

7 December 2021

Australian Securities Exchange
20 Bridge Street,
Sydney NSW 2000

Transformational Acquisition of UK Patient Administration System Company, Silverlink Software

Highlights:

- Alcidion to acquire Silverlink PCS Software Limited (Silverlink), one of the largest and few remaining specialist Patient Administration System (PAS) providers servicing the UK NHS market
- Provides Alcidion with the core PAS capability, which expands the overall product offering and positions Alcidion to become a cloud-native, modern, and modular Electronic Patient Record (EPR/EMR) provider to rival major global incumbents
- Expands UK presence to 38 NHS Trusts implying ~26% market presence, whilst also expanding the addressable market
- Silverlink FY22 forecast (30 April year-end) annual revenue of A\$7.8M from existing contracts (95%+ recurring revenue), generating EBITDA of A\$4.8M (62% EBITDA margin)
- Acquisition price in cash of £30.0M (A\$55.5M)¹, with a further £3.0M (A\$5.6M) subject to earn-out conditions being met
- Acquisition to be funded via a A\$55M equity raising, comprising:
 - A placement to institutional and sophisticated investors of A\$30M; and
 - An 1 for 10.5 accelerated non-renounceable entitlement offer to raise A\$25M
- Investor webinar to be held at 12noon AEDT Tuesday, 7 December 2021. Register via this [link](#)

1. AUD / GBP of \$0.54

Melbourne, Australia – Alcidion Group Limited (**‘Alcidion’** or the **‘Company’**) is pleased to announce it has signed a binding share purchase agreement (**SPA**) to acquire 100% of the issued capital in Silverlink PCS Software Ltd (**Silverlink**). Concurrently, the Company is raising A\$55M via a placement, and underwritten accelerated non-renounceable entitlement offer to institutional and retail shareholders.

Kate Quirke, Alcidion Group Managing Director said: “This acquisition is very exciting for Alcidion and clearly aligns with our acquisition strategy of expanding our product offering, increasing our UK market presence, and providing a positive contribution to our financial performance. We welcome the Silverlink team of 11 staff who together with our own senior leadership team have decades of product development, sales, and implementation experience in Patient Administration Systems (**PAS**).

“Combining Miya Precision with Silverlink PAS product reinforces our commitment to the UK market. Together we will support the open availability of data to ensure our healthcare systems are well equipped to address the challenges ahead. These aligned objectives make this partnership a perfect fit.”

Lynette Ousby, UK Managing Director added: “We are excited to bring on board the skills, experience and technology of the Silverlink team, which complements the work we have been doing at Alcidion with our Miya Precision platform. We believe together we have a compelling and differentiated offering that effectively addresses the modular EPR approach of the NHS.”

Acquisition of Silverlink

Founded in 1994, Silverlink is one of the last remaining specialist PAS providers servicing the UK NHS market, with their flagship product, Patient Case System (**PCS**).

PCS is recognised as being a flexible, cost-effective PAS that can easily integrate with other clinical systems to support a 'specialist modular system' approach, enabling the benefits of a full EPR without single supplier lock-in.

Silverlink has long-standing customer relationships with 12 NHS Trusts with 11 of those NHS Trusts being new for Alcidion, and one an existing user of Miya Observations and Assessments. All customers have been using Silverlink for over 5 years, with an average remaining contract term of 3 years.

The addition of 11 new Trusts expands Alcidion's market penetration to 38 Trusts representing approximately 26% market presence across the 'acute' NHS market.

Approximately 95% of Silverlink's revenue is recurring with Silverlink management forecasting FY22 revenue (30 April year-end) of A\$7.8M and EBITDA of A\$4.8m.

The acquisition price for Silverlink is £30.0m (A\$55.5m) upfront in cash, with a further £3.0m (A\$5.5m) subject to earn-out based on successful renewal of select customers prior to 31 March 2024. At completion of the transaction, appropriate net working capital and net debt adjustments will also be made as is customary for a transaction of this nature.

Completion of the transaction is expected to occur on or around 15 December 2021.

Further details of the Acquisition can be found in the investor presentation lodged with the ASX today.

Strategic Rationale

A PAS is the foundation of hospital IT systems and one of the first software solutions widely deployed in healthcare. A PAS captures all non-clinical information used in the daily management of a hospital including registrations, admissions, bed occupancy and discharge. It holds the key data for administration and reporting of hospital activity.

Given the limited resources (particularly in the public sector), coupled with a hesitation from hospital administrators to adopt new or unproven solutions, there has been minimal evolution of PAS software in the last 10+ years resulting in legacy architecture and technology. As a result, the market is ready for a 'trusted' provider with a track record to evolve a specialist PAS solution into the modern era EPR.

Silverlink provides Alcidion with a PAS capability, the foundational data store for healthcare, thereby expanding the overall product offering, which when combined with our Miya Precision clinical platform, provides a strategic pathway to developing a cloud-native, modern and modular EPR solution.

As a result, Alcidion's addressable market expands allowing us to respond to opportunities across a wider spectrum of healthcare digital requirements. This includes having a solution that addresses a greater proportion of electronic patient record requirements.

With approximately 60+ UK Trusts, including several existing customers, needing to modernise their existing PAS software over the next 5 years, the broadened product suite enables increased opportunity to expand Alcidion's offering to existing customers who have one or more of our solutions.

The acquisition aligns with the UK Health Services (**NHS**) stated digital transformation strategy of openness, modularity, modern and cloud-native EPRs, along with demonstrating further credibility to potential customers around Alcidion's intent to hold a market leading position in the healthcare software market. The opportunity is further supported by the UK funding program, with £2.1B confirmed for NHS IT upgrades and digital improvements announced in the recent UK budget.

Building Organic Sales Momentum and Outlook

Alcidion recently advised that it is a member of a consortium that has been awarded the contract to provide components of an enterprise Health IT Project for the Commonwealth of Australia. The value of Alcidion's contract for the project is estimated to be \$23.3M over six years. This phase will cover implementation and a subscription to the Miya Precision platform. Project commencement is planned for December 2021. Further options to expand Miya Observations and Assessments and renew up to 15 years creates a possible total contract value for the contract of around \$50M.

Alcidion reports that contracted revenue able to be recognised for FY22 stands at A\$18.7M at 30 November 2021, with a further A\$2.1M of scheduled renewal revenue expected to be converted to contracted revenue and recognised over FY22. Furthermore, Alcidion expects to be able to include additional FY22 contracted revenue of A\$3M from the Commonwealth of Australia contract, announced 3rd December 2021 plus A\$4M from the Silverlink acquisition.

The pipeline continues to develop with new Miya Precision opportunities advancing to the contract negotiation stage. The addition of a PAS offering to the Alcidion product suite will position the Company well with several NHS Trusts looking for new EPR options that offer a modern, forward looking, open architecture.

Capital Raising

Alcidion today announces an institutional placement and underwritten accelerated non-renounceable entitlement offer to raise a total of approximately A\$55M (**Equity Raising**).

The proceeds of the Equity Raising will be used to fund the Acquisition and associated costs of the transaction.

The Equity Raising will be conducted at an offer price of A\$0.25 per new share (Offer Price), which represents a:

- 21.9% discount to the last close price of A\$0.32; and
- 18.8% discount to the Theoretical Ex-Rights Price (TERP)

The Equity Raising will be conducted via:

- An institutional placement of A\$30M (**Placement**);
- An accelerated non-renounceable entitlement offer of approximately A\$25M (**Entitlement Offer**) at a ratio of 1 new share for every 10.5 existing shares held at the record date for the issue, being Thursday, 9 December 2021 (**Record Date**), comprising:
 - An accelerated institutional component (**Institutional Entitlement Offer**); and
 - Retail component (**Retail Entitlement Offer**)

Henslow Pty Ltd and Canaccord Genuity (Australia) Limited are Joint Lead Managers and Joint Bookrunners (JLMs to the Equity Raising).

The Equity Raising will result in the issue of approximately 220 million new ordinary shares (**New Shares**), representing approximately 21% of Alcidion's existing securities on issue. The New Shares issued under the Equity Raising will rank equally with existing Alcidion shares as at their date of issue.

The Entitlement Offer is non-renounceable, and rights (**Entitlements**) are not transferrable and will not be able to be traded on the ASX or privately. Eligible shareholders who do not take up their Entitlement under the Entitlement Offer in full or part, will not receive any value in respect of those Entitlements not taken up.

Placement

Alcidion has received firm commitments to raise A\$30M under the Placement. All shares under the Placement will be issued at the same price as the New Shares issued under the Entitlement Offer A\$0.25.

The Placement is within the Company's placement capacity under ASX Listing Rule 7.1. New Shares issued under the Placement will not be entitled to participate in the Institutional Entitlement Offer.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer, which will commence on Tuesday, 7 December 2021. Eligible institutional shareholders can choose to take up all, part or none of their Entitlement.

Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be sold through the institutional shortfall bookbuild at the Offer Price on Tuesday, 7 December 2021 (**Institutional Shortfall Bookbuild**).

Eligible institutional shareholders will be those with registered addresses in Australia and New Zealand.

The Company's shares have been placed in trading halt whilst the Placement, Institutional Entitlement Offer and Institutional Shortfall Bookbuild are undertaken.

Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in the Retail Entitlement Offer at the same Offer Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 10:00am (Sydney time) on Tuesday, 14 December 2021 and close at 5:00pm (Sydney time) on Thursday, 23 December 2021.

Eligible retail shareholders will be those with registered addresses in Australia and New Zealand only on the Record Date of 7:00pm (Sydney time) on Thursday, 9 December 2021.

Eligible retail shareholders can choose to take up all, part or none of their Entitlement. Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet and accompanying personalised Entitlement and Acceptance Form which are expected to be despatched on or around Tuesday, 14 December 2021. Copies of the Retail Offer Booklet will be available on the ASX website (www.asx.com.au) from Tuesday, 14 December 2021.

Indicative Timetable

The timetable below is indicative only and subject to change. The Company reserves the right to alter the dates at its discretion and without prior notice, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth).

The quotation of New Shares is subject to confirmation from the ASX.

All times below are based on Sydney time.

Key Events	Key Dates
Trading halt and announcement of Placement and Underwritten ANREO	Tuesday, 7 December 2021
Announcement of results of Institutional Entitlement Offer and Placement	Thursday, 9 December 2021
Trading Halt is lifted and trading resumes on an "ex-entitlement" basis	

Key Events	Key Dates
Record date for the Entitlement Offer	7:00pm (AEDT) Thursday, 9 December 2021
Offer Booklet + Entitlement & Acceptance Form Issued Retail Entitlement Offer opens	Tuesday, 14 December 2021
Settlement of New Shares issued under the Institutional Entitlement Offer and Placement	Tuesday, 14 December 2021
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer and Placement	Wednesday, 15 December 2021
Retail Entitlement Offer closes	5:00pm (AEDT) Thursday, 23 December 2021
Announcement of results of Retail Entitlement Offer	Wednesday, 29 December 2021
Settlement of New Shares issued under the Retail Entitlement Offer	Friday, 31 December 2021
Allotment of New Shares issued under the Retail Entitlement Offer	Tuesday, 4 January 2022

This announcement is authorised for 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