

31 October 2022

Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Q1 FY23 Quarterly Activities Report

Melbourne, Australia – Alcidion Group Limited (‘Alcidion’ or the ‘Company’) today releases its Appendix 4C for the quarter ended 30 September 2022 (Q1 FY23).

Highlights:

- Cash receipts of \$12.0M, an increase of 83% on the prior corresponding period (pcp)
- Q1 new TCV sales of \$1.8M, with \$1.3M recognisable in the current year
- Total contracted revenue at end of Q1 of \$29.0M, up 69% on pcp
 - On constant currency basis total contracted revenue was \$29.3M
 - Further \$2.6M of scheduled renewal revenue expected to be recognised in FY23
- Q1 negative operating cashflow of \$0.5M, significant improvement versus negative \$3.4M pcp
- Cash balance of \$16.2M at 30 September 2022, with no debt

Alcidion Group Managing Director Kate Quirke said, “In the first quarter of FY23, we have collected \$12.0M of cash receipts and recorded a Q1 negative operating cashflow of \$0.5M which represents an ~85% improvement compared to the same period last year. Historically, Q1 is a period of larger operating cash payments, so to deliver a modest cash outflow validates the financial long-term stability of our business and ability to drive material cash flow generation in the future.”

“We added \$1.8M in new TCV sales during what is typically the slowest sales quarter of the year, including a 3-year renewal by University Hospitals Derby & Burton of the Inpatient Flow Management (IPFM) product. This renewal further highlights the quality of the businesses we acquired in 2021 along with the longevity of our customer relationships.”

“Although Q1 new TCV sales were below our recent strong quarters, we are very confident in our pipeline with significant opportunities progressing well through the contract negotiation stage and are expected to convert throughout Q2.”

“Our contracted revenue stands at \$29.0M, up substantially on the same time last year, and when coupled with expected renewals and several near-term pipeline opportunities, we remain confident in our ability to meet our expected target of being cashflow and EBITDA positive in FY23.”

“According to the latest UK data, approximately 7 million people are now on NHS waiting lists for consultant-led elective care and emergency department wait times are increasing to unprecedented levels. Alcidion’s technology solutions address some of these challenges and we can play a key role in alleviating some of the future strain on the healthcare system”.

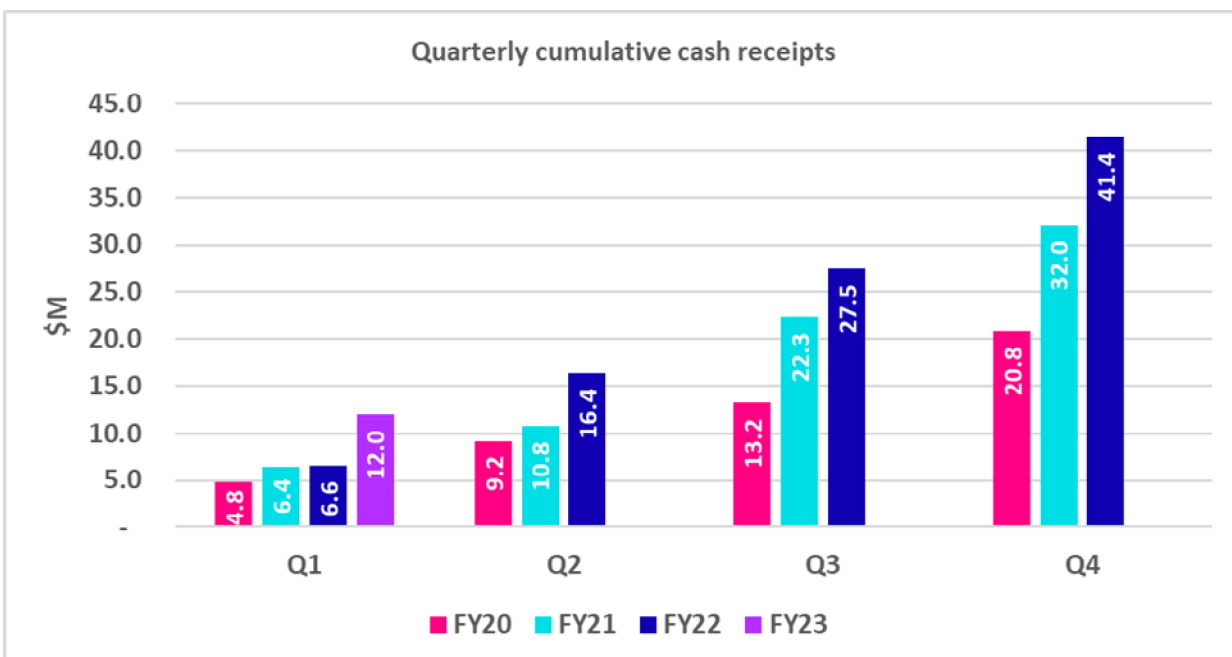
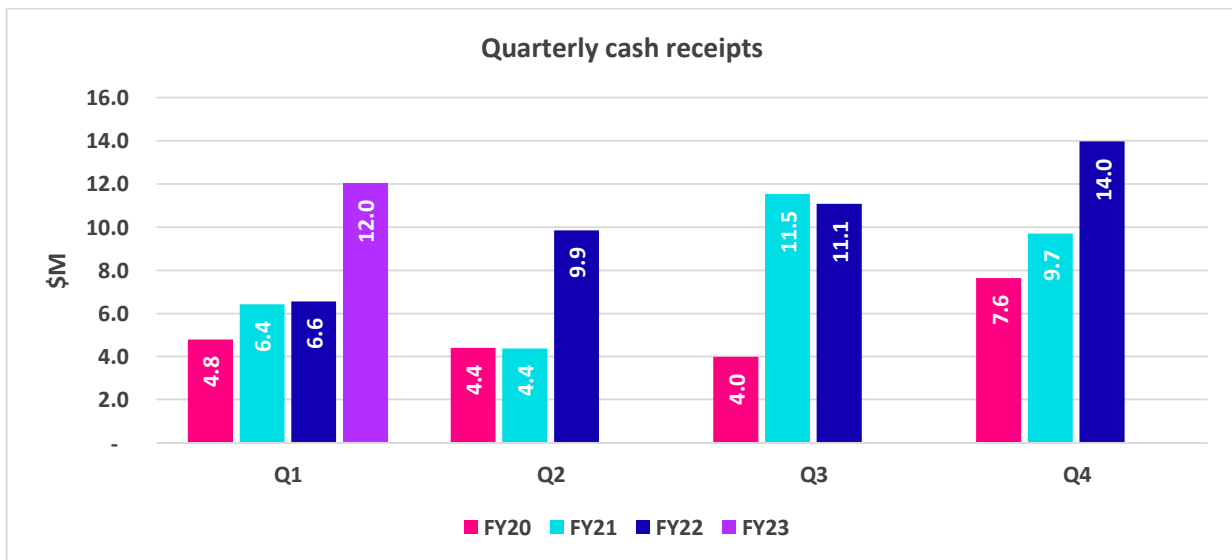
Financial Update

Alcidion generated new TCV sales of \$1.8M in Q1, with approximately \$1.3M able to be recognised in FY23. New sales comprised \$1.6M (89%) of recurring Product revenue and \$0.2M (11%) of non-recurring Services revenue, which includes product implementation.

Q1 is historically a quieter period for new sales with the Company expecting a stronger result in Q2 as evidenced historically. However, it should be noted that major contracts can be signed at any time.

The Company reported negative operating cashflow of \$0.5M for Q1, which was a significant improvement on the pcp operating cashflow of negative \$3.4M.

Cash receipts from customers in Q1 were \$12.0M, 83% higher than at the same time in the prior year. The Company had an operating cash outflow of \$0.5M, which reflects the full quarter impact of new hires in H2 FY22 coupled with the payment of FY22 staff bonuses in August (accrued for in FY22 results) and large net GST/VAT payments of \$2.2M a result of the strong FY22 Q4 sales/receipts.



The Company's cash balance was \$16.2M as at 30 September 2022, with no debt.

As noted in item 6 of the Company's 4C, payments made to related parties and their associates totalled \$280,000 for the quarter. The payments relate to Directors' remuneration.

Outlook

Alcidion has \$29.0M of contracted revenue to be recognised in FY23, an increase of 69% on pcp. On a constant-currency basis, contracted revenue to be recognised in FY23 was \$29.3M.

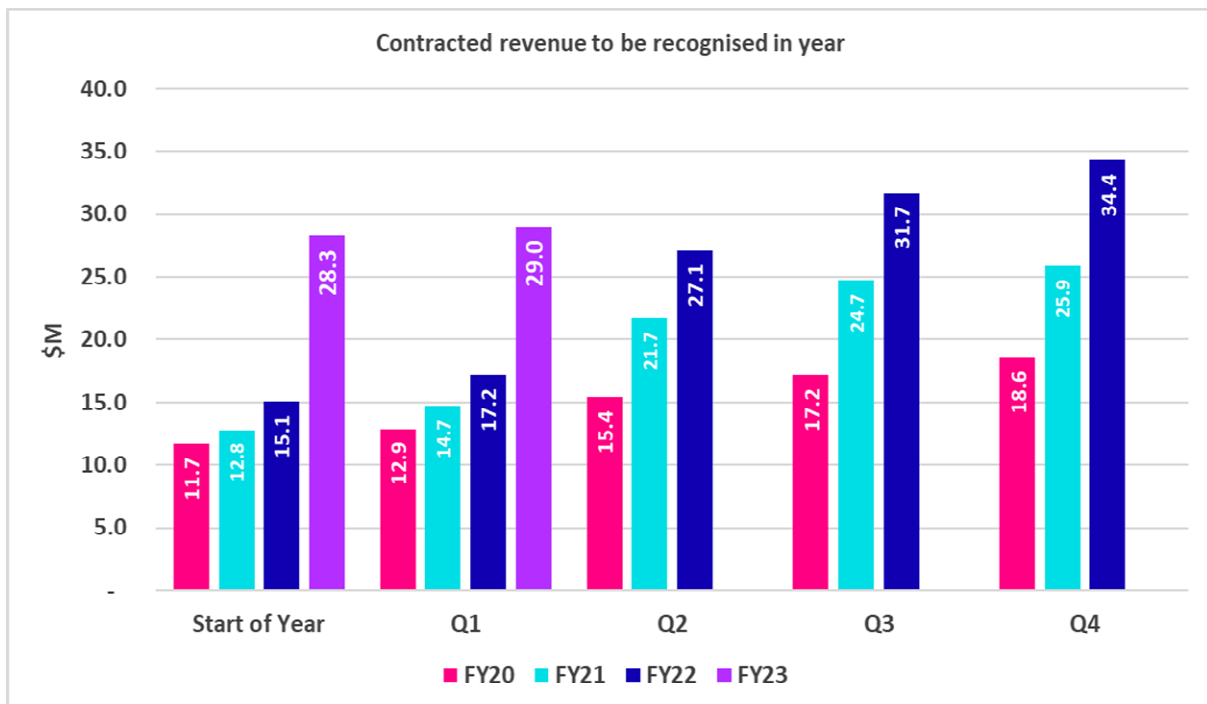
A\$M	Reported	Constant Currency	Variance
FY23 Contracted Revenue	\$29.0M	\$29.3M	\$0.3M

As Alcidion increasingly generates a greater proportion of their total revenue from the UK market, the AUD reported figures will be subject to foreign exchange rate changes.

Alcidion reports the current year contracted revenue (Reported) using the prevailing foreign exchange rate for the quarter.

If the same foreign exchange rate had been used when the FY23 contracted revenue was reported in the Q4 FY22 update (Constant Currency), FY23 contracted revenue would be approximately \$0.3M higher at \$29.3M.

Alcidion has a further \$2.6M of scheduled renewal revenue from existing customers renewing current subscriptions and license periods, which is expected to be converted to contracted revenue in FY23.



Investor Webcast

Alcidion Group Managing Director Kate Quirke will host a 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://us06web.zoom.us/webinar/register/WN_cxnWCuzETOmXOyOefinguQ

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 400 hospitals and 87 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")

30 Sep 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	12,006	12,006
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,202)	(1,202)
(c) advertising and marketing	(160)	(160)
(d) leased assets	(7)	(7)
(e) staff costs	(7,268)	(7,268)
(f) administration and corporate costs	(1,628)	(1,628)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	17
1.5 Interest and other costs of finance paid	(31)	(31)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – GST received/(paid)	(2,210)	(2,210)
1.9 Net cash from / (used in) operating activities	(483)	(483)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(159)	(159)
(j) investments	-	-
(k) intellectual property	-	-
(l) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(159)	(159)

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 (Payment for principal portion of lease liabilities)	(151)	(151)
3.10	Net cash from / (used in) financing activities	(151)	(151)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	17,339	17,339
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(483)	(483)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(159)	(159)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(151)	(151)
4.5	Effect of movement in exchange rates on cash held	(337)	(337)
4.6	Cash and cash equivalents at end of period	16,209	16,209

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	15,889	17,018
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	320	321
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	16,209	17,339

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	(280)
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. 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)	175	-
7.4 Total financing facilities	175	-
7.5 Unused financing facilities available at quarter end		175
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.		
WBC corporate credit card facility secured against cash on deposit, interest charged at 14.25% on overdue accounts		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(483)
8.2 Cash and cash equivalents at quarter end (item 4.6)	16,209
8.3 Unused finance facilities available at quarter end (item 7.5)	175
8.4 Total available funding (item 8.2 + item 8.3)	16,384
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	33
<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: 31 October 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.