

18 April 2024

Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Q3 FY24 Quarterly Activities Report

Melbourne, Australia – Alcidion Group Limited ('Alcidion' or the 'Company') today releases its Appendix 4C for the quarter ended 31 March 2024 (Q3 FY24).

Highlights:

- Q3 new TCV sales of \$6.0M with \$2.9M revenue expected to be recognised in FY24
 - Signed \$3.4M three-year contract extension with Dartford and Gravesham NHS Trust for use of Miya Precision and associated modules
 - Signed new three-year contract with Tameside and Glossop Integrated Care NHS Foundation Trust for use of Miya Precision's Observations and Assessment module (formerly Patienttrack)
- Sold and renewal revenue for FY24 of \$37.4M at end of Q3, 2% increase on pcp
 - \$132M of sold and renewal revenue over the next 5 years, excluding FY24 (FY25-FY29)
- Q3 cash receipts of \$10.2M with an operating cash outflow of (\$1.3M)
 - Includes \$1.0M one-off redundancy costs; underlying operating cash outflow of (\$0.3M)
 - Q3 ending debtor balance of \$12.9M (Q2'24: \$7.3M)
- Completed further cost saving initiatives in Q3 with annualised savings of ~\$4.0M
 - Combined with other cost savings already realised in H1 this represents ~\$6.4M of annualised cost savings
 - Q4 will be the first full quarter to benefit from all cost savings being realised
- Cash balance of \$6.5M and no debt as of 31 March 2024
- Expecting positive cashflow for Q4 and H2

Alcidion Group Managing Director Kate Quirke said, "Continuing to build referencability and market presence is a key part of Alcidion's sales strategy with customers and it's therefore pleasing to sign a new Trust in Tameside and Glossop Integrated Care NHS during the quarter. We are deploying our Miya Precision Observations and Assessments module across the Trust to assist clinicians with the capture of data at the bedside to improve to real-time deployment of patient care. This is the second trust in this ICS to adopt this module, with Stockport having used our Observations and Assessments module for many years."

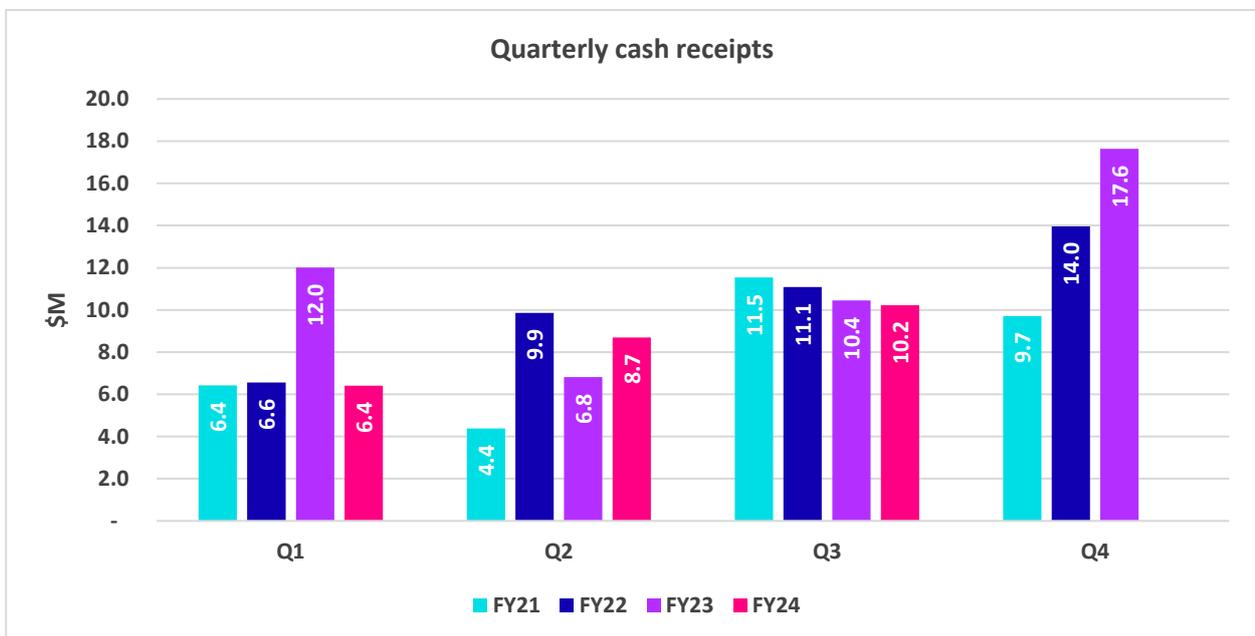
"This new Trust adds to our recent contract extension at Dartford and Gravesham NHS Trust extending an existing 5-year relationship for a further 3 years. Dartford and Gravesham were the first to implement Miya Precision in the UK as part of their digital advancement strategy and we look forward to working with them to build upon their digital strategy over the coming years."

“In Q3 we implemented the cost saving initiatives announced in our H1’24 results which will deliver annualised cost savings of approximately \$6.4m. We will see the benefit of these costs savings in Q4. At the end of Q3 our FY24 contracted revenue is \$37.4M, which we expect to continue to build upon in Q4, noting any material contracts that may be signed late in the quarter may not result in significant revenue recognised in this financial year but will continue to strengthen our future revenue profile.”

Financial Update

Alcidion generated Q3 new sales of \$6.0M with approximately \$2.9M expected to be recognised as revenue in FY24. Q3 new sales comprised 87% recurring product revenue and 13% non-recurring services (primarily product implementation) revenue.

Cash receipts from customers in Q3 was \$10.2M with operating cash outflow of (\$1.3M). This result includes one-off redundancy and restructuring cash costs of \$1.0M. Underlying Q3 operating cash outflow was (\$0.3M).



As noted in item 6 of the Company’s 4C, payments made to related parties and their associates totalled \$0.24M for the quarter. These payments relate to Director’s remuneration and payments to WE Communications.

Outlook

At the end of Q3 Alcidion had \$37.4M of contracted and scheduled renewal revenue to be recognised over the course of FY24, approximately 2% up on pcp.

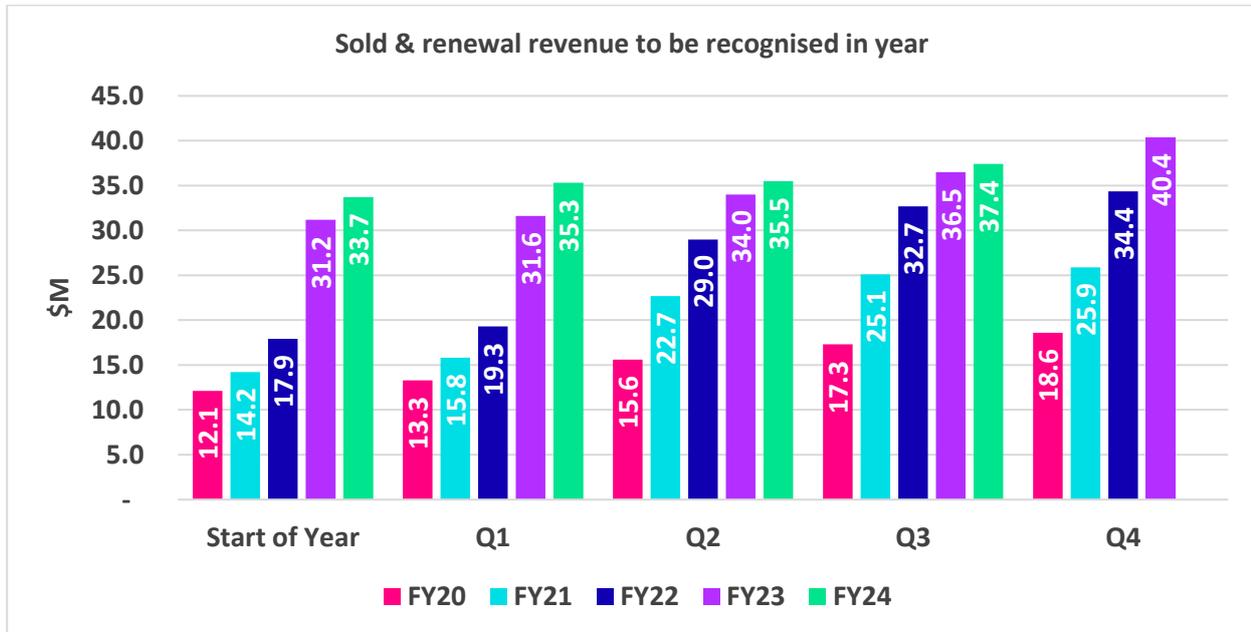
Q4 is historically the highest quarter for cash receipts and Alcidion expects this trend to continue given Q3 ending debtor balance of \$12.9M (pcp: \$7.3M) coupled with a strong contracted Q4 invoicing profile.

In addition, Q4 will realise the full benefit from cost saving initiatives implemented in Q3, which is expected to reduce the Q4 cost base by approximately \$1.0m (\$4.0m annualised). Combined with cost savings applied in H1, the total annualised cost saving is \$6.4M.

The cash balance was \$6.5M with no debt as of 31 March 2024. Alcidion continues to engage with new and existing customers against a backdrop of increasing referencability, with the recent new NHS Trust win further building on the profile. The Company has approximately \$132M of contract and renewal revenue from FY25 to FY29 able to be recognised which represents significant long-term value.

In addition, Alcidion is progressing with several large EPR tenders, collectively with TCV of \$200m+. Based on current timelines a preferred vendor should be known on most of them by the end of the 2024 calendar year.

Alcidion is confident of a cash flow positive result for the second half, generated from customer receipts and operational savings, ensuring we are in a strong position with adequate funds as we enter the new financial year.



Investor Webcast

Alcidion Group Managing Director Kate Quirke will host a webcast with investors via Zoom on Thursday, 18 April 2024 at 11:00am Australian Eastern Standard Time (AEST).

To register for the webcast, please follow this link:

https://us06web.zoom.us/webinar/register/WN_DU59jfi8Rda61rTltJ6cNw

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

For further information, please contact:

Investor Relations

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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")

31 March 2024

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	10,226	25,331
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(659)	(3,555)
(c) advertising and marketing	(277)	(926)
(d) leased assets	-	-
(e) staff costs	(8,051)	(24,405)
(f) administration and corporate costs	(1,455)	(5,463)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	43
1.5 Interest and other costs of finance paid	(23)	(68)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – GST received/(paid)	(1,121)	(3,726)
1.9 Net cash from / (used in) operating activities	(1,347)	(12,769)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(8)	(53)
(j) investments	-	-
(k) intellectual property	-	-
(l) 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	(8)	(53)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,403
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	-	(391)
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)	(166)	(494)
3.10	Net cash from / (used in) financing activities	(166)	4,518

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,914	14,641
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,347)	(12,769)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8)	(53)

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)	(166)	4,518
4.5	Effect of movement in exchange rates on cash held	61	117
4.6	Cash and cash equivalents at end of period	6,454	6,454

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	5,878	7,338
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (TDs)	576	576
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,454	7,914

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	241
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)	150	40
7.4 Total financing facilities	150	40
7.5 Unused financing facilities available at quarter end		110
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)	(1,347)
8.2 Cash and cash equivalents at quarter end (item 4.6)	6,454
8.3 Unused finance facilities available at quarter end (item 7.5)	110
8.4 Total available funding (item 8.2 + item 8.3)	6,564
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.9
<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: 18 April 2024

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.