



ALCIDION

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Webinar Presentation

FY21 Full Year Results

24 August 2021



Alcidion helps healthcare organisations harness the power of technology to create a clinically relevant environment with digitally enabled care...

“Making the right thing to do, the easiest thing to do”



FY21 – Financial Summary

Strong growth in all key financial metrics and record sold revenue heading into FY22

Revenue \$25.9m ↑ 39% ¹	Recurring Revenue \$16.3m ↑ 56%
Sold Revenue For FY22 \$15.1m ↑ 18%	Gross Margin 88.3% ↑ 2.4pts Improvement on FY20 (85.9%)
EBITDA (Loss) (\$0.5m) ↑ \$3.4m	Underlying EBITDA² \$0.5m ↑ \$4.4m
Operating Cashflow \$1.5m ↑ \$3.6m	Cash \$25.0m ↑ \$9.1m

1. Compared to the prior corresponding period (FY20)
 2. Underlying EBITDA excludes share based payments and M&A costs

FY21 – Contracts Summary

Milestone contracts across all three geographical regions; focus now on accelerating contract wins

United Kingdom

- **South Tees NHS Hospitals:** (incl extension) 2nd Miya Precision deployment in UK
- **NHSX Clinical Communications Procurement Framework:** Smartpage inclusion - 5 wins to date
- **Lanarkshire NHS:** 3rd largest health board in Scotland
- **East Lancashire NHS:** 5 hospitals for Patientrack & Smartpage

Australia

- **Murrumbidgee LHD:** Miya Precision & Miya Memory (key reference site)
- **Sydney LHD:** Miya Precision to support virtual care (key reference site)
- **ACT Health:** Extension of long-standing technical support contract
- **Western Health:** Miya Platform renewal (long standing customer)

New Zealand

- **Te Manawa Taki DHBs:** Pilot of Better Meds & Patientrack larger rollout potential

ADF Contract (announced but not signed)

- Selected as preferred provider (as part of Consortium) for major health IT project across Australian Defence Force
- Potential TCV of ~\$21M over initial 5.5 years, subject to contract finalisation and government approvals in Q2 FY22

FY21 – Corporate Summary

Executed key operational and corporate strategies which underpin future growth profile

ExtraMed Acquisition

- In April 2021, acquired ExtraMed, a leading UK provider of patient flow management software
- 9 NHS Trusts, 6 new for Alcidion; increasing number of NHS Trusts with Alcidion product implemented to 27
- ExtraMed awarded sub-contract as part of £25m large-scale IT project with lead contractor, Hitachi; initial contract focused on Salford, with potential for expansion to other hospitals in Northern Care Alliance

Personnel

- Lynette Ousby promoted to the role of UK Managing Director In November 2020
- Matthew Gepp appointed CFO in June 2021, as part of planned growth objectives
- Victoria Weekes appointed as NED and Chair of the Audit & Risk Committee (ARC) from 1 September 2021
- Daniel Sharp appointed as NED from 1 September 2021
- New appointments replace Raymond Blight (resigned 30 June 2021) and Nick Dignam (resigning at AGM)

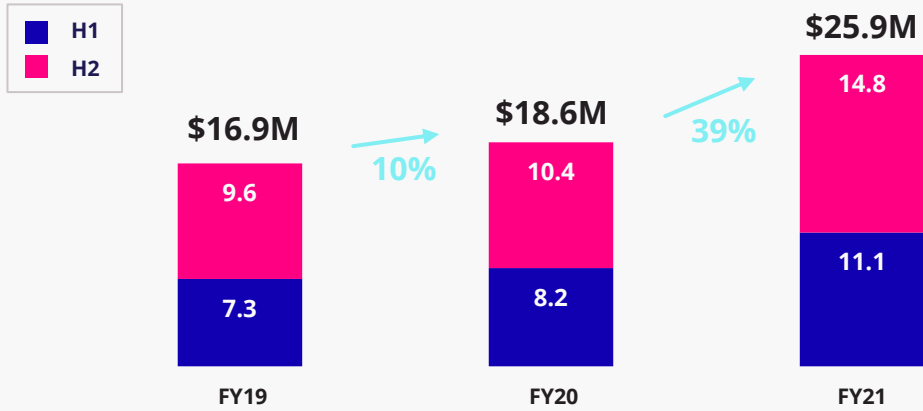
Corporate

- In September 2020 Alcidion formally launched Miya Precision in the UK market
- Successfully raised \$18.4M (before costs) via Placement & Share Purchase Plan in April '21

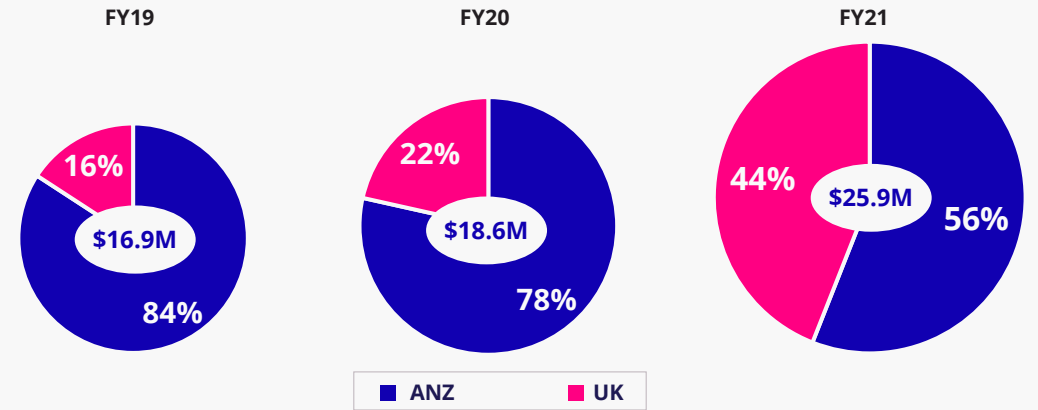
FY21 - Financial Dashboard

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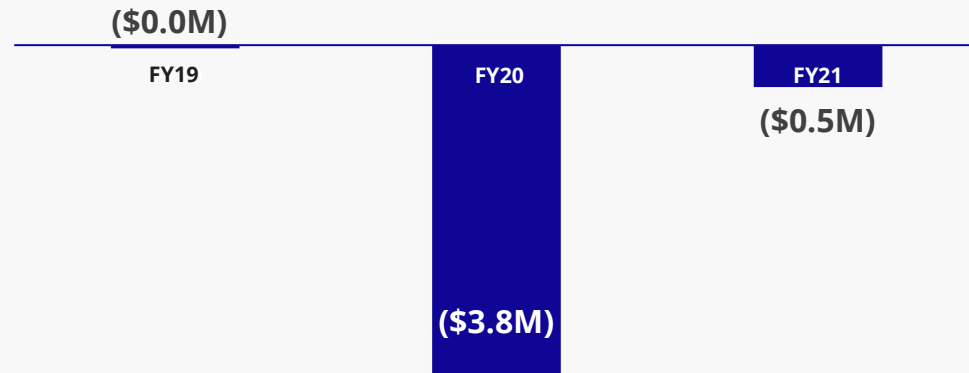
Revenue



Revenue by region



EBITDA



Profit & Loss

Profit & Loss (\$000)	FY21	FY20	% Change
Recurring	16,343	10,458	56%
Non-recurring	9,539	8,150	17%
Total Revenue	25,882	18,608	39%
Cost of Sales	(3,018)	(2,621)	(15%)
Gross Profit	22,864	15,987	43%
<i>Gross Profit margin %</i>	<i>88.3%</i>	<i>85.9%</i>	
Salaries & wages	(18,659)	(15,652)	(19%)
Marketing	(573)	(560)	(2%)
Professional fees	(938)	(902)	(4%)
Other operating expenses	(2,459)	(2,721)	10%
Operating Expenses	(22,629)	(19,835)	(14%)
Other Income	275	6	na
Underlying Operating EBITDA	510	(3,842)	na
M&A advisory	(769)	-	na
Share based payments expense	(227)	-	na
EBITDA	(486)	(3,842)	na
Depreciation & Amortisation	(457)	(247)	na
EBIT	(943)	(4,089)	na

Key Comments

- Record FY21 revenue of \$25.9m, up 39% on FY20 (\$18.6m)
 - Recurring revenue of \$16.3m, up 56% on FY20 (\$10.5m)
 - H2 FY21 revenue of \$14.8m, up 42% on H1 FY20 (\$10.4m)
- Gross Profit margin improved 2.4 points to 88.3%
 - driven by accelerated growth in recurring revenue (licence fees and maintenance & subscription fees)
- Increase in staff costs consistent with strategy of scaling resourcing, particularly in the UK, to take advantage of emerging opportunities
 - Further increases expected in FY22, with full-year impact of H2 FY21 hires and planned new hires not yet recruited
- Underlying EBITDA of \$0.5m, material improvement versus loss of \$3.8m in FY20
- M&A expenses relating to ExtraMed acquisition and other M&A activity

Balance Sheet

Balance Sheet (\$000)	FY21	FY20	% Change
Cash & equivalents	25,027	15,948	57%
Trade and other receivables	4,114	3,833	7%
Other assets - prepayments	1,206	445	171%
Current Assets	30,347	20,226	50%
Plant & Equipment	371	241	54%
Intangibles	27,489	17,402	58%
Other	178	1,565	(89%)
Total Assets	58,385	39,434	48%
Trade & other payables	2,919	2,127	37%
Employee provisions	2,774	2,371	17%
Income in advance	7,107	4,734	50%
Lease Liabilities/tax payable	199	176	13%
Current Liabilities	12,999	9,408	38%
Provisions & other liabilities	164	289	(43%)
Total Liabilities	13,163	9,697	36%
Net Assets	45,222	29,737	52%

Key Comments

- Strong balance sheet with \$25.0m cash and no debt
 - Raised \$17.5m (net of costs) via heavily over subscribed Placement & SPP in April '21
- \$9.9m goodwill provisionally recognised in intangible assets from the acquisition of ExtraMed which was acquired for \$9.5m in April '21
- Income in advance of \$7.1m (up \$2.4m) reflects revenue invoiced in advance of products/services being delivered
 - The increase includes income in advance acquired with ExtraMed
 - Revenue is recognised in accordance with AASB 15 (revenue from contracts with customers)
- Historically, Alcidion's cash receipts are strongest in Q3 and Q4. Working capital is sufficiently strong to absorb quarterly fluctuations

Cash Flow

Cash Flows (\$000)	FY21	FY20	% Change
Receipts from customers	32,046	20,543	56%
Payments to suppliers & employees	(30,510)	(22,630)	35%
Interest received	12	74	(84%)
Finance costs	(3)	(4)	(25%)
Operating Cashflows	1,545	(2,017)	na
Payments for plant & equipment	(313)	(124)	152%
Acquisition of business, net of cash acquired	(9,530)	-	na
Contingent consideration - Oncall Systems	-	(238)	na
Investing Cashflows	(9,843)	(362)	na
Net of proceeds from issues of equity securities	17,502	15,362	14%
Payment for principal portion of lease liabilities	(270)	(176)	53%
Repayments of borrowings	-	(31)	na
Financing Cashflows	17,232	15,155	14%
Net increase in cash and cash equivalents	8,934	12,776	(30%)
Cash & equivalents the beginning of the year	15,948	3,172	403%
Effect of exchange rate changes	145	-	na
Cash & equivalents at year end	25,027	15,948	57%

Key Comments

- Record \$32.0m receipts from customers, an \$11.5m (56%) increase on FY20
- Positive operating cashflow of \$1.5m, an improvement of \$3.6m on FY20
- Low capital requirements with only \$0.3m spent on acquisition of assets
- Lease liability payments reflect the accounting for leases under AASB 16 Leases

Personnel

Core team largely in place to deliver on growth strategy, albeit COVID has slowed hiring in some areas

Leadership

- Appointed Matthew Gepp as CFO, effective from June 2021, as part of planned growth objectives
- Lynette Ousby promoted to the role of UK Managing Director
- As of 1 September 2021, appointed Victoria Weekes as NED and Chair of the Audit & Risk Committee (ARC)
- As of 1 September 2021, appointed Daniel Sharp as NED
- Colin MacKinnon to step down as COO from Sept 30, 2021

Core Team

- Over the past 12 months, Alcidion have increased their headcount from 115 to 142 across UK, Australia & NZ
 - UK team hiring focus on clinical product specialists; work closely with clinicians on benefits of Alcidion
 - AUS & NZ hiring focus has been on expanding capability in IT and cyber security support

COVID impact on Personnel hiring

- Although well progressed on scaling up resources to deliver upon Alcidion's growth strategy; the Company was delayed in the hiring of some key positions throughout H2'21 largely due to COVID impacts
- The full-year impact of new hires late in H2 will be realised in FY22, along with the planned new hiring of personnel delayed from FY21 which will be progressing in H1'22

UK NHSX – Acceleration of the Digital Strategy

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- NHSX: joint unit of NHS England and the Department of Health and Social Care, supporting local NHS and care organisations to:
 - Digitise their services
 - Connect the health & social care systems through technology
 - Transform delivery of patient care in hospital, community & home

Digital Aspirant programs¹

- NHSX initiated funding programs aimed at raising the digital maturity across the NHS to ensure a set of core capabilities
 - In 2020, 27 Trusts received up to £6M each
 - In 2021, 32 Trusts received funding from £250K to £6M
- NHS Trusts can select from a **framework of approved suppliers**

Core Pillars of the Digital Strategy (EPR Strategy)

Openness

Ability to integrate with other platforms and systems already in place

Mobility

Ability to use the platform across hospital locations without extensive implementation

Modular

Ability to apply some or all modules depending on existing infrastructure

Ecosystems

Enhance other technologies to unify and streamline a hospitals digital capability



MIYA PRECISION

1. <https://www.nhsx.nhs.uk/key-tools-and-info/digital-aspirants/>

ANZ – Favourable changing landscapes

Australia

Virtual Care & Remote Monitoring

- Heightened focus (expedited by COVID) on virtual care & remote monitoring driven by patient benefits and cost savings:
 - NSW Virtual Care Accelerator Panel (**Alcidion appointed**)
 - Victorian “Better at Home Program” funding

Improving return on EMR investment

- Post substantial investment in EMR roll-out (over past 20 years) focus now shifting to realising the anticipated economic value and clinical benefit:
 - Access data to inform improved clinical decision support
 - Align with clinical workflows & clinical expectations (e.g. mobility)
 - Engage patients with tailored digital solutions
 - Establish digital oversight to provide visibility/tools to manage patient flow and resource allocation

New Zealand

Centralising Health Decisions and Spending

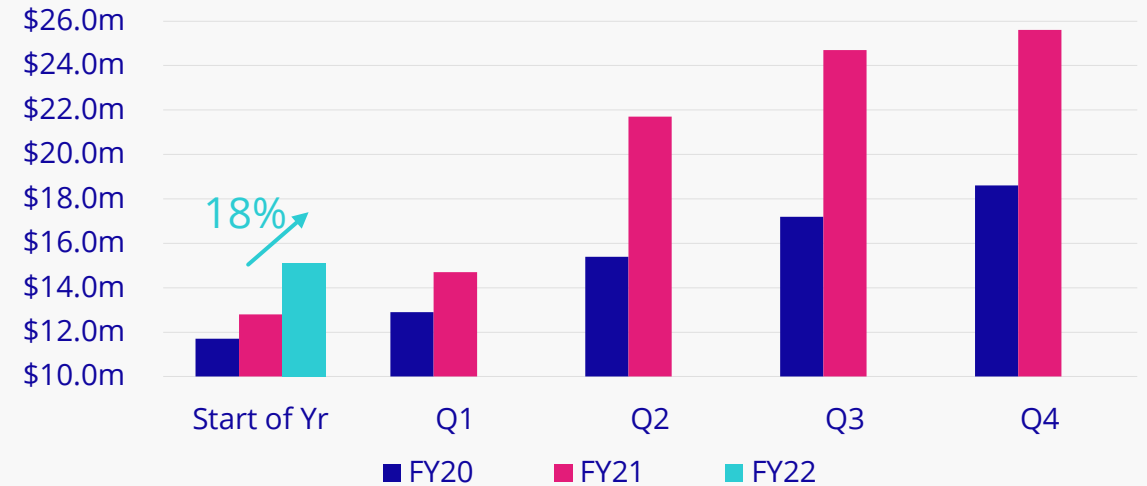
- NZ Government will consolidate all 20 District Health Boards (DHBs) and create a single health organisation, to centralise fragmented healthcare system and end “postcode lottery” of care
 - Aligned national strategy rather than disparate individual DHBs
 - Streamline procurement process
- Government to create a national health organisation (similar to NHS in UK), and Māori Health Authority with spending power, and new Public Health Authority to centralise public health work
- Aiming to implement by July 2022

FY22 – Starting with a strong recurring base

Key Comments

- \$15.1M of contracted revenue to be recognised in FY22, 18% higher than at similar time last year
- Further \$2.9M of scheduled renewal revenue (existing customers renewing current subscription and licence periods), which is expected to be converted to contracted revenue over FY22
- Contracted revenue includes revenue from current signed contracts
 - Potential ADF contract value is not included in the contracted revenue
- Contracted revenue builds over the year as existing contracts are renewed and new contracts are signed

Contracted Revenue (To be recognised in same year)



Growth Focus in FY22

Accelerating sales across all regions in line with strategy to become a global leader in healthcare technology

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1 All Markets: Upsell Miya Precision (or other modules) to existing Alcidion customers

2 All: Win new Miya Precision installs

3 UK: Listed on Procurement Frameworks (to leverage Digital Aspirant programs)

4 AUS: Increased focus on Virtual Care and Remote Monitoring

5 NZ: Opportunities arising from consolidation of DHBs

6 All: Strategic Acquisitions – aligned to criteria of improving NHS traction, expanding product offering, financially accretive

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