

27 July 2021

Australian Securities Exchange
20 Bridge Street,
Sydney NSW 2000

Q4 FY21 Quarterly Activities Report

Record Annual Revenue and Positive Operating Cash Flow

Highlights:

- Unaudited FY21 revenue of \$25.6M - \$25.9M, a 38% - 39% increase on the prior corresponding period (pcp)
- Positive net operating cash flow of \$1.6M for Q4, resulting in a full year FY21 positive operating cashflow of \$1.1M
- New and renewed contracts with a TCV of \$7.3M in Q4, up 52% on Q3 and 97% on pcp
- Opening balance of contracted revenue to be recognised in the new financial year (FY22) of \$15.1M, 18% higher than at the same time last year
- Acquired ExtraMed in April 2021, a leading UK provider of patient flow software, expanding Alcidion's UK market presence whilst providing additional cross-sell opportunities
- Selected as preferred provider (as part of a Consortium) for a major project to provide a consolidated healthcare record and support clinical decision making (via Miya Precision) across the Australian Defence Force with potential Total Contact Value (TCV) for Alcidion of approximately \$21M over 5.5 years subject to contract finalisation in Q2 FY22
- Cash balance at 30 June 2021 of \$25.0M (PY: \$15.9M)

Melbourne, Australia – Alcidion Group Limited ('Alcidion' or the 'Company') today released its Appendix 4C for the quarter ended 30 June 2021 (Q4 FY21) and this business update.

Alcidion Managing Director Kate Quirke said, "Alcidion has delivered a strong final quarter to close an exceptional year of growth. FY21 revenue is expected to be in the range of \$25.6M-\$25.9M, a record result for the company despite being generated in challenging circumstances under the backdrop of COVID-19, particularly in the UK. Pleasingly, we delivered positive operating cashflow in Q4 and for the full year, highlighting the shift into a sales acceleration phase. ExtraMed contributed \$600k to this revenue, being 2.5 months' worth of activity".

"We have been able to increase market share across all our core geographies, signing important new and renewed contracts that provide a solid foundation heading into the new financial year. It was particularly pleasing to extend the contract with Western Health for the provision of Miya and to sign contracts to continue to provide integration services to NSW Health. Contract renewals signify customer satisfaction and the positive relationship the company has with its customers."

"As part of the strategy to accelerate growth and capture the growing UK market opportunities, Alcidion completed the strategic acquisition of ExtraMed, strengthening our patient flow capability and improving our access to 27 NHS trusts (~19% of NHS acute trusts). We have moved quickly to integrate the ExtraMed offering and identify opportunities for Alcidion's product suite to be deployed."

"As announced in April, Alcidion (as part of a Consortium) was selected, subject to contract finalisation later this year, as the preferred provider for a major healthcare IT project with the Department of

Defence. Whilst this is potentially a major contract financially, more important is the validation it provides our technology as a modular and interoperable solution within major healthcare IT infrastructure projects.”

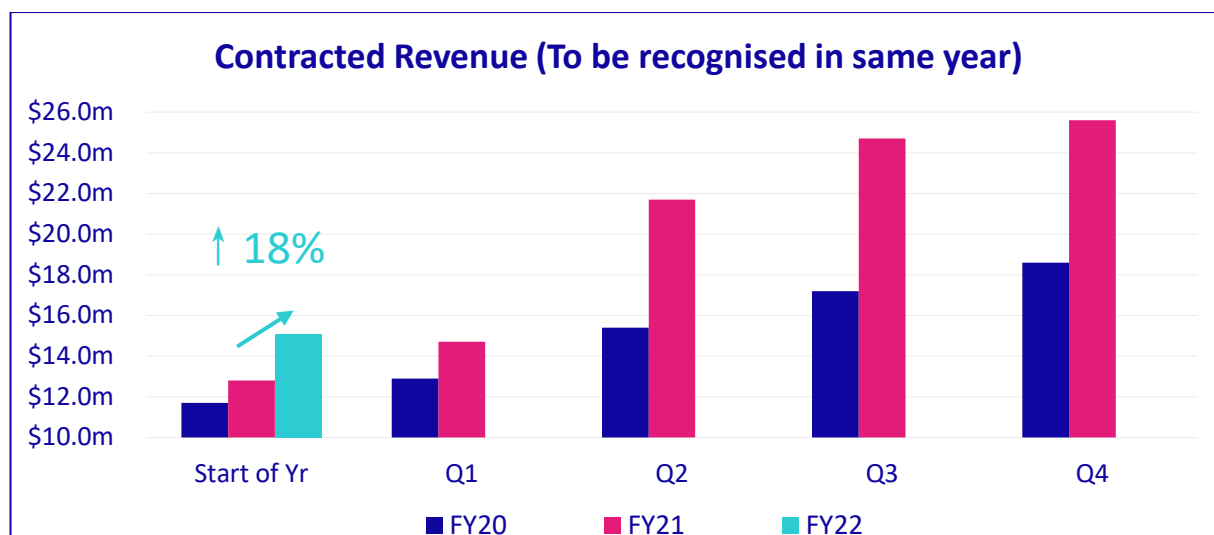
Financial update

Based on current unaudited results, Alcidion is expected to report audited FY21 revenue in the range of \$25.6M - \$25.9M including 2.5 months of ExtraMed revenue. This is a record full year result for the Company, and a 38% - 39% increase on FY20 revenue of \$18.6m.

Following a strong H1 with revenue of \$11.1M, the Company continued to build on the momentum through H2, delivering revenue of \$14.5M - \$14.8M. This represents a 39% - 42% increase on the prior corresponding six months (FY20 H2: \$10.4M).

During Q4 FY21, Alcidion signed new contracts and renewals with a total contract value of \$7.3M, part of which is recognised in FY21, with the majority of the balance to be recognised in FY22.

Alcidion begins FY22 with \$15.1M of contracted revenue to be recognised in the coming year, 18% higher than at the same time last year. The Company has a further \$2.9m of scheduled renewal revenue (existing customers renewing current subscriptions and licence periods) which is expected to be converted to contracted revenue over FY22.



Contracted revenue for the new financial year only includes revenue (both recurring and non-recurring) from current signed contracts. It does not include the revenue from contracts that will renew during the next twelve months. Contracted revenue builds over the year as existing recurring revenue contracts are renewed and new contracts (for both recurring and non-recurring revenues) are signed.

\$10.9M of the \$15.1M contracted FY22 revenue at the start of FY22, is recurring revenue. Alcidion defines recurring revenue as contracted subscription fees, product licence fees, annual support and maintenance and other multi-year service contracts.

Cash receipts from customers in Q4 were \$9.7M, a 27% increase on pcp. The Company generated positive operating cashflow of \$1.6M in Q4, resulting in a full year positive operating cash flow of \$1.1M. It should be noted that Alcidion typically experiences a level of seasonality in the cash flows with Q3 and Q4 historically being the strongest cash collection months.

As noted in Item 6 of the Company’s Appendix 4C, payments made to related parties and their associates totalled \$272K for the quarter. The payments relate to Directors’ remuneration.

Business Update

ADF Contract

In April, Alcidion announced it had been selected, as part of a Consortium, as the preferred provider for an enterprise Healthcare Knowledge Management (HKM) System for the Department of Defence of the Australian Government.

Alcidion will provide the Longitudinal Health Record component of the HKM via its Miya Precision product, aggregating the data from Consortium partners and other systems across the Defence Force environment. This project further highlights Alcidion's ability to interoperate with other solutions to unlock and manage data to benefit clinicians and improve healthcare outcomes. It also provides strong validation of Miya Precision's scalability, as a platform for supporting large-scale healthcare information management across widely dispersed multi-disciplinary healthcare settings.

The initial total contract value to Alcidion of this opportunity is expected to be \$21M over an initial 5.5 year term.

The contract is still subject to final negotiations and Commonwealth Government funding approvals which are expected to be concluded in Q4 calendar year 2021, with the project commencing promptly thereafter. The financial value of this contract is therefore not included within any of the contracted revenue figures reported in this Business Update.

Acquisition of ExtraMed

Alcidion acquired ExtraMed in April, a leading UK provider of patient flow management software, adding six new NHS Trusts and increasing the total NHS Trusts with an Alcidion product implemented to 27 or approximately 19% of the NHS acute market.

Additionally, ExtraMed, in partnership with Hitachi Consulting (as the lead contractor), has signed a large-scale healthcare IT contract to build the UK's first fully integrated hospital-wide Digital Command Centre for initial deployment at Salford Royal Hospital which is part of Northern Care Alliance NHS Group which includes four acute hospitals across two NHS trusts. The partnership will also provide opportunities for Alcidion to position Miya Precision within the emerging Digital Command Centre offering.

Significant Renewals

During the quarter Alcidion added several significant contract renewals. The company signed a contract extension with eHealth NSW for continued provision of services to support and maintain their Enterprise Services Bus (ESB). During the quarter, this contract was not only renewed but the scope of the services extended to cover additional deliverables. Alcidion also renewed for a further year, plus another optional year, the contract to supply Miya to Western Health in Victoria. Western Health is one of Alcidion's longest standing Miya customers.

Appointment of CFO

Alcidion expanded its management team during the quarter with the appointment of Matthew Gepp as Chief Financial Officer, effective as of 7 June. Mr Gepp joins with 17 years' experience holding senior finance and leadership positions, including most recently as the CFO of ASX listed technology and software company, MNF Group and 10 years prior international experience in financial roles in London and Europe.

Board Update

At the end of the quarter, Alcidion co-founder and Non-Executive Director Raymond Blight stepped down from the board in alignment with his consulting agreement which concluded on 30 June 2021 and as part of a board-led renewal and succession planning process.

The Company is well advanced in appointing a replacement Non-Executive Director, with a strong pool of candidates highly engaged and enthused at the prospect of joining the Alcidion Board at this time of significant momentum and strong growth prospects.

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).

To register for the webcast, please follow this link:

https://us02web.zoom.us/webinar/register/WN_OtpNxtLATI2X77NnClzYZA

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

Authorised for ASX release by the Board of Directors of Alcidion Group Limited.

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About Alcidion Group Limited (ASX:ALC)

Alcidion Group Limited (Alcidion) has a simple purpose: to transform healthcare with proactive, smart, intuitive technology solutions that improve the efficiency and quality of patient care in healthcare organisations, worldwide.

Alcidion offers a complementary set of software products and technical services that create a unique offering in the global healthcare market. Based on the flagship product, Miya Precision, the solutions aggregate meaningful information to centralised dashboards, support interoperability, facilitate communication and task management in clinical and operational settings and deliver Clinical Decision Support at the point of care; all in support of Alcidion's mission to improve patient outcomes.

Since listing on the ASX in 2011, Alcidion has acquired multiple healthcare IT companies and expanded its foothold in the UK, Australia, and New Zealand to now service over 300 hospitals and 60 healthcare organisations, with further geographical expansion planned.

With over 20 years of 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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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 2021

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	9,703	32,046
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(511)	(3,558)
(c) advertising and marketing	(149)	(710)
(d) leased assets	(28)	(115)
(e) staff costs	(4,921)	(18,356)
(f) administration and corporate costs	(2,080)	(5,262)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	13
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)	(431)	(2,966)
1.9 Net cash from / (used in) operating activities	1,590	1,092
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	(9,530)	(9,530)
(c) property, plant and equipment	62	(131)
(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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(9,468)	(9,661)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	18,360	18,360
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	(858)	(858)
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	17,502	17,502

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	15,323	15,949
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,590	1,092
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9,468)	(9,661)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	17,502	17,502
4.5	Effect of movement in exchange rates on cash held	80	145
4.6	Cash and cash equivalents at end of period	25,027	25,027

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	24,750	15,204
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	277	118
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	25,027	15,322

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	(272)
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>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	1,590
8.2	Cash and cash equivalents at quarter end (item 4.6)	25,027
8.3	Unused finance facilities available at quarter end (item 7.5)	10
8.4	Total available funding (item 8.2 + item 8.3)	25,037
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: 27 July 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.