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Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

FY23 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 2023 (FY23).

Highlights:

- FY23 revenue of \$40.4M, up 18% on the prior corresponding period (pcp)
- Recurring revenue of \$28.1M, up 21% on pcp
- EBITDA loss of (\$1.5M), improvement on FY22
- Positive FY23 operating cashflow of \$0.2M – third consecutive year of positive operating cashflow
- FY23 new sales of \$29.9M, with \$9.9M recognised in FY23
- In addition to new customers, Alcidion signed several extension contracts, validating the modular sales strategy and providing further reference sites within key target markets
- Cash reserves of \$14.6M and no debt as of 30 June 2023
- Entering FY24 with \$33.7M (as of 30 June 2023) of revenue to be recognised before additional sales

Alcidion Group Managing Director Kate Quirke said, “The past twelve months have been significant in validating our product positioning and sales strategy across all our markets. We have seen several new contract wins coupled with the renewal and extension of contracts with existing key reference sites. The most significant of which was an extension to the contract with Leidos Australia to provide further modules and services to the Australian Defence Force via the existing Health Knowledge Management System project.”

“Heading into FY24, the opportunity in the UK market continues to materialise with the UK Government remaining committed to their pursuit of modernising the NHS. While delays to published procurement timelines are frustrating (impacting our FY23 EBITDA position), we are optimistic that the increased number of procurements commencing will result in new business over the next six months. In the meantime, our role as a leading enterprise healthcare technology platform is to continue providing solutions to our customers that increase hospital efficiency and deliver clinical outcomes that help alleviate hospital pain points. Notable examples of this include the success of our Smartpage module at Lancashire Teaching Hospital which has helped clinicians save at least 2 hours of labour in every 12-hour shift.”

“We have an attractive business model which is underpinned by recurring revenue being generated from long-term contracts using our critical healthcare software. We have \$33.7M of contracted revenue to be recognised in FY24, which we expect to materially build upon throughout the year as we have done in prior years. Alcidion is pleased with the progress we have made this year and remain well positioned to support the challenges facing the healthcare system as our solutions are increasingly recognised for the innovative and scalable options they offer.”

Financial Update

| Profit & loss (\$'000) | FY23 | FY22 | % change |
|---------------------------|-----------------|-----------------|------------|
| Recurring revenue | 28,143 | 23,274 | 21% |
| Non-recurring revenue | 12,257 | 11,081 | 11% |
| Total revenue | 40,400 | 34,355 | 18% |
| Direct costs | (5,629) | (4,862) | 16% |
| Gross profit | 34,771 | 29,493 | 18% |
| <i>Gross profit %</i> | <i>86.1%</i> | <i>85.8%</i> | |
| Salaries & wages | (29,943) | (23,614) | 27% |
| Marketing | (840) | (577) | 46% |
| Professional fees | (977) | (1,100) | (11%) |
| Other operating expenses | (4,163) | (3,346) | 24% |
| Operating expenses | (35,923) | (28,637) | 25% |
| Underlying EBITDA | (1,152) | 856 | na |
| M&A costs | - | (2,136) | na |
| Share based payments | (387) | (328) | 18% |
| EBITDA | (1,539) | (1,608) | na |

Alcidion delivered revenue in FY23 of \$40.4M, up 18% on the pcp. Notably, recurring revenue grew 21% on pcp to \$28.1M and represents approximately 70% of total revenue.

The FY23 revenue split between products, product implementation and services is as follows:

| A\$M | Products | Product Imp. | Services | Total |
|---------------|-------------|--------------|------------|-------------|
| Recurring | 28.1 | - | - | 28.1 |
| Non-recurring | - | 10.0 | 2.3 | 12.3 |
| Total | 28.1 | 10.0 | 2.3 | 40.4 |

Gross profit margin was slightly up on pcp at 86.1%, a level the company would expect to maintain, if not slightly improve upon, over the longer term.

Salaries and wages increased 27% on pcp, which largely reflected the full year impact of the investments made in new hires during the first half of FY23. Specific contributors to salaries and wages include: the full-year impact of new hires in H2'22, the impact from the acquisition of Silverlink staff (only 7 months contribution in FY22), and wage inflation. Additionally, the Company added approximately 10 new positions during the second half of FY23 notably in roles covering cyber security and product support capability. Operating expenses also increased due to increased travel and associated costs.

Alcidion reported negative EBITDA of \$1.5M, a modest improvement on pcp of negative \$1.6M.

The Company delivered positive operating cashflow of \$0.2M, which is the third year in a row where positive operating cash flow has been delivered. As of 30 June 2023, Alcidion had \$14.6M of cash with no debt.

Business Update

During the year, the Company signed extended or renewed the following significant contracts:

- **Leidos Australia, Australian Defence Force (ADF):** Signed an extension for the delivery of additional modules and services to support the Health Knowledge Management system across the ADF. The combined value of the initial and additional contract scope is \$31.7M over ~5.5 years, with options for renewal for up to 15 years.

- **University Hospital Southampton NHS Foundation Trust (UHS):** Initial 3-year contract to implement select Miya Precision modules with a pathway to implementing further modules over time.
- **Royal Wolverhampton NHS Trust (UK):** 2-year contract renewal agreement for use of Silverlink PCS Patient Administration System. Acts as the fourth contract renewal following the acquisition of Silverlink and validates the long-term relationship held with customers.
- **Bolton NHS Foundation Trust (UK):** Signed contract to implement Miya Flow to replace ExtraMed solution currently in use. The agreement introduces Miya Flow to the Greater Manchester ICS extending Alcidion's footprint.

Additionally, the Company successfully deployed modules into:

- **Alfred Hospital:** Three campuses now using Miya Precision, deploying Flow, Access and Command modules to access information concerning patient status and available beds. Successful go-live in key Victorian Site exhibiting integration with Cerner EMR and Victorian State PAS.
- **Leidos Australia (ADF):** Continued successful staged delivery of the project to meet milestones. Contract extended to include additional locations and modules. Alcidion building additional functionality and depth through the program.
- **East Lancashire Hospital:** Successful integration of Miya Precision & Miya Flow, Assessments and Observations with its Cerner EPR deployment. The first of its kind in the NHS and validates Miya Precision's interoperability with other suppliers for the Group 2 Frontline Digitisation Trusts requiring improved digital maturity.
- **South Tees NHS Trust:** Continued module expansion across hospitals with roll out of Miya Noting and expansion of contract to additional modules and capabilities. Further demonstrates ability of progressive implementation of Miya Precision full suite implementation.

Outlook

Alcidion begins FY24 in a strong position with \$33.7M of contracted and scheduled renewal revenue to be recognised in FY24 and expects to materially build on this base figure with new contracts and contract extensions throughout the year.

Alcidion continues to have deep engagement with new and existing customers relating to further module sales which is occurring against a backdrop of increasing referenceability. The previous investment in resourcing can support a materially larger business which provides added confidence in the outlook for Alcidion.

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://us06web.zoom.us/webinar/register/WN_E30oBWJmRQWdjzfVFEZGDw

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

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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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