

LETTER FROM THE CHAIR

ALCIDION ANNUAL REPORT 2021

Dear Shareholders,

I am pleased to present Alcidion's Annual Report for the Financial Year ended 30 June 2021 (FY21).

Two years ago, the Board agreed on a three-year growth plan that would move Alcidion from digital health aspirant to a global organisation at the frontier of unlocking and managing data to benefit clinicians and improve healthcare outcomes. Technology has its moment now to transform healthcare by streamlining hospital workflow, optimising legacy systems, reducing human error, and responding to patient desire for out of hospital care.

Our flagship product, Miya Precision, is powerful in its utility. It can aggregate disparate information to meaningful dashboards, supporting interoperability, and facilitating communication and task management in clinical and operational settings to deliver clinical decision support at the point of care.

Our goal is to establish Miya Precision as a proven yet innovative solution, and it was pleasing to see growing demand for our solutions over this last 12 months. Most significant was our milestone deal with South Tees Hospitals NHS Foundation Trust which was our largest Miya Precision contract to date.

This contract will enable the digitalisation of patient care processes and records and allow information currently held in disparate systems to be consolidated and represented in a common format. We also signed a number of contracts for Miya Observations and Assessments and Smartpage. The deals are significant in their size and scope, providing a validation of the market opportunity of organisations to acquire the entire Miya Precision suite of products, and represent significant revenue opportunities for Alcidion in the years to come.

We are trusted by some of the world's leading healthcare organisations in Australia, New Zealand and the United Kingdom. Customers



that include more than 27 NHS trusts, Sydney Local Health District, ACT Health, Murrumbidgee Local Health District, MidCentral, Canterbury and Waitemata District Health Boards to name a few.

Our market share has grown in each of the markets we have a presence as awareness of our innovative solutions increases and validation extends from the positive sentiment that comes with the strong partnerships in place with our customers. The impact of our growth strategy is compelling, with record revenue, positive operating cash flow, and growing momentum in new contracts. This combined with retention of existing customers provides a strong foundation for continued expansion in the years to come.

Given the focus on digital health solutions to address the myriad of challenges in hospital settings, our active M&A program sought to continuously assess and identify potential acquisition targets. This has been a highly disciplined process that satisfied a criterion of enabling Alcidion to expand our team, our product capabilities, and market presence. It also needs to align with and complement our current product suite. It was therefore pleasing to acquire ExtraMed Ltd, a leading UK provider of patient flow management software with nine NHS Trusts, six of which were new customers for Alcidion. It immediately expanded our UK position providing us with a

presence with one of our products in 19% of NHS 'acute' Trusts. It complemented and strengthened our current patient flow product, enabling Alcidion to capture a market leading position with a well-accepted platform designed for the UK market. We also expanded our UK team with 11 talented digital health specialists from ExtraMed joining us.

Whilst COVID-19 has meant a change to traditional ways of building new customer opportunities and in some cases slowed the purchasing decision process, it has proven a tail wind in other areas of our business. We identified the potential for our technology to enable out of hospital care well before the COVID-19 pandemic with a desire for patients to receive the care they need in the comfort of their own home, and for overburdened hospitals to free up non-critical care beds for patients with the highest care needs.

In the acute setting, the COVID-19 pandemic presents unique challenges to patient care, including accurate recognition of cases, confirmation of both testing requests and results, establishing patient acuity and alerting to deterioration. To support our customers during this time Miya Precision was deployed to Sydney LHD's Royal Prince Alfred Virtual Hospital (rpavirtual), to monitor patients who have tested positive for COVID-19 and in home quarantine. This innovative virtual care model reduces the risk for health workers, as well as the need for personal protective equipment (PPE), by enabling remote, automated monitoring and communication with patients. Miya Precision is used to remotely monitor patients of the virtual hospital by displaying their status in near real-time alongside other relevant information about the patients to the registered nurses providing 24x7 care from the Care Centre.

In line with our growth strategy, is our forward-thinking position to evaluating the skills and experience of the Board to support Alcidion's next phase of growth. This Board-led succession plan ensures a measured process of evolving the Board to contribute fresh thinking, differentiated experiences, and relevance as we continue our growth path. Alcidion co-founder and former CEO Raymond Blight resigned from the Board and post the reporting period we announced that Nick Dignam was also stepping down. We thank Ray for his exceptional contribution to the success of Alcidion both as a company executive and then non-executive director, and Nick for his guidance and leadership since joining Alcidion in 2016.

Our active Non-Executive Director identification and assessment program contributed to compiling a strong pool of potential candidates across Australia,

New Zealand and the United Kingdom. We were very pleased with the enthusiasm and genuine desire to join our Board at a time of significant opportunity and further growth. I was pleased to announce the appointment of Victoria Weekes and Daniel Sharp as Non-Executive Directors, to steer our company in this next phase.

Victoria is an experienced company director, most notably as the outgoing Acting Chair of Sydney LHD Board, and with organisations such as FINSIA, NSW Treasury Audit and Risk, and St George Community Housing. Daniel is an investment banker with more than 30 years' experience in capital markets globally, advising the boards of technology and healthcare-based organisations, and with a significant network of institutional and private wealth investors globally.

Finally, the support of shareholders has enabled us to implement our growth strategy through the successful raising of \$18.4M through an institutional placement and very well supported Share Purchase Plan. Whilst we are pleased to see our business self-generating cash flow, additional funding is enabling us to fast track our growth. The continued investment into growth will enable us to achieve greater economies of scale and capitalise on the opportunities ahead of us.

Ultimately our success is measured through the positive influence our technology has on patient care - we started our company with this purpose, and it continues to inform our work at every level within Alcidion. I'd like to thank the 140+ staff of Alcidion who embrace this purpose and support our aspirations to provide technology that makes patient and carers' lives better. Further, I acknowledge the contribution of Kate and the Senior Leadership Team who are exceptional professionals, and certainly not last, our shareholders for their continued support.

Ms Rebecca Wilson
Chair, Alcidion Group Limited

