

24 February 2023

Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Alcidion H1 FY23 Results

Melbourne, Australia – Alcidion Group Limited ('Alcidion' or the 'Company') today releases its financial results for the six-month period ending 31 December 2022 (H1 FY23 or 1H'23) and a business update detailing operational highlights.

Highlights:

- \$18.6M of new contracted sales in 1H'23
- H1'23 revenue of \$19.0M, up 48% on pcp; organic revenue growth of 22% (excl. Silverlink)
- Gross profit of \$16.3M (86.1% gross profit margin), up 50% on pcp
- Underlying EBITDA loss of \$1.1M, improvement of \$2.1M on pcp (1H'22 loss of \$3.2M)
- Contracted revenue for FY23 of \$32.9M (as at 31 Dec), up 21% on pcp; further \$1.1M of scheduled renewal revenue expected to convert to contacted revenue in 2H'23
- Continued validation of modular approach strategy with multiple new module wins - University Hospital Southampton (UHS), Bolton NHS, Leidos/ADF
- Forecast to be EBITDA and cashflow positive in FY23
- Cash balance of \$11.9M as at 31 December 2022 with no debt

Alcidion's Group Managing Director Kate Quirke said, "The first half of FY23 continued to build on the momentum we have been establishing over the past few years. We continued to grow revenue and sign multiple new and renewal contracts in what has been a challenging economic and healthcare environment, particularly in the UK."

"Significantly during the half year we signed a new contract with UHS and whilst the initial implementation is only four modules, the contract itself provides an opportunity for UHS to buy all of the Alcidion modules over time. This contract is important because it validates our strategy around the acquisition of Silverlink whilst highlighting the value proposition that our progressively modular capability provides to our customers."

"Further to UHS, during the first half we signed several other contracts for additional Miya Precision modules which again provides us confidence in our go-to-market strategy and longer-term ability to build significant future contract value not just from new customers but also existing customers."

"Alcidion is executing on our strategy, building a scalable, strong digital health company delivering real value to the healthcare system as it seeks to deal with significant challenges in delivery of care. The increasing interest in Miya Precision as the underlying platform to address challenges with patient flow and access confirms the customer and our ability to address these challenges."

"Whilst we are mindful of the UK procurement cycle and potential timing delays, based on our current position we remain on track to be EBTIDA and cashflow positive for FY23."

Financial Update

Profit & loss (\$000)	H1'23	H1'22	% change
Recurring revenue	13,856	8,765	58%
Non-recurring revenue	5,128	4,096	25%
Total revenue	18,984	12,861	48%
Direct costs	(2,647)	(1,949)	36%
Gross profit	16,337	10,912	50%
<i>Gross profit %</i>	<i>86.1%</i>	<i>84.8%</i>	<i>1%</i>
Salaries & wages	(14,474)	(11,763)	23%
Marketing	(407)	(296)	38%
Professional fees	(540)	(721)	(25%)
Other operating expenses	(1,982)	(1,283)	54%
Operating expenses	(17,403)	(14,063)	24%
Underlying EBITDA	(1,066)	(3,151)	na
M&A costs	-	(2,106)	na
Share based payments expense	(132)	(154)	(14%)
EBITDA	(1,198)	(5,411)	na

Alcidion delivered revenue in H1 FY23 of \$19.0M, a 48% increase on H1 FY22 (\$12.9M). Excluding the impact of Silverlink (which only contributed 2 weeks in 1H'22) revenue increased organically 22% when compared to the corresponding prior period. Approximately \$13.9M or 73% of total revenue was recurring in nature.

Gross profit for H1'23 was \$16.3M, up 50% on pcp, representing a gross profit margin of 86.1% compared with 84.8% in H1'22.

Salaries and wages increased 23% reflective of the full period impact of Silverlink staff (only 2 weeks contribution in 1H'22), full period impact of new hires in H2'22 and inflationary impacts, particularly in wages and travel, in the new financial year.

The underlying EBITDA loss of \$1.1M is an improvement of \$2.1M on pcp, demonstrating the shift towards delivering positive operating leverage.

The cash balance as at 31 December 22 was \$11.9m with no debt.

Business Update

Alcidion currently has at least one product in 40 NHS Trusts (~28% of acute NHS Trusts) and 20 of the 42 ICS regions providing a significant base to expand our presence and depth.

During the half the Company signed the following material contracts:

- **University Hospital Southampton NHS Foundation Trust (UHS):** \$2.8M TCV contract over initial 3-year period to implement Miya Precision as the foundation for their Electronic Patient

Record (EPR). Pathway to extend contract to \$13.8M TCV over 4-year period if all modules implemented.

- **Bolton NHS Foundation Trust:** A contract was signed to implement Miya Flow, which will replace the Inpatient Flow Management (IPFM) 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:** renewal 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.
- **University Hospitals Derby & Burton:** 3-year contract renewal of Flow module confirming extended commitment at a customer already using Miya Observations and Assessments.
- **Leidos Australia:** contract extension for the delivery of a Health Knowledge Management system to support healthcare services across the Australian Defence Force (ADF). 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.

Alongside these new contracts, Alcidion continues to strengthen and consolidate its presence across all its markets. The work to deliver the Longitudinal Health Record for the ADF via Miya Precision is well underway. All releases planned for delivery over the first 12 months have been delivered to Leidos, with the remaining releases (which includes the newly signed Stage 3 work) planned as the program progresses.

In the UK, the Company has completed successful rollouts of both new and additional Miya modules across a range of NHS sites including Lancashire Teaching Hospitals and Dartford and Gravesham Trust, while the deployment of additional Miya modules at South Tees brings the Company closer to a full EPR roll out (excluding a PAS).

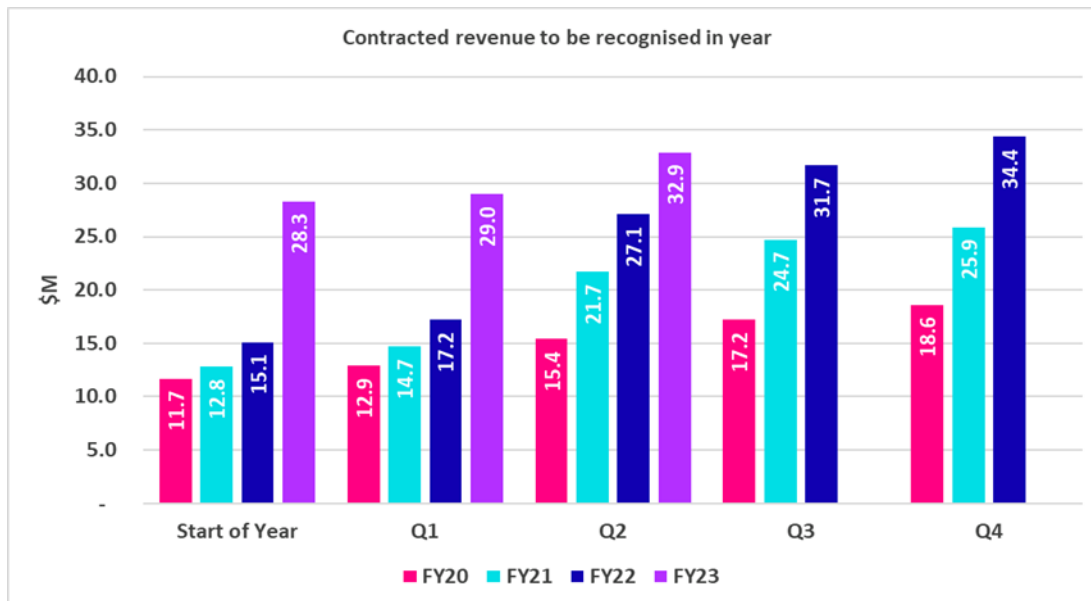
Following the end of H1, the Company completed a successful deployment at Alfred Health of the Miya Flow, Access and Command modules across its three sites (The Alfred, Sandringham and Caulfield Hospitals). This significant project, involving extensive custom integration with their existing EPR and PAS systems positions Alfred Health as a key reference site for the Company.

Outlook

As at 31 December 2022, contracted revenue able to be recognised in FY23 was \$32.9M, an increase of 21% on pcp. Alcidion has a further \$1.1M of scheduled renewal revenue that is expected to be converted to contracted revenue over the remaining course of FY23.

Although pressure on the UK healthcare system, along with economic headwinds have slowed some procurements in the UK, Alcidion's strategic focus on initial module sales positions the Company well to maintain sales momentum.

Alcidion remains on track to be EBITDA and cashflow positive for FY23, subject to UK procurement timelines meeting expectations, and noting the impact of achieving a full staffing complement and inflationary impacts on operational expenses in H2.



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_jUAR6we1Sq29m2scX0u6gq

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:

Hannah Howlett

WE Communications

hhowlett@we-worldwide.com

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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