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Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

FY24 Full Year Results and Annual Report

Melbourne, Australia – Alcidion Group Limited ('Alcidion' or the 'Company') today releases its audited full year results and Annual Report to Shareholders for the Financial Year ended 30 June 2024 (FY24).

Highlights:

- FY24 revenue of \$37.1M and Underlying EBITDA loss of (\$3.4M);
- H2 Underlying EBITDA loss of (\$0.6M), assisted by reduced staff costs in H2
- Q2/Q3 reset of cost base now delivering annualised cost savings of \$6.4M
- FY24 operating cash outflow of (\$7.1M), with a H2 positive operating cashflow of \$4.3M
- FY24 new sales of \$35.3M, with \$6.2M recognised in FY24
- Milestone new contracts and extensions further validating Alcidion's long term value proposition
- As of August 2024, \$28.0M of contracted and renewal revenue able to be recognised in FY25, excluding any revenue contribution from North Cumbria contract once finalised
- Run-rate EBITDA breakeven at ~\$36M¹ of revenue; targeting EBITDA positive in FY25
- Continued increase in market activity with opportunities progressing into the selection stage of the procurement cycle
- ~\$130M of contract and renewal revenue able to be recognised from FY25 to FY29, excluding upside expansion from existing contracts or impact of North Cumbria contract
- Cash balance of \$11.8m and no debt as of 30 June 2024

Alcidion Group Managing Director Kate Quirke said, "Operationally, this year was one of our busiest with several deployments completed. Hampshire Hospitals Foundation Trust implemented our new Emergency Department (ED) module of Miya Precision. This was a significant deployment and the first roll out globally of ED. This deployment showcases our ability to innovate and commercialise new functionality for customers, which over time will allow us to grow organic total contract value (TCV).

"Additionally, we went live at Bolton NHS, Hereford and Worcester NHS and largely finalised our component of implementation services for the Leidos Consortium as part of the Australian Defence Force project. Our ability to execute successfully, on time, is a key element to our strong reputation in the market and requires significant team effort."

"Financially, FY24 was a tale of two halves. We experienced a slower first half in regard to signing of new contracts and at the same time required existing resources to deliver on our project commitments. This placed significant pressure on our financial position. Responding to the delays in customer procurement cycles, we reduced the cost base resulting in approximately \$6.4m of annualised cost being removed in late Q2 and Q3. The reduced cost base, combined with winning new contracts, resulted in a material

improvement to our cashflow in Q4 with the reduced Q4 cost base expected to be maintained heading into FY25.”

“Importantly, we have started FY25 in a strong position, announcing our new partnership with Hume Rural Health Alliance along with being selected as preferred supplier for North Cumbria’s new Electronic Patient Record (EPR) solution. Our confidence in the outlook is improving after seeing an increase in market procurement activity which is positive given the status of our pipeline with opportunities moving into the selection stage.”

“Finally, I would like to thank our staff and the senior leadership team for their work this year in helping improve healthcare outcomes for patients. This was recently validated via some excellent results that followed an independent study conducted at Alfred Hospital into the impact the Miya platform was having on hospital flow – the key takeaway being Miya helped drive better patient outcomes whilst reducing healthcare costs.”

Financial Update

Profit & loss (A\$000)	FY23	FY24	% change
Recurring			
Product - M&S + Annual licences	24,655	26,196	6%
Product - Capital licenses	3,445	1,082	(69%)
Non-Recurring			
Product implementation	10,025	7,496	(25%)
Technical services	2,275	2,283	0%
Total revenue	40,400	37,057	(8%)
Direct costs	(5,629)	(5,137)	(9%)
Gross profit	34,771	31,920	(8%)
Gross profit %	86.1%	86.1%	
Salaries & wages	(29,943)	(29,236)	(2%)
Professional fees	(977)	(941)	(4%)
Marketing	(840)	(928)	10%
Other operating expenses	(4,163)	(4,209)	1%
Operating expenses	(35,923)	(35,314)	(2%)
Underlying EBITDA	(1,152)	(3,394)	na
Restructure & related costs	-	(1,033)	na
Share based payments	(387)	(152)	(61%)
EBITDA	(1,539)	(4,579)	na

Alcidion delivered FY24 revenue of \$37.1M, down 8% on pcp, with annual recurring product revenue (ARR) up 6% on pcp.

To provide additional reporting transparency, the Company has presented the value of capital licenses generated during the period. Capital licenses reflect revenue that has been received upfront for licence fees that cover a multi-year period, which is typically 3 or 5 years. Due to the funding structures in place, capital licenses are typically a feature of UK NHS contracts with upfront revenue and cashflow often being aligned. The Capital licences are classified as recurring as the license fee will again be payable for use of the software upon contract renewal.

Gross profit margin was 86.1%, in-line with pcp. The gross profit margin is expected to increase to ~90% in FY25 and beyond due to the restructure of an Australian contract, in which Alcidion acted as prime contractor for a third-party product. At the renewal of this contract, after five years, it was more sensible for the software provider to act as prime with Alcidion remaining as the service provider. The net result will

be an immaterial change to gross profit, however net revenue from that contract will reduce by approximately \$2.1M in FY25 compared to FY24.

Operating expenses decreased on pcp due to ~\$6.4m of annualised savings (predominantly related to staffing) which were removed in late Q2 and Q3. The reduction in operating expenses is highlighted further on a H1 vs H2 analysis which shows a 19% reduction in the second half of the year.

The Company reported an Underlying EBITDA loss of \$3.4M in FY24. In H2 the Underlying EBITDA loss was \$0.6M and included approximately \$0.9M of staff redundancy costs (due to timing) which will not occur in future periods.

Alcidion finishes the year with a cash balance of \$11.8m, with positive operating cashflow in H2, with no debt as of 30 June 2024.

Business Update

During the period the company signed, extended or renewed the following material contracts:

- **Dartford and Gravesham NHS Trust (UK):** Contract extension (following initial 5-year contract) for an additional 3 years for Miya Precision; TCV of \$3.4M over 3 years.
- **South Tees Hospital NHS Foundation Trust (UK):** Signed \$23.3M contract extension for Miya Precision EPR for 10 years (to 2033) with option for additional modules that would increase TCV by further \$9.3M.

Subsequent to the period end:

- **North Cumbria Integrated Care NHS Foundation Trust (NCIC) (UK):** Selected as Preferred EPR supplier for its new Electronic Patient Record (EPR system); TCV under negotiation but expected to be \$30M - \$40M over 10 years depending on included modules with deployment in Q3 FY25.
- **Hume Rural Health Alliance (AUS):** Signed new partnership for use of Miya Precision as an enterprise digital platform with a focus on patient flow and virtual care; \$4M TCV over 5 years.

The Company successfully deployed modules into:

- **Hampshire Hospitals NHS (UK):** First site using Miya Emergency Department (ED) module, with more than 2,700 documents created across 3 locations in the first 12 hours demonstrating the depth and scale of our solutions and their ability to support critical care environments.
- **Herefordshire and Worcestershire NHS (UK):** First deployment of Miya Precision for Flow and Bed Management into a community and mental health trust; provides a reference site for new market segment.
- **Bolton NHS (UK):** Live with Flow, Access and Command modules which replaced the Extramed solution and created another new Miya Precision site in the UK; validation of progressive strategy to upgrade ExtraMed sites to Miya Precision.
- **Leidos Australia (AUS):** Continued successful staged delivery of the project to meet milestones with Alcidion's portion of project implementation to be completed during H1 FY25.

Finally, the company launched:

- **Miya Emergency Department(ED),** which is a specialty module tailored to the ED workflow, displaying the key indicators that support the clinical and flow management perspectives of patient care in this specialised care setting.
- **Miya Central,** which consolidates information to support hospital operations management into a single, centralised dashboard that supports other technology partners in an ecosystem approach, protecting existing investments and supporting our customers with decision making in a resource constrained world.

Board changes

Alcidion Group Limited (ASX: ALC) is pleased to announce the appointment of Will Smart as a Non-Executive Director to the Alcidion Board, effective from 1 October 2024 and the retirement of Simon Chamberlain, effective from 24th October 2024 at the completion of the Annual General Meeting.

Will is a global digital health leader at both an operational and non-executive level having recently stepped down as the Global Director of External Relations, Dedalus Group, a global digital health company. Based in the United Kingdom, Will is currently Digital Non-Executive Director, Great Western Hospitals NHS Foundation Trust and was previously the CIO for Health and Social Care for England. In that role, Will provided advice to the Secretary of State for Health and Social Care and developed and delivered national strategies on information, technology and informatics.

Simon Chamberlain, a Non-Executive Director, has elected to retire from the Alcidion Board after five years. Simon has played a critical role during his tenure as both an active NED and Chair of the Remuneration and Nominations Committee. His strong product focus and experience in technology company growth activation has been a valued contribution to the strategy and success of Alcidion, which has seen revenue growth of more than 120% in that time.

Simon will continue as an NED until his retirement at the Company's Annual General Meeting in October. This will allow a smooth transition to support Will's onboarding. Mr Daniel Sharp will assume the role of Chair of the Remuneration and Nominations Committee from 1 October 2024.

Outlook

As of August 2024, there is already \$28.0M of contracted and renewal revenue able to be recognised in FY25, which the Company would expect to further build upon as the year progresses, with the following key items being noted:

- Assumes minimal implementation revenue from Leidos Australia in FY25 in-line with project completion (contributed ~\$5.1 in FY24);
- Assumes net ~\$2.1M recurring revenue reduction from Australian services contract which was restructured in FY24 (NB: immaterial change to gross profit contribution); and
- Assumes ~\$1.5m recurring revenue reduction from two UK Silverlink PCS customers who have now gone 'live' with their new EPR deployments after several years of implementation (this eventual transition away from PCS was known to Alcidion at the time of acquisition); and
- Excludes any revenue from NCIC (North Cumbria) which would be material depending on final structure of the contract.

Based on the Q4 exit run-rate cost, EBITDA breakeven is approximately \$36M of revenue. The Company is targeting, and has in place initiatives, to be EBITDA positive in FY25, which is supported by the business performance in H2 of FY24.

Over the past 6 months, the Company has seen an increase in market activity across all regions which is providing confidence in the outlook, with opportunities now progressing into the selection stage of the procurement cycle. Furthermore, following several recent deployments the Company can demonstrate referenceability across core products in all key markets.

Alcidion has ~\$130M of contract and renewal revenue able to be recognised from FY25 to FY29 (excluding any upside expansion from existing contracts or impact of the prospective material preferred supplier contract with North Cumbria), which represents significant long-term value for the business.

Investor Webcast

Alcidion Chair, Rebecca Wilson, Group Managing Director and CEO, Kate Quirke and CFO, Matthew Gepp will host a webinar via Zoom today at 11.00am Australian Eastern Standard Time (AEST).

To register for the webcast, please follow this link:

https://us02web.zoom.us/webinar/register/WN_PZjObakjR7yj44-F8RE26Q

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:

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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 95 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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