

31 October 2023

Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

## Q1 FY24 Quarterly Activities Report

**Melbourne, Australia** – Alcidion Group Limited ('Alcidion' or the 'Company') today releases its Appendix 4C for the quarter ended 30 September 2023 (Q1 FY24).

### Highlights:

- Q1 new TCV sales of \$2.5M, up 39% on prior corresponding period (pcp); \$1.7M expected to be recognised in FY24
- Total contracted revenue at end of Q1 of \$35.3M, up 12% on pcp
- New contract with UK NHS Trust for Miya Precision Emergency module
- Awarded Health Tech News (HTN) Communication Tool of the Year for use of the Miya module 'Smartpage' at Guy's & St Thomas NHS Trust
- Q1 cash receipts of \$6.4M; Q1 negative operating cashflow of \$8.0M
- Company maintains its expectation for an EBITDA and operating cashflow positive result for FY24
- Cash balance of \$6.5M and no debt at 30 September 2023
- To ensure maximum flexibility and maintain a strong balance sheet to execute on our market opportunities and drive ongoing revenue growth, Alcidion is undertaking a small capital raise
- Firm commitments to raise \$5.0M via an institutional placement, representing approximately 5.3% dilution, with intention to raise up to a further \$1.0M from eligible existing shareholders via an SPP

Alcidion Group Managing Director Kate Quirke said, "We were pleased to add a new NHS trust to our customer list during the quarter through a competitive tender for Miya Emergency, Alcidion's newest module. This continues to demonstrate the attractiveness and value of our solution to healthcare customers."

"One of the strengths of the Alcidion business is our long-term contracted customer cashflow profile and whilst this may fluctuate quarter to quarter, on an annualised view we remain in a strong financial position.

Q1 is historically a lower period for contracted receipts given the billing cycles of various customer contracts, thereby generally resulting in operating cash outflows. In Q1 FY24, this was further compounded by a smaller number of new sales in the prior quarter and continued delays to larger contracts, particularly with the NHS electronic patient record program, which resulted in new contracted customer receipts being lower than anticipated."

"While the slow progress on larger contracts is disappointing, albeit largely out of the control of the Company, we continue to work to being both EBITDA positive and operating cashflow positive for the full year FY24 and are confident we can achieve this."

"Our contracted revenue for FY24 stands at \$35.3M, up 12% on the same period last year and we will build upon that figure over the coming quarters as we have done every year. "

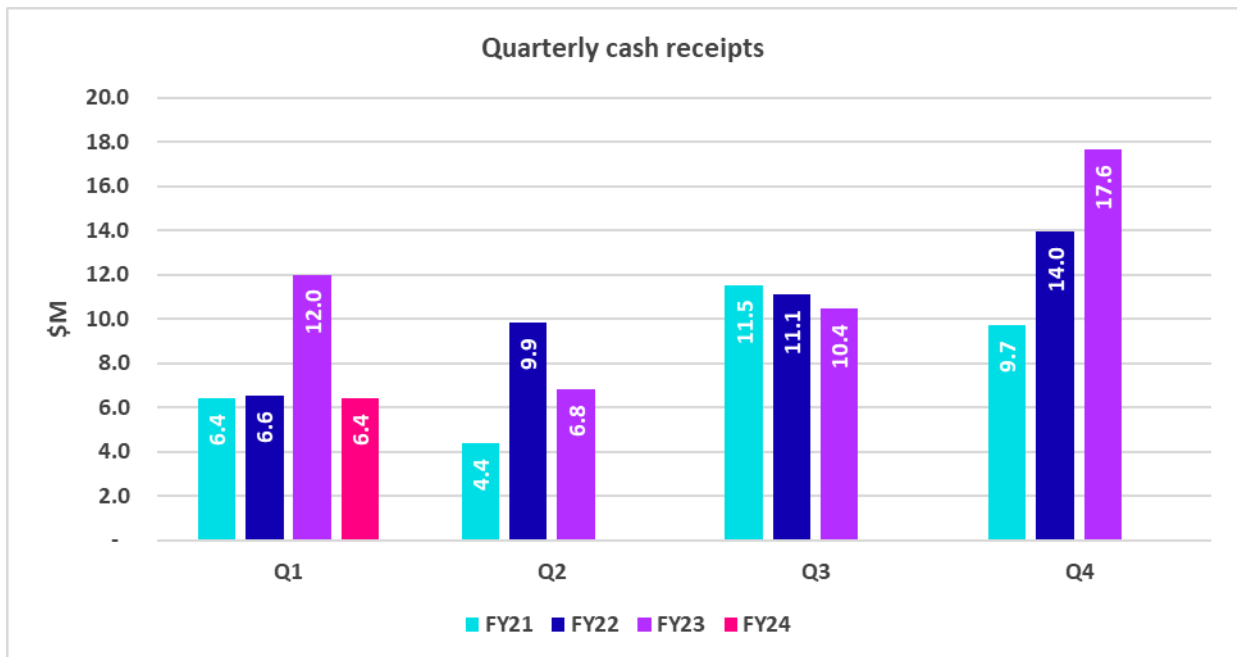
“The ongoing delays in procurement, due largely to staffing challenges in healthcare, have led the Board to believe it would be prudent to ensure there is a strong cash balance and as such have decided to undertake an institutional placement to raise \$5.0M and have an intention to raise up to a further \$1.0M via an SPP to ensure fair and equal participation for all shareholders. Funds raised will support the ongoing business operations and provide confidence to shareholders that we have a strong balance sheet to execute on our market opportunities and drive ongoing revenue growth.”

“Healthcare technology continues to receive government investment around the world. The challenges the world is experiencing with reduced workforce in healthcare can only be addressed with an investment in automation to reduce the administrative burden on our frontline clinical staff. Alcidion is an established global player with a solid recurring revenue base and the infrastructure in place to capitalise on these significant opportunities. We have a clear long-term strategy and see ourselves as being a dominant global player providing healthcare technology solutions that streamline hospital patient flow whilst improving the efficiency of clinical outcomes.”

## Financial Update

Alcidion generated Q1 new sales of \$2.5M, with approximately \$1.7M expected to be recognised as revenue in FY24. New sales comprised 59% recurring product revenue with 41% non-recurring services (including product implementation) revenue.

Cash receipts from customers in Q1 were \$6.4m. The first quarter of the financial year is typically a lower cash receipt period, with the exception of Q1 FY23, which benefited from higher than average billings in Q4 of FY22.



The Company incurred an operating cash outflow of \$8.0M. During the quarter there were several one-off larger annual cash costs, such as \$0.6M staff costs for FY23 bonuses, \$0.3M annual software and insurance renewals and larger \$2.3m VAT/GST payments following a strong FY23 Q4 billing cycle.

Q2 starts with \$2.9M of debtors and has \$11.6M of contracted billing scheduled.

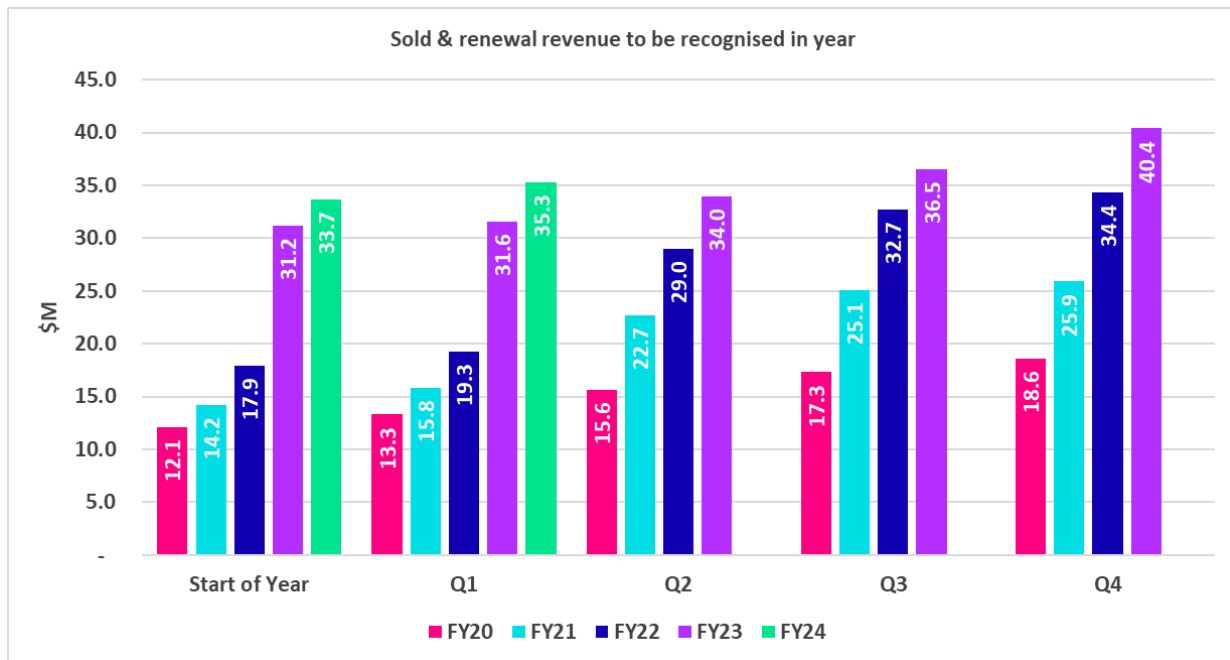
The Company’s cash balance was \$6.5M and no debt as at 30 September 2023.

As noted in item 6 of the Company’s 4C, payments made to related parties and their associates totalled \$0.4M for the quarter. The payments relate to Director’s remuneration and payments to WE Communications.

## Outlook

At the end of Q1, Alcidion had \$35.3M of contracted and scheduled renewal revenue to be recognised as revenue over the course of FY24.

Alcidion continues to engage with new and existing customers against a backdrop of increasing referenceability, particularly in the UK market. Although larger NHS procurements have been delayed, a reality felt by all industry participants, Alcidion is increasingly well positioned to take advantage as and when new contracts and opportunities emerge.



## Capital Raising

Alcidion today announces a Placement to raise \$5.0M to institutional and professional investors. The Placement has been well supported by existing shareholders with funds raised being used to provide additional balance sheet strength.

The Placement will result in the issue of approximately 67.0 million fully paid ordinary shares at an issue price of \$0.075 per share, representing a discount of:

- 22.7% to the last close price on 30 October 2023 of \$0.097; and
- 24.7% to the 10-day VWAP of \$0.100.

Shares issued under the Placement will rank equally with existing shares on issue and are expected to be allotted on 6 November 2023. The Placement was conducted utilising the Company’s available placement capacity pursuant to ASX Listing Rule 7.1 and therefore does not require shareholder approval.

Following completion of the Placement, the Company intends to offer eligible existing shareholders the opportunity to subscribe for Shares at the same offer price as the Placement as part of a SPP offering to raise up \$1.0M.

Further details (including relevant dates) for the SPP will be provided in due course.

Henslow Pty Ltd acted as Lead Manager to the raise.

## Key Dates

### INDICATIVE TIMETABLE<sup>1</sup>

Trading Halt	Tuesday, 31 October 2023
Announcement of Placement	Tuesday, 31 October 2023
Settlement of Placement	Friday, 3 November 2023
Allotment of Shares under Placement	Monday, 6 November 2023

<sup>1</sup>The dates in the table above are indicative only and Alcidion may amend this timetable.

## Investor Webcast

Alcidion Group Managing Director Kate Quirke will host a webcast with investors via Zoom Wednesday, 1 November 2023 at 10:30am Australian Eastern Daylight Time (AEDT).

To register for the webcast, please follow this link:

[https://us06web.zoom.us/webinar/register/WN\\_mMGH4YDpR6Kjhq98-kmbyQ](https://us06web.zoom.us/webinar/register/WN_mMGH4YDpR6Kjhq98-kmbyQ)

*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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WE Communications

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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")**

30 September 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	6,413	6,413
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,151)	(1,151)
(c) advertising and marketing	(349)	(349)
(d) leased assets	-	-
(e) staff costs	(8,494)	(8,494)
(f) administration and corporate costs	(2,188)	(2,188)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	22	22
1.5 Interest and other costs of finance paid	(24)	(24)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – GST received/(paid)	(2,278)	(2,278)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(8,049)</b>	<b>(8,049)</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	(33)	(33)
(j) investments	-	-
(k) intellectual property	-	-
(l) 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) 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>(33)</b>	<b>(33)</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)	(162)	(162)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(162)</b>	<b>(162)</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	14,641	14,641
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(8,049)	(8,049)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(33)	(33)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(162)	(162)
4.5	Effect of movement in exchange rates on cash held	88	88
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,485</b>	<b>6,485</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	5,910	5,910
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	575	575
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,485</b>	<b>6,485</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	414
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>		

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	208	41
7.4 <b>Total financing facilities</b>	<b>208</b>	<b>41</b>
7.5 <b>Unused financing facilities available at quarter end</b>		<b>167</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		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(8,049)
8.2 Cash and cash equivalents at quarter end (item 4.6)	6,485
8.3 Unused finance facilities available at quarter end (item 7.5)	167
8.4 Total available funding (item 8.2 + item 8.3)	6,652
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>0.8</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: No. FY24 Q2 operating cash flow is not expected to be at the same level as FY24 Q1. Q1 had significant GST/VAT payments totalling \$2.3M which was driven by large FY23 Q4 customer invoicing. Q2 starts with \$2.9M of debtors and \$1.4M of trade payables and has \$11.6M of contracted billing.	
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: Yes. The Company is undertaking a capital raise, details of which have been provided in the 4C Activities Report released on the ASX today.	
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: Yes. Refer above responses to 8.6.1 and 8.6.2.	
<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: 31 October 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.