

27 January 2022

Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Q2 FY22 Quarterly Activities Report

Melbourne, Australia – Alcidion Group Limited ('Alcidion' or the 'Company') today releases its Appendix 4C for the quarter ended 31 December 2021 (Q2 FY22) and a business update detailing operational highlights.

Highlights:

- Signed largest contract, as part of a Consortium led by Leidos Australia, to deliver key capability for a Healthcare IT project for the Commonwealth of Australia - \$23.3M TCV over 6 years
- Q2 positive operating cashflow of \$1.5M, driven by Q2 cash receipts of \$9.9M with total YTD cash receipts of \$16.4M
- New contracted revenue sold in Q2 of \$27.7M with \$6.2M of that to be recognised in FY22
- Acquired Silverlink PCS Software Ltd (Silverlink), positioning Alcidion to become a cloud-native, modern, and modular Electronic Patient Record (EPR/EMR) provider
- Successful \$55.0 Million capital raising via Institutional Placement and Entitlements issue to fund the Silverlink acquisition
- At the end of Q2, total contracted revenue to be recognised in FY22 stands at \$27.1M - up 25% on prior year Q2 (this includes \$3.8M from Silverlink)
- A further \$1.9M of scheduled renewal revenue is expected to be converted to contracted revenue over the course of FY22
- Cash balance of \$18.9M as at 31 December 2021

Alcidion's Group Managing Director Kate Quirke said, "Alcidion has delivered a positive operating cash flow in Q2 along with announcing our largest ever contract win with Leidos who are acting as prime contractor for a major project with the Commonwealth of Australia. In this contract Alcidion will provide the longitudinal healthcare record consolidating healthcare data from a range of predominantly Australian digital health providers. Q2 cash receipts of \$9.9M, an increase of 125% on the same period last year, were driven by a significant quarter of sales that has seen continued endorsement of our technology and services."

"We signed new contracts with Queen's Hospital Burton – the first new ExtraMed contract since acquisition in April 2021 – and Sydney Local Health District, one of Australia's leading health services, and an important reference site for Alcidion in the use of Miya Precision to support virtual care."

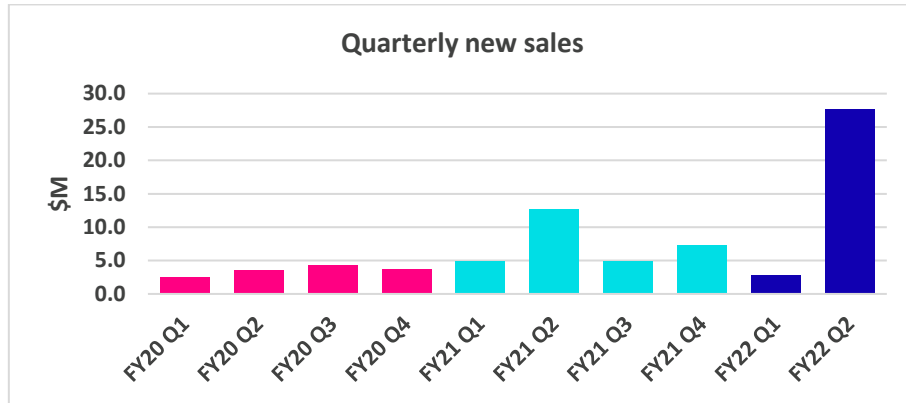
"The well supported capital raise of \$55.0M and transformational acquisition of Silverlink, one of the largest and few remaining specialist PAS providers servicing the UK NHS market, is pivotal to our strategy to expand our product offering and maximise our market opportunity. It affirms our commitment to the UK market while also providing the foundation for our modern modular Electronic Patient Record (EPR)."

"These results support our confidence in a strong full year as we head into what is typically a busier second half. We note however that the unprecedented pressure on our healthcare systems globally is impacting the speed of decision making."

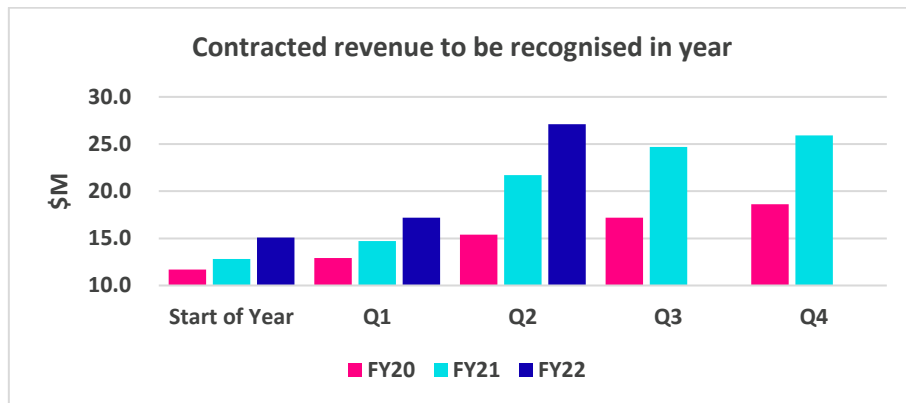
Financial Update

Alcidion sold \$27.7M of new contracted revenue in Q2 with \$6.2M to be recognised in FY22.

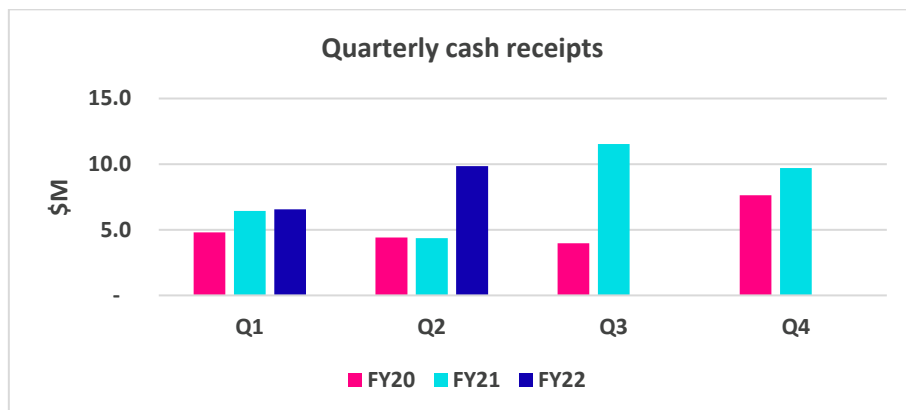
The \$27.7M in new contracted revenue comprises \$15.4M of recurring revenue and \$12.3M of non-recurring revenue. This includes the \$23.3M initial contract value to deliver key capability for a Health IT Project for the Commonwealth of Australia.



At the end of Q2, contracted revenue able to be recognised in FY22 was \$27.1M, comprising \$23.3M of organic revenue and \$3.8M of Silverlink revenue. This represents a 25% increase on the prior corresponding period (pcp). Contracted revenue 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 or are yet to be signed.



The Company generated positive operating cashflow of \$1.5M for the quarter. Cash receipts from customers in Q2 were \$9.9M, a 125% increase on pcp. This resulted in total cash receipts for the period of \$16.4M, 52% higher than at the same time in the previous year.



The Company's cash balance was \$18.9M as at 31 December 2021 and reflects the consideration payments for the acquisition of Silverlink and the \$55.0M equity capital raised as part of the Placement and Entitlement Offer.

As noted in item 6 of the Company's Appendix 4C, payments made to related parties and their associates totalled \$297K for the quarter. The payments relate to Directors' remuneration.

Business Update

Acquisition and Capital Raising

In December 2021, Alcidion acquired Silverlink, one of the largest and few remaining specialist Patient Administration System (PAS) providers servicing the UK NHS market.

The acquisition provides Alcidion with core PAS capability, expanding its overall product offering and positioning Alcidion to being able to offer a cloud-native, modern and modular Electronic Patient Record (EPR) to rival major global incumbents. In addition, it expands the company's UK presence to 38 NHS Trusts giving a ~26% market presence, while also expanding the addressable market.

The acquisition price of £30.0M (\$55.5M) with a further £3.0M (\$5.6M) subject to earn-out conditions being met, was funded via a \$55.0M equity raising, comprising:

- A placement to institutional and sophisticated investors of \$30.0M; and
- A 1 for 10.5 accelerated non-renounceable entitlement offer to raise \$25.0M

Silverlink has forecast FY22 (30 April year-end) annual revenue of \$7.8M from existing contracts (95%+ recurring revenue), generating EBITDA of \$4.8M (62% EBITDA margin).

New Contracts Wins

As part of a Consortium led by Leidos Australia, Alcidion was awarded a contract to deliver key capability for a Healthcare IT project for the Commonwealth of Australia, specifically the provision of the Longitudinal Health record via Miya Precision. The value of the contract is estimated to be \$23.3M over six years, which will cover the implementation and a subscription to Miya Precision. Further potential to take up Miya Observations and Miya Assessments and options to renew up to 15 years creates a possible Total Contract Value (TCV) for the contract with Leidos of approximately \$50.0M.

Alcidion also secured a new three-year contract with Queen's Hospital Burton in the UK for ExtraMed's Inpatient Flow Manager (IPFM), the first new contract win following the acquisition of ExtraMed in April 2021. Queen's Hospital Burton is part of the University Hospitals of Derby and Burton NHS Foundation Trust, one of the largest NHS trusts in the UK. A three-year contract extension was also signed for ExtraMed's IPFM licence and support with Royal Derby Hospital, sister to Queen's Hospital Burton, which has documented success in reducing length of stay using IPFM.

Finally, a new three-year contract with Sydney Local Health District was secured for the use of Miya Precision in supporting virtual care of acute diverticulitis patients by rpavirtual. Miya Precision will be the platform supporting virtual care across Sydney Local Health District capturing information from integrated devices along with patient entered information from the new Miya Care module. It will be a key reference site for Alcidion, highlighting the capability of Miya Precision to support virtual care and remote patient monitoring.

Board Updates

During the quarter, Mr Nicholas Dignam stepped down as a Non-Executive Director, effective 17 November, after having served for five years on the Board and as noted at the Company's 2021 Annual General Meeting.

Ms Victoria Weekes was appointed as Chair of the Audit and Risk Committee to replace Mr Dignam.

Investor Webcast

Alcidion Group Managing Director Kate Quirke will host an audio webcast with investors via Zoom [this morning at 11:00am](#) Australian Eastern Daylight Time (AEDT).

To register for the webcast, please follow this link:

https://zoom.us/webinar/register/WN_pNGexcSjQFW5036wQSJExw

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

ENDS

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

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About Alcidion

Alcidion Group Limited (Alcidion) has a simple purpose, that is, 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.

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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")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	9,852	16,406
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(645)	(1,237)
(c) advertising and marketing	(198)	(314)
(d) leased assets	(25)	(46)
(e) staff costs	(5,862)	(11,814)
(f) administration and corporate costs	(1,194)	(3,135)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	13
1.5 Interest and other costs of finance paid	(17)	(27)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – GST received/(paid)	(370)	(1,711)
1.9 Net cash from / (used in) operating activities	1,544	(1,865)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:	-	-
(a) entities		
(b) businesses	(56,463)	(56,463)
(c) property, plant and equipment	28	(160)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(56,435)	(56,623)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	55,000	55,000
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	(2,223)	(2,223)
3.8	Dividends paid	-	-
3.9	Other (Payment for principal portion of lease liabilities)	(419)	(419)
3.10	Net cash from / (used in) financing activities	52,358	52,358

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	21,522	25,027
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,544	(1,865)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(56,435)	(56,623)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	52,358	52,358
4.5	Effect of movement in exchange rates on cash held	(51)	41
4.6	Cash and cash equivalents at end of period	18,938	18,938

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	18,634	21,218
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	304	304
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	18,938	21,522

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	(297)
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	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	1,544
8.2	Cash and cash equivalents at quarter end (item 4.6)	18,938
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	18,938
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <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>	N/A
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 January 2022

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.