

24 November 2017

Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

24 November AGM Chairman's Address

The past year has been busy and productive for Alcidion, as we've gone about renewing many important aspects of the business, in particular:

We have renewed our Business Strategy:

- to crafted new product offerings to support entry into enter new market segments and we have developed appropriate "go to market" strategies around these,
- to have the option of lowering our installation footprint/costs by leveraging the cloud,
- to lower the internal cost of ongoing maintenance and support, to deliver higher margins within our annuity streams.

We have renewed our product strategy,

- to differentiate our offerings from the competition,
 - ✓ through a combination of new product modules – mostly internally but also through access to third party software
 - ✓ and enhanced functionality in existing modules
- to open up new market segments – specifically the private hospital sector and the "out-of-hospital" sector,
- to increase the value delivered in our products.

To renew our technology strategy:

- to be amongst the first leverage the opportunities of AI and Big Data in health care services
- to leverage the most advanced software technologies for superior product performance
- to leverage the Cloud for rapid, wide area access to selected products, at low cost
- to replace selected aging components of our software infrastructure with cost efficient COTS replacements

To renew our marketing capability;

- to clarify our market positioning – better and faster decisions – to save lives and turbo charge health care businesses

- to establish a permanent internal marketing capability – to build and run product specific campaigns aimed at rapid and effective lead generation

We have commenced rebuilding our sales capacity, and that remains a priority work in progress

And last but not least, we have renewed our Board of Directors;

- To improve our investor relations performance and move our registry to a better balance of institutional and retail
- To expand our health informatics innovation and commercialisation know-how, and to assist our decision making around new technology generally, and specifically cloud technologies

More specifically on Board renewal, in July we appointed two new Non-Executive Directors as part of a board renewal process, that is:

- Rebecca Wilson, a highly experienced investor relations and management advisor in the medical technology sector.
- Geoff Rohrsheim, a very successful software, services and technology entrepreneur.

On behalf of the board, I am pleased to welcome these two highly credentialed professionals and to recognise the valuable, directly relevant, industry experience they bring to Alcidion.

Against that background of renewal, our mission remains that of assist our clients to achieve, and sustain, high performance hospital and health care service delivery – high performance in the sense of

- Safety – decreasing preventable errors, tracking patient complexity and clinical risk, offering guidance on best practice treatment options
- Speed – eliminating unnecessary and costly time delays, ensuring smooth patient flow, and increasing staff productivity
- Efficiency – smarter logistics support, higher bed utilisation, lower length of stay, easier clinical documentation, process improvements and embedded KPI's
- Effectiveness – better quality services, better clinical outcomes, reduced re-admissions

The Miya Platform remains our core technology asset and is the foundation on which we build our “applications” to target specific problems/performance improvement opportunities in health care.

Each of products can be thought of as a combination of a problem specific application(s) sitting on the Miya Platform.

The Miya Platform is the engine room of our ability to build decision intelligence – it is a unique, advanced decision intelligence system that processes real-time data for improved health care decision support and analytics. The Miya Platform consolidates the relevant data from many complex and disparate healthcare technology systems to one place, builds high

value decision intelligence (clinical and logistical) and pushes that to the relevant decision maker, via mobile and desktop devices and large digital displays.

I have arranged for our current Investor Relations Presentation to be put to you after I have finished this Address – and that will give you a clearer picture of how we will intend to make Alcidion an exciting investment prospect, via sustained revenue growth.

Alcidion achieved several key milestones in FY17, particularly advancements in the commercialisation of its core Miya technology, as well as entry into several new sites and markets, which I'd now like to share.

We are pleased with the steady adoption of our technology to date, with Miya platforms now installed in 16 significant acute hospitals around Australia and our latest version of the platform is about to be installed in a long standing customer – the Royal Melbourne Hospital – and will be implemented in our first New Zealand customer early next year.

In April, we announced that Alcidion had secured a \$2.35 million contract with Victorian based Western Health, with an initial term of three years and an option to extend for a further two years. This was a significant contract for Alcidion as it was preceded by a MoU executed in August 2016. This contract represents a successful transition from a Miya pilot site to a full commercial site, our ability to successfully execute contract renewal and expansion, and provides strong validation of our technology and its value in the hospital setting.

In May we executed a contract with the MidCentral District Health Board in New Zealand, our first in that country. MidCentral District Health will be using the Miya platform across their public hospital facilities to manage the flow of patient care, to deliver real time resource utilisation intelligence into their Hospital Operation Centre and clinical intelligence to the care team.

The solution will be tracking every patient from reception through the hospital wards and specialist clinical areas through to discharge.

Our Best Practice ED Pathology Ordering Solution for NT Health has now gone into production operation in the Royal Darwin ED and shortly the ASH ED. We completed the product development over 12 months ago but commissioning was delayed by other factors within NTHealth that were beyond our control. We are very excited to be able to show this ground breaking product in operation and to work with NT Health to gather information on its RoI.

One of the biggest opportunities for us is moving our technology into the private hospital market, which is valuable not only because of the potential new client base but also because private sector contracts are typically characterised by much shorter procurement cycles than public sector contracts. The private hospital market will be a key area of growth for Alcidion over the coming year.

We were therefore pleased to sign our first private hospital network in March with Calvary, which operates 15 public and private Hospitals, 17 retirement and aged care facilities and a national network of Community Care Centres across Australia.

During the year we also expanded our technology offering, releasing Miya Smartpage, a mobile task management solution for which we have secured our first Australian contact with the Monash health public network in Melbourne. We are offering Miya Smartpage as a stand-alone cloud based product to address the need for improved clinical collaboration and communication, which is very effective at solving the Night Hospital problem. Miya Smartpage is now integrated seamlessly with Miya Patient Flow, this providing new functionality in the Alcidion product and a further product differentiation.

Moving our products to the cloud, to offer a complementary next generation offering with predictive capabilities is a key differentiator for Alcidion and we are evolving the accessibility of data to inform important patient care decisions across all our products.

A complementary cloud technology offering is a significant and strategically important change to our platform that will create exponential scale up opportunities, driven by the adaptability of our products as well as their ability to provide real time, point of care support.

Subsequent to the end of the 2017 financial year, Alcidion announced it was successful in securing a contract with Monash Health following a comprehensive competitive tender process. This was for Miya Smartpage, a cloud based offering.

We have come to an important junction where we are heavily focused on commercial execution whilst continuing to benefit from our technology innovation. And, whilst we are confident that our organic growth is an important element of our scale up, we're also pursuing several transactions that can help us to achieve scale much more quickly, open up new channels and allow us to seamlessly bolt on complementary products. A great deal of Board and management effort has been committed to seeking and executing on appropriate M&A transactions.

We believe this strategy will allow us to achieve the market presence to capitalise on our leading products and offer our customers a fully integrated system to enable superior clinical and business process outcomes.

In terms of our financial results, the Company finishes the 2017 Financial Year in a healthy financial position, with \$5.85m in cash, minimal debt and a \$1m provision for the R&D Tax Incentive.

In the 2017 Financial Year, the Company invested \$2.24m in Research and Development. As mentioned, Alcidion made significant progress over the course of the Period in the adoption of industry standard technologies into its Miya Platform and Integration Engine.

The move to standardise these technologies has resulted in substantial efficiency gains in the Company's software development and has seen a substantial decrease in the cost of deployment.

With the strong cash position, Alcidion is well-placed to pursue activity to continue to progress our business leading up to 30 June 2018. These include:

- Expansion into new international markets, with a focus on the UK market in the short term, and the North America market in the medium term

- Deployment of cloud based, low cost, product modules.
- Establish reference customers in each state in Australia and New Zealand.
- Engage Private Hospital Groups in Australia and New Zealand.
- Forge Strategic Partnerships with healthcare technology partners, for increased international and domestic market access.
- Execute on M&A transactions that offer product synergies, an expanded customer base for Alcidion product upsell, access to new markets and revenue growth.

While Alcidion is an early stage technology Company, it maintains an ambition to rapidly grow its revenue base by leveraging its differentiated technology platform, executing strategic M&A opportunities, and targeting significant new markets. The company's exposure to the fast growing digital health sector further supports Alcidion's growth strategy. Overall, I am committed to delivering long term value creation for Alcidion's shareholders.

I'd like to conclude by thanking the Board and management team and you, our shareholders, for your commitment to our company over the past twelve months.

Thank you.



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About Alcidion

Alcidion Group Limited (ASX:ALC) is a publicly listed, innovative health informatics company that specializes in clinical products that improve productivity, safety and efficiency. Alcidion's solutions target key problems for Emergency Rooms, Inpatient Services and Outpatient Departments and are built upon a next generation health informatics platform, which incorporates an intelligent EMR, Clinical Decision Support Engine, Data Integration Capability, Smartforms, Terminology Support and Standards Based Web Services.

Alcidion's focus is on delivering solutions that enable high performance healthcare and which assist clinicians by minimising key clinical risks, tracking patient progress through journeys and improving quality and safety of patient care.

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