

23 February 2022

Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Alcidion H1 FY2022 Results

Melbourne, Australia – Alcidion Group Limited ('Alcidion' or the 'Company') today releases its financial results for the six-month period ending 31 December 2021 (H1 FY22) and a business update detailing operational highlights.

Highlights:

- \$30.4M of new contracted sales in the half resulting in contracted revenue able to be recognised in FY22 increasing to \$27.1M, up 25% on the prior corresponding period (pcp)
- H1 FY22 revenue of \$12.9M, up 16% on pcp
- Gross profit of \$10.9M (85% gross profit margin), up from \$9.8M on pcp
- Underlying EBITDA loss of \$3.2M, is in line with management expectations given planned investment in growth
- Milestone \$23.3M contract with the Commonwealth of Australia as part of Consortium led by Leidos Australia
- Material contracts signed with Sydney Local Health District, Queen's Hospital Burton and a 3-year extension for support and maintenance with Royal Derby Hospital
- Acquisition of Silverlink PCS Software Ltd, positioning Alcidion to deliver a cloud-native, modern and modular Electronic Patient/Medical Record (EPR/EMR)
- Cash balance of \$18.9M as at 31 December 2021

Alcidion's Group Managing Director Kate Quirke said, "The first half of financial year 2022 was a transformational one for Alcidion, and a significant step in our goal of becoming a leading global healthcare technology and informatics company. In December, we signed the largest contract in the Company's history and completed the acquisition of Silverlink, which will enable us to compete alongside global vendors with a cloud native, modern and modular EPR offering".

"Despite challenging conditions across our markets, we strengthened and grew our business, securing new sales with total contract value (TCV) of \$30.4M. This included the major healthcare IT contract with the Commonwealth of Australia which is now underway, and we look forward to delivering the foundational component, the longitudinal health record. While significant in both size and duration, as our first Commonwealth contract the opportunity also demonstrates both the scalability and capability of Alcidion's solutions to address the challenge of integrating care across all healthcare sectors."

"The Coronavirus pandemic and the uncertainty it creates continues to challenge healthcare providers worldwide, with increasing COVID case numbers impacting staffing levels and placing pressure on hospital waitlists, particularly in the UK market. I am currently in the UK meeting with both customers and our team and I am amazed and very grateful for the incredible work everyone continues to deliver every day."

"While COVID has certainly influenced the speed of procurement and contract negotiation, we are pleased to see an increase in opportunities for Miya Flow, which allow our customers to realise early

For personal use only

benefits and add other Miya Precision modules over time. The feedback in response to our acquisition of Silverlink has been very positive and our customers are increasingly understanding the power and value of the combined offering.”

Financial Update

Profit & Loss (A\$'000)	H1 FY22	H2 FY21	% Change
Recurring revenue	8,765	6,270	40%
Non-recurring revenue	4,096	4,836	(15%)
Total Revenue	12,861	11,106	16%
Cost of Sales	(1,949)	(1,321)	48%
Gross Profit	10,912	9,785	12%
<i>Gross Profit Margin %</i>	<i>85%</i>	<i>88%</i>	
Salaries & Wages	(11,763)	(8,780)	34%
Marketing	(296)	(330)	(10%)
Other Operating Expenses	(2,004)	(1,361)	47%
Operating Expenses	(14,063)	(10,471)	34%
Underlying Operating EBITDA	(3,151)	(686)	NA
M&A	(2,106)	(163)	NA
Share Based Payments Expense	(154)	(63)	144%
EBITDA	(5,411)	(912)	NA

Alcidion delivered revenue in H1 FY22 of \$12.9M, a 16% increase on H1 FY21 (\$11.1M).

The Company achieved its strongest sales performance to date, with new sales of \$30.4M (TCV) compared with \$17.4M for the same period last year, which included the South Tees contract.

Gross profit for H1 was \$10.9M, representing a gross profit margin of 85% (compared to 88% for 1H FY21). The lower gross profit margin was driven by a higher proportion of resold products (i.e. NextGate and Better Meds) which while at lower margin than Alcidion’s own products continues to generate strong incremental gross profit and enhances Alcidion’s opportunity as a full solution provider.

Consistent with commentary provided in the FY21 results, staff costs increased 34% to \$11.8M, reflecting the full year impact of new hires in H2 FY21 coupled with additional hires which were delayed into this half due to labour market challenges for skilled staff and wage pressure seen throughout the technology sector.

The underlying EBITDA loss of \$3.2M, is in line with management expectations for H1 and as expected, reflects the establishment of a cost base that can support the closure and delivery of material sized contract wins and continued investment into growth. The company remains on track to deliver a positive underlying EBITDA for the full year.

The cash balance as at 31 December was \$18.9m.

For personal use only

Business Update

Transformational Acquisition

The Company's acquisition of Silverlink in December 2021 - one of the largest and few remaining independent specialist Patient Administration System (PAS) providers servicing the UK NHS market – was well received by both the healthcare industry and Alcidion customers. The acquisition fulfils a key aspect of the Company's EPR/EMR strategy and equips Alcidion with core PAS capability, expanding its overall product offering and positioning Alcidion to offer a cloud-native, modern and modular Electronic Patient Record (EPR) to rival major global vendors. It has also expanded the Company's UK presence to 38 NHS Trusts giving a ~26% market presence, while also expanding the addressable market.

Silverlink has forecast FY22 (30 April year-end) annual revenue of \$7.8M from existing contracts (95%+ recurring revenue), generating EBITDA of \$4.8M (62% EBITDA margin).

The acquisition price of £30.0M (\$56.5M) with a further £3.0M (\$5.6M) subject to earn-out conditions being met, was funded via a \$55.0M equity raising.

Significant contract wins

As part of a Consortium led by Leidos Australia, Alcidion was awarded a contract to deliver key capability for a Healthcare IT project for the Commonwealth of Australia with a contract value estimate of \$23.3M over six years covering the implementation and a subscription to Miya Precision. Further potential to take up Miya Observations and Miya Assessments and options to renew up to 15 years create a possible Total Contract Value (TCV) for the contract with Leidos of approximately \$50.0M.

Additional material contracts signed during H1 include:

- A new three-year contract with Queen's Hospital Burton in the UK for ExtraMed's Inpatient Flow Manager (IPFM), the first new contract win following the acquisition of ExtraMed in April 2021;
- A three-year contract extension for ExtraMed's IPFM licence and support with Royal Derby Hospital, sister to Queen's Hospital Burton, which has documented success in reducing length of stay using IPFM; and
- A new three-year contract with Sydney Local Health District for the use of Miya Precision in supporting virtual care of acute diverticulitis patients by rpavirtual. Miya Precision will be the platform supporting virtual care across Sydney Local Health District capturing information from existing enterprise systems, integrated devices along with patient entered data from the Miya Care module. It will be a key reference site for Alcidion, highlighting the capability of Miya Precision to support virtual care and remote patient monitoring.

Outlook

As at 31 December 2021, contracted revenue able to be recognised in FY22 was \$27.1M, an increase of 25% on the pcp. This comprises \$23.3M of organic revenue and \$3.8M of Silverlink revenue. Alcidion has a further \$1.9M of scheduled renewal revenue that is expected to be converted to contracted revenue over the remaining course of FY22.

Contracted revenue only includes revenue (both recurring and non-recurring) from current signed contracts and does not include revenue from contracts that may renew during the next twelve months or are yet to be signed.

With COVID continuing to challenge the healthcare system, particularly in the UK market, the Company has experienced some delays in the speed of procurement and contract negotiation. However, given

the UK financial year ends in April, Alcidion is optimistic about the potential to sign new contracts over the coming months.

Furthermore, Alcidion is seeing an increase in opportunities based on Miya Flow, which allow our customers to realise early benefits and add other Miya Precision modules over time. The acquisition of Silverlink and the continued commitment of our customers, such as the NHS, to look at modern digital health solutions gives management confidence in the continued opportunities available for Miya Precision as we emerge from the impact of COVID.

Investor Webcast

Alcidion Group Managing Director Kate Quirke will host an audio webcast with investors via Zoom [this morning at 8:30am](#) Australian Eastern Daylight Time (AEDT).

To register for the webcast, please follow this link:

https://zoom.us/webinar/register/WN_mOSFU-lbS721iVdRYmDLrA

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:

KERSTIN WAHLQVIST

Investor Relations Manager, Alcidion

Ph: +61 3 8060 6177

investor@alcidion.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 300 hospitals and 60 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.

© Alcidion Group Limited 2022. Alcidion, Miya Precision, Patientrack and Smartpage are registered trademarks. All other brands and product names and trademarks are the registered property of their respective companies.