



**14 October 2019**

Australian Securities Exchange  
20 Bridge Street,  
Sydney NSW 2000

## **Positive cash quarter achieved in Q1, FY20 sold revenue up 16%**

### **Highlights:**

- \$12.9M revenue already contracted for FY20; 16% increase on Q1 FY19;
- \$2.5M of new contracts sold in Q1, adding \$1.2M revenue to be recognised in FY20;
- Total sold revenue out to FY25 is \$34.0M;
- Strategically important contract signed with Healthscope - first sale to a major private hospital group of our data and analytics capabilities;
- Cash surplus from operations of \$136K for Q1 FY20; representing the third consecutive quarter of positive net cashflow; and improved cash reserves of \$4.4M

**Melbourne, Victoria** – Alcidion Group Limited (ASX:ALC) (**Company**) has today released its Appendix 4C quarterly cash flow statement for the period ended 30 September 2019 (Q1 FY20).

Alcidion Managing Director Kate Quirke said, “We are very pleased with the continued momentum of Alcidion in the first quarter. As a result of several new contracts that were signed during the period and a greater stream of recurring revenue to be recognised in FY20, the Company is well placed to continue to deliver growth during FY20. These new contracts represent an important indicator of our increasingly in-demand offering as global healthcare embraces digital solutions to improve care.

“Our recently announced contract with Healthscope marked an important milestone, representing the first private healthcare customer for data and analytics, demonstrating the value of Alcidion’s capabilities across both private and public healthcare.

“As a result of the cash surplus from operations, stronger sold revenue pipeline, and our first entry into private healthcare for data and analytics, Alcidion remains well placed to deliver growth in FY20 and beyond.”

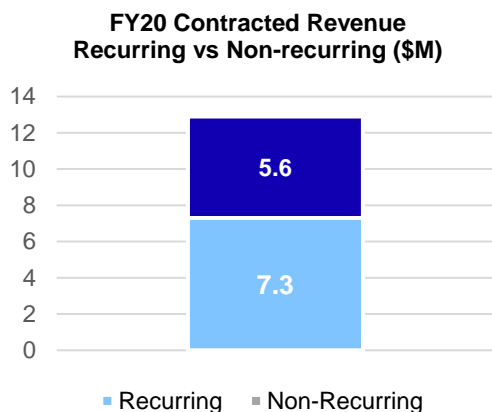
### **Business update – Q1 FY20**

During the quarter, Alcidion signed several new and recurring contracts, with a total contract value of \$2.54M. A total of \$1.24M of this sold revenue will be recognised in FY20.

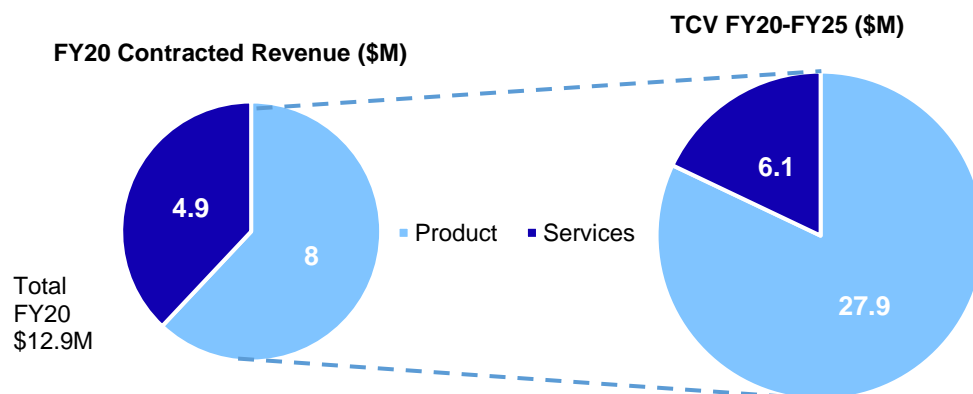
During the quarter Alcidion signed a three-year agreement with private healthcare provider Healthscope to provide a solution supporting its data and analytics strategy across 43 hospitals. This contract is significant for Alcidion, as it is the first implementation of its data analytics capabilities into a major private healthcare group. The value of this initial contract is \$895K, a significant portion of which will be recognised in FY20 with the rest to be recognised over the next two financial years.

Subsequent to the end of the quarter, we have also signed a new Smartpage contract with an existing customer in New Zealand. While this contract was below the threshold for separate disclosure to the market, it demonstrates the cross-selling opportunities that exist amongst our current client base.

As of 30 September 2019, total sold revenue for FY20 is at \$12.9M, which represents a 16% year-on-year increase. Non-recurring revenue booked for FY20 is \$5.6M and recurring revenue to be recognised in FY20 is currently \$7.3M.



Alcidion continues to expand its sold revenue pipeline for FY20 and the next five years. Total sold revenue out to FY25 is \$34.0M, which also represents a 16% increase on the prior year (\$29.3M). Of this, \$27.9M will be generated from the licensing and support of product, and \$6.1M will be generated from services.



In August 2019, Alcidion launched its new brand, consolidating MKM Health, Patientrack, and Oncall into one cohesive Alcidion brand. The launch of Alcidion's new brand is the final stage of the investment in integrating the core businesses and capabilities of the companies acquired by Alcidion in 2018.

Alcidion also announced changes to its Board with the appointment of Rebecca Wilson as Non-Executive Chair with the former Chair Ray Blight remaining as a Non-Executive Director.

### Third consecutive quarter of positive cash inflow

Alcidion delivered a net positive cash inflow in the first quarter with a surplus of \$136K generated from operations. This represents Alcidion's third consecutive quarter of positive operational cash flow and its fourth since the beginning of FY19.

Available cash reserves were boosted to \$4.4M, an increase of \$840k for the quarter, which is the result of the operational cash surplus and \$700k in capital funding being paid into Alcidion as a result of options being exercised.

Cash receipts from customers for the quarter were \$4.8M which was 6% down on Q1 FY2019 (\$5.1M), due to two UK customers paying upfront for new large UK contracts won towards the end of FY19 with no cash therefore being received from these contracts in Q1.



Our expected cash outflows for next quarter (\$6.3M), are significantly higher than those in Q1 (\$4.7M) due to some Q1 expenditure being deferred and planned increased investment in staffing and marketing in Q2 which is aligned with the company's business plan to enable continued growth in FY20 and beyond. The Q1 deferred costs were primarily payments due to business partners, the timing of which is linked to customer receipts as well as deferred tax obligations in the UK due to changing the company name. The expected average of expenditure in the two quarters (~\$5.5M) is more indicative of likely operational outflows in future quarters."

### Conference call

Alcidion Managing Director Kate Quirke is hosting a conference call with investors this afternoon, 14 October at 1:00pm Australian Eastern Daylight Time (AEDT).

#### Call details:

Australia:	1800 558 698
Alternate Australia:	1800 809 971
New Zealand	0800453055
Hong Kong	800 966 806
Singapore:	800 101 2785
United Kingdom:	0800 051 8245
United States:	1 855 881 1339

**Conference ID: 10002346**

**ENDS**

For further information, please contact:

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### About Alcidion

Alcidion Limited (ASX:ALC) has a simple purpose: to transform healthcare with smart, intuitive technology solutions that meet the needs of hospital and allied healthcare, worldwide. It offers a complementary set of software products and services that create a unique offering in the global healthcare market; solutions that support interoperability, allow communication and task management, and deliver clinical decision support at the point of care to improve patient outcomes. In 2017 Alcidion acquired Oncall System and its Smartpage clinical communication system. In 2018 it acquired the Patientrack bedside patient monitoring software and MKM Health, an IT solutions and services provider. These offerings now operate under the Alcidion brand. With over 25 years of combined healthcare experience, Alcidion brings together the very best in technology and market knowledge to deliver solutions that make healthcare better for everyone.

[www.alcidion.com](http://www.alcidion.com)

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

ALCIDION GROUP LIMITED

**ABN**

77 143 142 410

**Quarter ended ("current quarter")**

30 SEPTEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4,798	4,798
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(337)	(337)
(c) advertising and marketing	(191)	(191)
(d) leased assets	(14)	(14)
(e) staff costs	(3,384)	(3,384)
(f) administration and corporate costs	(803)	(803)
1.3 Dividends received	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – GST received/(paid)	65	65
<b>1.8 Net cash from / (used in) operating activities</b>	<b>136</b>	<b>136</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	700	700
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
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	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>700</b>	<b>700</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,371	3,371
4.2	Net cash from / (used in) operating activities (item 1.8 above)	136	136
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	700	700

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	4	4
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>4,211</b>	<b>4,211</b>

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	3,923	3,171
5.2	Call deposits	-	-
5.3	Bank overdrafts	200	200
5.4	Other	88	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,211</b>	<b>3,371</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

(127)

-

Directors' wages, superannuation and reimbursements

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-

-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	200	-
8.2 Credit standby arrangements	410	29
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Loan facilities is an overdraft of \$200,000 provided by CBA at 9.31% secured over assets.

Credit standby arrangements:

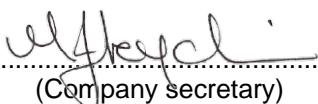
- Corporate MasterCard credit cards of \$10,000 provided by CBA at 14.55% secured over assets.
- Pre-approved Equipment loan facility of \$250,000 provided by CBA, interest rate is determined at time of each Equipment loan, secured over assets.
  - o \$60,662 has been utilised to purchase Laptop equipment of an 18-month period at 5.54% interest rate.
- Corporate Amex credit cards of \$145,000 provided by American Express, interest rate 15%.
- Corporate Visa credit card of NZD5,000 provided by ASB, interest rate 20.95%.

9. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(598)
9.3 Advertising and marketing	(297)
9.4 Leased assets	(12)
9.5 Staff costs	(3,654)
9.6 Administration and corporate costs	(837)
9.7 Other – GST received/(paid)	(866)
<b>9.8 Total estimated cash outflows</b>	<b>(6,264)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

### 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.

Sign here: .....  
(Company secretary)

Date: 14 October 2019

Print name: Melanie Leydin

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.