

30 January 2023

Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

## Q2 FY23 Quarterly Activities Report

**Melbourne, Australia** – Alcidion Group Limited (‘Alcidion’ or the ‘Company’) today releases its Appendix 4C for the quarter ended 31 December 2022 (Q2 FY23).

### Highlights:

- Q2 new sales of \$16.8M (2<sup>nd</sup> highest quarter ever), with \$4.2M recognisable in FY23
- FY23 contracted revenue at end of Q2 of \$32.9M, up 21% on pcp, with a further \$1.1M of scheduled renewal revenue expected to be converted to contracted revenue
- Signed initial 3-year contract (initial TCV of \$2.8M) with University Hospital Southampton NHS to implement Miya Precision platform as foundation for their Electronic Patient Record (EPR)
  - Further options for additional Alcidion products result in potential TCV of \$13.8M over 4 years
- Signed \$8.4M TCV extension over 57 months to existing contract with Leidos Australia for delivery of Health Knowledge Management system for Australian Defence Force (ADF)
  - Contract extension brings TCV for this full contract to ~\$31.7M
- New contracts signed during the quarter continue to reinforce Alcidion’s modular product strategy of addressing the needs of customers as they progressively enhance their digital maturity
- 1H FY23 cash receipts of \$18.8M, up 15% on pcp
- Q2 negative operating cashflow of \$4.5M, driven by lower than anticipated cash receipts of \$6.8M as a result of timing delays in some larger payments, with approximately \$5.2M of cash receipts received following the quarter end
- Cash balance of \$11.9M at 31 December 2022, with no debt

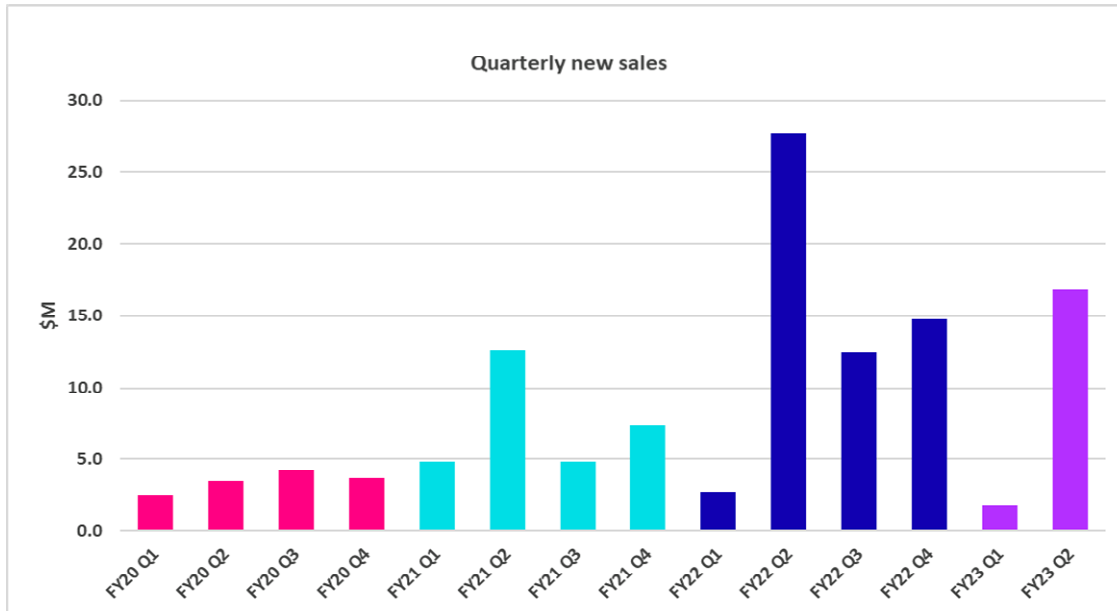
Alcidion Group Managing Director Kate Quirke said, “Alcidion signed some very significant contracts during the quarter, including an agreement with University Hospital Southampton NHS Trust to implement Miya Precision as the foundation for their EPR, and an extension to our existing contract with Leidos Australia for the ADF. These agreements are a clear reinforcement of the value that Alcidion’s modern, modular approach to healthcare solutions provides to our customers, allowing them to progressively build an EPR over time, and in a way that aligns with both their product and timing requirements.”

“We continue to see the need for digital solutions to streamline hospital patient flow, clinical care delivery and virtual patient care amplified by the current pressure faced by the NHS. Alcidion sits at the forefront to capitalise on the opportunities as they arise. The NHS has an active EPR procurement program underway that, whilst somewhat delayed, represents a significant opportunity for Alcidion to further strengthen our position in this important market.”

## Financial Update

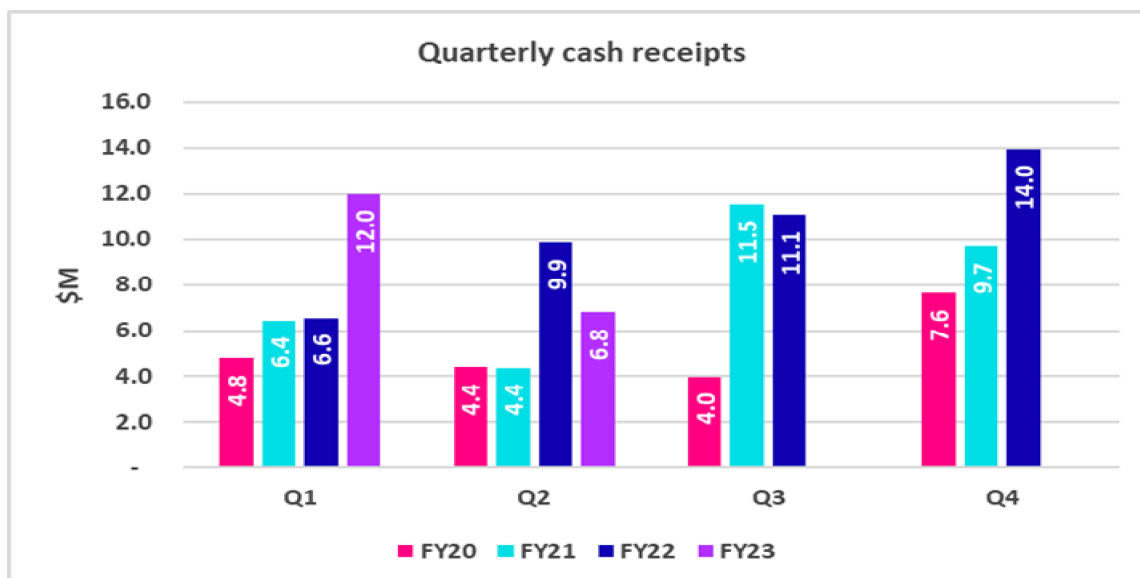
Alcidion generated Q2 new sales with TCV of \$16.8M, the second highest quarterly new sales TCV in the Company's history. The Company expects approximately \$4.2M of Q2 new sales TCV to be recognised in FY23.

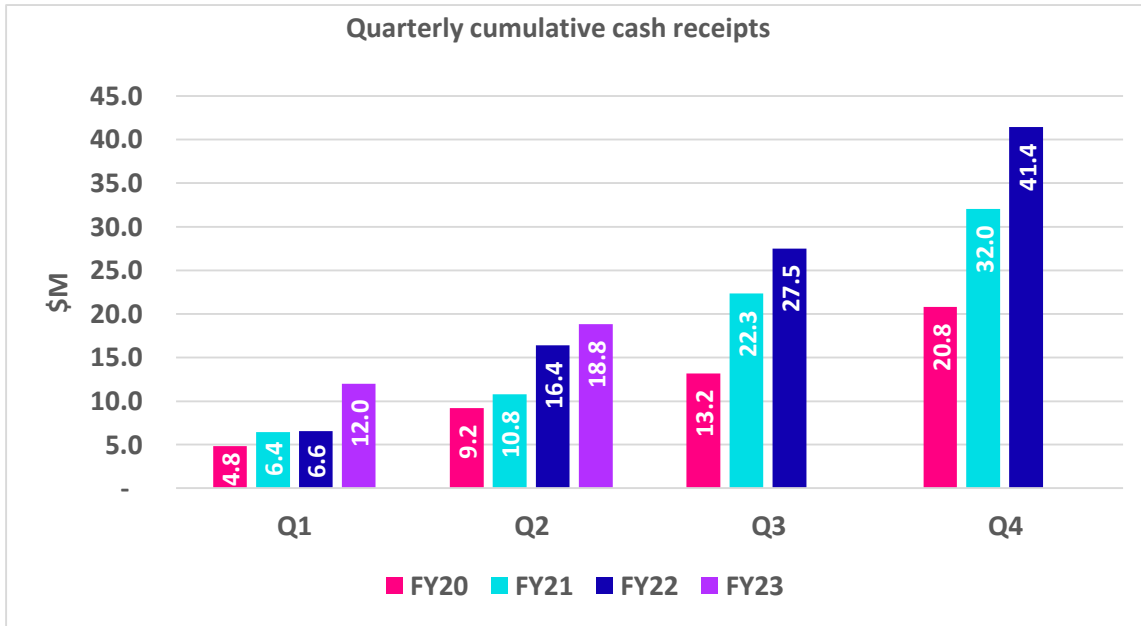
The new sales comprised \$12.8M (76%) of recurring Product revenue and \$4.0M (24%) of non-recurring Services revenue which includes product implementation.



The Company reported negative operating cashflow of \$4.5M for Q2, primarily driven by lower cash receipts from customers of \$6.8M which was the result of timing delays for some larger payments. Alcidion has collected cash receipts of approximately \$5.2M following the quarter end or in the first month of the third quarter.

Alcidion generated cash receipts for H1 FY23 of \$18.8M, up 15% on the same period last year, and illustrative of the strong conversion ability of the Company being able to turn revenue into cash.





The Company's cash balance was \$11.9M as at 31 December 2022, with no debt.

As noted in item 6 of the Company's 4C, payments made to related parties and their associates totalled \$491,000 for the quarter. The payments relate to Directors' remuneration.

## Business update

### Notable contract wins during the quarter

#### University Hospital Southampton NHS Foundation Trust (UHS):

- Initial 3-year agreement to implement Miya Precision as the foundation for their Electronic Patient Record (EPR). Alcidion will partner with UHS to deliver a modular EPR using a combination of Alcidion and UHS incumbent products, with initial implementation including the Miya Access, Command, Emergency and Flow modules.
- Increases NHS penetration with at least one Alcidion product now in 40 NHS Trusts while further establishing the first customer in a new Integrated Care System (ICS), Hampshire and Isle of White.

#### Bolton NHS Foundation Trust (Bolton):

- Contract to implement Miya Flow, which will replace the ExtraMed solution currently being used. The agreement introduces Miya Flow to the Greater Manchester ICS and extends Alcidion's footprint at Royal Bolton Hospital, complementing the existing Miya Observations module.

#### University Hospitals Dorset NHS Foundation Trust (Dorset):

- Contract renewal agreement for use of the Silverlink Patient Care System (PCS) solution. The agreement extends the existing relationship for a further 3 years validating the long-standing relationships Alcidion holds with its customers.

Leidos Australia (ADF):

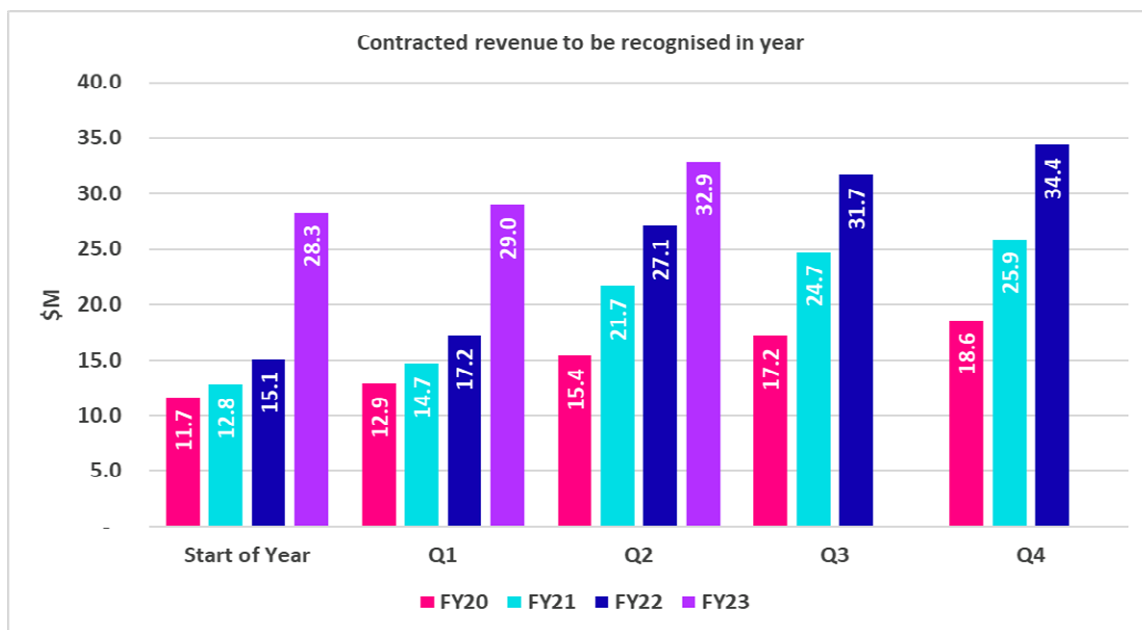
- Signed an extension to an existing contract with Leidos Australia for the delivery of a Health Knowledge Management system to support healthcare services across the Australian Defence Force (ADF). The contract extension includes the addition of the Miya Observations and Assessments modules as well as extended use of Miya Precision to additional settings within the ADF environment.
- Both contracts (initial contact plus this additional contract scope) have the option for renewal for up to 15 years.
- The total contract value is now approximately ~\$31.7M

**Board updates**

During the quarter, Alcidion co-founder Dr Malcolm Pradhan stepped down as Executive Director and Chief Medical Officer immediately following the Company’s Annual General Meeting on 30 November 2022.

**Outlook**

At the end of Q2, Alcidion has \$32.9M of contracted revenue expected to be recognised in FY23, up 21% on pcp. The Company has a further \$1.1M 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\\_qD5O3\\_LTQUe9GbgdrQ\\_0g](https://us06web.zoom.us/webinar/register/WN_qD5O3_LTQUe9GbgdrQ_0g)

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 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 Dec 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	6,813	18,819
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,445)	(2,647)
(c) advertising and marketing	(247)	(407)
(d) leased assets	(7)	(14)
(e) staff costs	(7,202)	(14,470)
(f) administration and corporate costs	(1,710)	(3,338)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	26	43
1.5 Interest and other costs of finance paid	(33)	(64)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – GST received/(paid)	(667)	(2,877)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(4,472)</b>	<b>(4,955)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(134)	(293)
(j) investments	-	-
(k) intellectual property	-	-
(l) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(134)</b>	<b>(293)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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)	(152)	(303)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(152)</b>	<b>(303)</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 period	16,209	17,339
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,472)	(4,955)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(134)	(293)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(152)	(303)
4.5	Effect of movement in exchange rates on cash held	417	80
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>11,868</b>	<b>11,868</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	11,571	15,889
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	297	320
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>11,868</b>	<b>16,209</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(491)
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>		



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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	150	62
<b>7.4 Total financing facilities</b>	<b>150</b>	<b>62</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>88</b>
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		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(4,472)
8.2 Cash and cash equivalents at quarter end (item 4.6)	11,868
8.3 Unused finance facilities available at quarter end (item 7.5)	88
8.4 Total available funding (item 8.2 + item 8.3)	11,956
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>2.7</b>
<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: 30 January 2023

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.