-year contract, with a TCV of \$2.2M with East Lancashire Hospitals NHS Trust in the UK to deploy Patientrack and Smartpage across five hospital sites. Additional contracts include three new Smartpage contracts in the UK, an expansion of the Dartford and Gravesham NHS Trust contract, and a six-month extension to the Miya Precision license with the Murrumbidgee Local Health District, as an interim measure until panel procurement processes are finalised.

Alcidion also announced the initial pilot of Better Meds and Patientrack with Te Manawa Taki District Health Boards in New Zealand. This is the first implementation of this medication management system in the Southern Hemisphere, which will be rolled out to up to five DHBs upon successful completion of the pilot.

After the end of the quarter, Alcidion announced that it had been selected, as part of a consortium, for a major healthcare IT project to maintain personal health records and support clinical decision making across the Australian Defence Force in all care settings. The initial TCV to Alcidion of this opportunity is \$21M over a 5.5 year period. As this is still subject to final negotiations, Commonwealth funding approval and contract signing, this revenue is not included in any sold revenue projections.

Also subsequent to the end of the quarter, Alcidion announced the acquisition of ExtraMed, a UK based health software company specialising in patient flow software. ExtraMed currently services 9 NHS trusts, six of which are new customers for Alcidion. As well as increasing Alcidion's presence in the UK market, the acquisition also positions Alcidion to be at the forefront of the UK deployment of Digital Control Centres which provide centralised co-ordination of patient flow initially through individual hospitals and eventually across multiple hospitals in a region. The acquired ExtraMed business is expected to add approximately \$2.7M in FY22 revenue and \$0.5M EBITDA from its existing contracts. It was acquired for £5.3M (A\$9.6M) cash.

Cash flow highlights

Cash receipts from customers in Q3 were \$11.5M, including two receipts totalling \$6.1M representing upfront payments against a major UK contract with South Tees Hospitals NHS Foundation Trust that were received in early January and late March. Operating cash outflows were \$8.8M, \$2.3M more than the previous quarter, and this included advance payment of several outgoings normally payable in Q4. Overall, Alcidion had a net operating cash inflow of \$2.8M in Q3.

At 31 March 2021, Alcidion's cash reserves were \$15.3M, with a net increase of approximately \$6.6M to be received subsequent to the end of the quarter resulting from net proceeds of the capital raise (Placement + proposed SPP) less payments relating to the acquisition of ExtraMed.

As noted in Item 6 of the Company's Appendix 4C Cashflow Statement, payments made to related parties and their associates totalled \$306K for the quarter. The payments relate to Directors' remuneration.

Investor webcast

Alcidion Managing Director Kate Quirke will host an audio webcast with investors via Zoom [this morning at 11:30am](#) Australian Eastern Standard Time (AEST).



To register for the webcast, please follow this link:

https://us02web.zoom.us/webinar/register/WN_maTXlgiITbSSyT1Kr30lvQ

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

ENDS

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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. In 2021 Alcidion acquired ExtraMed, a leading provider of patient flow management software. 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")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	11,543	22,342
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,344)	(3,047)
(c) advertising and marketing	(167)	(561)
(d) leased assets	(29)	(86)
(e) staff costs	(4,720)	(13,435)
(f) administration and corporate costs	(1,260)	(3,183)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	6
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)	(1,251)	(2,535)
1.9 Net cash from / (used in) operating activities	2,775	(499)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(42)	(193)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(42)	(193)

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,541	15,949
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,775	(499)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(42)	(193)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	49	66
4.6	Cash and cash equivalents at end of period	15,323	15,323

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	15,204	12,422
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	118	119
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,323	12,541

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(306)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>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.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	10	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	10	-
7.5 Unused financing facilities available at quarter end		10
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	2,775
8.2 Cash and cash equivalents at quarter end (item 4.6)	15,323
8.3 Unused finance facilities available at quarter end (item 7.5)	10
8.4 Total available funding (item 8.2 + item 8.3)	15,333
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 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	
8.6.2 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	
8.6.3 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	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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: 28 April 2021

Authorised by: The Board of Directors

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.