



**ALCIDION**

# **Alcidion Group Limited**

**Financial Report for the half year  
ended 31 December 2021**



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## DIRECTORS' REPORT

The directors submit herewith the financial report of Alcidion Group Limited and its subsidiaries ("Alcidion", "the Group" or, the "Company") for the half-year ended 31 December 2021. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

### DIRECTORS

The following persons were directors of Alcidion Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

|   |  |
|---|--|
| Ms Rebecca Wilson                               | Ms Kate Quirke                               |
| Mr Simon Chamberlain                            | Prof. Malcolm Pradhan                        |
| Ms Victoria Weekes - appointed 1 September 2021 | Mr Daniel Sharp - appointed 1 September 2021 |
| Mr Nick Dignam - resigned 17 November 2021      |  |

### PRINCIPAL ACTIVITIES

The principal activities of Alcidion include the development and licensing of its own healthcare software products (Miya Precision and its associated modules, Smartpage, ExtraMed and Silverlink PCS, the reselling of selected healthcare software products from its strategic partners and the delivery of product implementation, product support and maintenance, systems integration and data analysis services to healthcare customers in Australia, New Zealand and the United Kingdom.

### REVIEW OF OPERATIONS

#### Operating Results

For the half-year period ended 31 December 2021, Alcidion delivered:

- Revenue of \$12,861K a 15.8% increase on the prior corresponding period (PCP) revenue of \$11,106K
- Gross profit of \$10,912K (85%) an 11.5% increase on the PCP gross profit of \$9,785K (88%)
- Loss after income tax of \$5,950K a 338% increase on the PCP loss of \$1,357K
- EBITDA loss of \$5,411K compared to an EBITDA loss in the PCP of \$912K
- Underlying EBITDA loss was \$3,151K compared to an underlying EBITDA loss in the PCP of \$686K

#### Reconciliation of Loss after tax to non-IFRS EBITDA & underlying EBITDA:

| Half-year ended:  | 31 Dec 2021<br>\$000 | 31 Dec 2020<br>\$000 |
|---|----------------------|----------------------|
| <b>(Loss) after tax attributable to the owners of the company</b> | <b>(5,950)</b>       | <b>(1,357)</b>       |
| <i>Add:</i>   |                      |                      |
| Depreciation & amortisation expense                               | 534                  | 256                  |
| Income tax expense  | -                    | 191                  |
| Finance costs   | 27                   | 2                    |
| <i>Less:</i>  |                      |                      |
| Income tax expense benefit  | 9                    | -                    |
| Interest revenue  | 13                   | 4                    |
| <b>EBITDA (loss)</b>  | <b>(5,411)</b>       | <b>(912)</b>         |
| <i>Add back:</i>  |                      |                      |
| Costs related to acquisitions                                     | 2,106                | 163                  |
| Non-cash cost of performance rights                               | 154                  | 63                   |
| <b>Underlying EBITDA (loss)</b>                                   | <b>(3,151)</b>       | <b>(686)</b>         |

## Financial Position

### Summary of financial position:

|                           | <b>31 Dec 2021</b> | <b>30 June 2021</b> |
|---------------------------|--------------------|---------------------|
|                           | <b>\$000</b>       | <b>\$000</b>        |
| Cash and cash equivalents | 18,938             | 25,027              |
| Net current assets        | 2,167              | 17,348              |
| Net assets/equity         | 91,361             | 45,222              |
| Net tangible assets       | (1,368)            | 17,555              |

## Equity

### Summary of share capital:

|   | <b>31 Dec 2021</b> | <b>30 June 2021</b> |
|---|--------------------|---------------------|
| Issued capital (\$000)                  | 99,220             | 58,569              |
| No. of issued shares                    | 1,221,766,143      | 1,048,069,052       |
| No. performance rights                  | 9,528,585          | 8,667,793           |
| Share price (\$)                        | 0.275              | 0.400               |
| Market capitalisation (Undiluted) (\$M) | 336.0              | 419.2               |

## Significant contract wins

During the half Alcidion contracted new sales with a total contract value (TCV) of \$30.4M - \$8.6M of which will be recognised in the current financial year.

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, specifically the provision of the Longitudinal Health Record via Miya Precision. The value of the contract to Alcidion is estimated to be \$23.3M over six years, which will cover 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 creates a possible TCV for the contract with Leidos of approximately \$50.0M.

Alcidion also secured 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 with TCV of \$0.6M. Queen's Hospital Burton is part of the University Hospitals of Derby and Burton NHS Foundation Trust, one of the largest NHS trusts in the UK.

A three-year contract extension, with a TCV of \$0.6M, was signed 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.

Finally, a new three-year contract with Sydney Local Health District, with a TCV of \$1.8M, was secured 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 integrated devices along with patient entered information from the new 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.

## Significant Changes in State of Affairs

### Acquisition of Silverlink PCS Software Limited:

In December 2021, Alcidion acquired Silverlink PCS Software Limited (Silverlink), one of the largest and few remaining specialist Patient Administration System (PAS) providers servicing the UK NHS market.

The acquisition provides Alcidion with core PAS capability, expanding its overall product offering and positioning Alcidion to being able to offer a cloud-native, modern and modular Electronic Patient Record (EPR) to rival major global vendors. In addition, it expands the company's UK presence to 38 NHS Trusts giving a ~26% market presence, while also expanding the addressable market.

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 (see below for details).

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).

Additional details can be found at note 3 Business Combinations.

### Share placement and accelerated non-renounceable entitlement offer:

On 7 December 2021 Alcidion announced that it would raise \$55.0M by way of:

- A placement to institutional and sophisticated investors of \$30.0M; and
- A 1 for 10.5 accelerated non-renounceable entitlement offer to raise \$25.0M

On 15 December 2021 the Company issued 120,183,900 shares at \$0.25 each raising \$30,045,975. On the same day a further 53,513,191 shares were issued as part of the accelerated component of the entitlement offer at the same price raising \$13,378,298.

On 4 January 2022 the Company issued 46,302,910 shares at \$0.25 from the retail component of the entitlement offer. The funds for these shares (\$11,575,728) were received on 31 December 2021 and for the purposes of these half year accounts, that amount has been classified as share capital received in advance in the Statement of Financial Position.

### Performance rights:

On 10 November 2021 the Company issued 1,513,719 performance rights to employees in accordance with the Alcidion Group Limited Equity Incentive Plan.

A further 652,927 Performance rights were forfeited and cancelled during the period.

Other than the above, no significant changes in the state of affairs of the Group occurred during the interim period.

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 4 January 2022, the Company issued 46,302,910 shares as part of the accelerated non-renounceable entitlement offer that was announced on 7 December 2021. (See note above for details).

On 14 January 2022, 126,428 performance rights were issued to employees in accordance with the Alcidion Group Limited Equity Incentive Plan.

Except for the item listed above there were no significant events after 31 December 2021.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the Group's operations.

## DIVIDENDS

No dividends were paid or declared during the half year and no recommendation for payment of dividends has been made.

## **ROUNDING**

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instruments 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in this directors' report are rounded off to the nearest thousand dollars, unless otherwise indicated.

## **AUDITORS INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under s.307C of the Corporations Act 2001 is set out on page 5.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



**Rebecca Wilson**  
Non-Executive Chair  
Melbourne, 23 February 2022

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ALCIDION GROUP LIMITED

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2021 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'William Buck'.

**William Buck (SA)**  
ABN: 38 280 203 274

A handwritten signature in black ink that reads 'G. Martinella'.

**G.W. Martinella**  
Partner

Dated this 23<sup>rd</sup> day of February, 2022.

**ACCOUNTANTS & ADVISORS**

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## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| CONSOLIDATED  | Note | 31 Dec 2021<br>\$000 | 31 Dec 2020<br>\$000 |
|---|------|----------------------|----------------------|
| Revenue   |      | 12,861               | 11,106               |
| Direct costs  |      | (1,949)              | (1,321)              |
| <b>Gross Profit</b>   |      | <b>10,912</b>        | <b>9,785</b>         |
| Other Revenue   |      | 13                   | 74                   |
| Employee benefits expense   |      | (11,917)             | (8,843)              |
| Professional fees   |      | (721)                | (386)                |
| Marketing expenses  |      | (296)                | (330)                |
| Costs related to acquisitions   |      | (2,106)              | (163)                |
| Other expenses  |      | (1,283)              | (1,045)              |
| Depreciation and amortisation expense   |      | (534)                | (256)                |
| Finance costs   |      | (27)                 | (2)                  |
| <b>Loss before income tax expense</b>   |      | <b>(5,959)</b>       | <b>(1,166)</b>       |
| Income tax benefit / (expense)  |      | 9                    | (191)                |
| <b>Loss after tax attributable to the owners of the Company</b>                             |      | <b>(5,950)</b>       | <b>(1,357)</b>       |
| <b>Other comprehensive income/(loss) net of tax</b>   |      |                      |                      |
| <i>Items that may be reclassified subsequently to profit or loss:</i>                       |      |                      |                      |
| Exchange differences on translation of foreign operations                                   |      | (292)                | -                    |
| <b>Total comprehensive loss for the half year attributable to the owners of the Company</b> |      | <b>(6,242)</b>       | <b>(1,357)</b>       |
| <b>(Loss) Per Share</b>   |      |                      |                      |
| Basic and diluted loss per share (cents)  | 8    | (0.56)               | (0.14)               |

The notes following the financial statements form part of the financial report.



## STATEMENT OF FINANCIAL POSITION

| CONSOLIDATED                         | Note | 31 Dec 2021<br>\$000 | 30 June 2021<br>\$000 |
|--------------------------------------|------|----------------------|-----------------------|
| <b>Current assets</b>                |      |                      |                       |
| Cash and cash equivalents            |      | 18,938               | 25,027                |
| Trade and other receivables          |      | 5,559                | 4,114                 |
| Other assets                         |      | 1,190                | 1,206                 |
| <b>Total current assets</b>          |      | <b>25,687</b>        | <b>30,347</b>         |
| <b>Non-current assets</b>            |      |                      |                       |
| Plant and equipment                  |      | 447                  | 371                   |
| Intangible assets                    | 4    | 91,244               | 27,489                |
| Right of use assets                  |      | 1,485                | 178                   |
| <b>Total non-current assets</b>      |      | <b>93,176</b>        | <b>28,038</b>         |
| <b>Total assets</b>                  |      | <b>118,863</b>       | <b>58,385</b>         |
| <b>Liabilities</b>                   |      |                      |                       |
| <b>Current liabilities</b>           |      |                      |                       |
| Trade and other payables             |      | 6,625                | 2,919                 |
| Employee provisions                  |      | 2,684                | 2,774                 |
| Lease liabilities                    |      | 349                  | 163                   |
| Income tax payable                   |      | 39                   | 36                    |
| Unearned revenue                     |      | 11,035               | 7,107                 |
| Contingent consideration             | 5    | 2,788                | -                     |
| <b>Total current liabilities</b>     |      | <b>23,520</b>        | <b>12,999</b>         |
| <b>Non-current liabilities</b>       |      |                      |                       |
| Employee provisions                  |      | 174                  | 135                   |
| Deferred tax liabilities             |      | -                    | 11                    |
| Lease liabilities                    |      | 1,020                | 18                    |
| Contingent consideration             | 5    | 2,788                | -                     |
| <b>Total non-current liabilities</b> |      | <b>3,982</b>         | <b>164</b>            |
| <b>Total liabilities</b>             |      | <b>27,502</b>        | <b>13,163</b>         |
| <b>Net assets</b>                    |      | <b>91,361</b>        | <b>45,222</b>         |
| <b>Equity</b>                        |      |                      |                       |
| Issued capital                       | 6    | 99,220               | 58,569                |
| Share capital received in advance    |      | 11,576               | -                     |
| Share based payment reserves         |      | 381                  | 227                   |
| Foreign currency translation reserve |      | (292)                | -                     |
| Accumulated losses                   |      | (19,524)             | (13,574)              |
| <b>Total equity</b>                  |      | <b>91,361</b>        | <b>45,222</b>         |

The notes following the financial statements form part of the financial report.

## STATEMENT OF CHANGES IN EQUITY

| CONSOLIDATED   | Issued capital | Share capital received in advance | Share based payment reserves | Foreign currency translation reserve | Accumulated losses | Total equity   |
|--|----------------|-----------------------------------|------------------------------|--------------------------------------|--------------------|----------------|
|  | \$000          | \$000                             | \$000                        | \$000                                | \$000              | \$000          |
| <b>Balance as at 1 July 2020</b>                             | <b>41,067</b>  | -                                 | -                            | -                                    | <b>(11,330)</b>    | <b>29,737</b>  |
| Loss for the period  | -              | -                                 | -                            | -                                    | (1,357)            | (1,357)        |
| <i>Transactions with owners in their capacity as owners:</i> |                |                                   |                              |                                      |                    |                |
| Share-based payment expense                                  | -              | -                                 | 63                           | -                                    | -                  | 63             |
| <b>Balance at 31 Dec 2020</b>                                | <b>41,067</b>  | -                                 | <b>63</b>                    | -                                    | <b>(12,687)</b>    | <b>28,443</b>  |
| <b>Balance as at 1 July 2021</b>                             | <b>58,569</b>  | -                                 | <b>227</b>                   | -                                    | <b>(13,574)</b>    | <b>45,222</b>  |
| Loss for the period  | -              | -                                 | -                            | -                                    | (5,950)            | (5,950)        |
| Other comprehensive income net of tax                        | -              | -                                 | -                            | (292)                                | -                  | (292)          |
| <b>Total comprehensive income</b>                            | -              | -                                 | -                            | <b>(292)</b>                         | <b>(5,950)</b>     | <b>(6,242)</b> |
| <i>Transactions with owners in their capacity as owners:</i> |                |                                   |                              |                                      |                    |                |
| Share capital issued   | 40,651         | -                                 | -                            | -                                    | -                  | 40,651         |
| Share capital received in advance                            | -              | 11,576                            | -                            | -                                    | -                  | 11,576         |
| Share-based payment expense                                  | -              | -                                 | 154                          | -                                    | -                  | 154            |
| <b>Balance at 31 Dec 2021</b>                                | <b>99,220</b>  | <b>11,576</b>                     | <b>381</b>                   | <b>(292)</b>                         | <b>(19,524)</b>    | <b>91,361</b>  |

The notes following the financial statements form part of the financial report.

## STATEMENT OF CASH FLOWS

| <b>CONSOLIDATED</b>   | <b>Note</b> | <b>31 Dec 2021<br/>\$000</b> | <b>31 Dec 2020<br/>\$000</b> |
|---|-------------|------------------------------|------------------------------|
| <b>Cash flows from operating activities</b>                   |             |                              |                              |
| Receipts from customers                                       |             | 16,406                       | 10,800                       |
| Payments to suppliers and employees                           |             | (18,247)                     | (13,866)                     |
| Income tax paid   |             | (9)                          | -                            |
| Interest received   |             | 13                           | 4                            |
| Finance costs   |             | (26)                         | (58)                         |
| <b>Net cash outflow from operating activities</b>             |             | <b>(1,863)</b>               | <b>(3,120)</b>               |
| <b>Cash flows from investing activities</b>                   |             |                              |                              |
| Payments for plant and equipment                              |             | (162)                        | (152)                        |
| Payment for purchase of business, net of cash acquired        | 3           | (56,463)                     | -                            |
| <b>Net cash (used) for investing activities</b>               |             | <b>(56,625)</b>              | <b>(152)</b>                 |
| <b>Cash flows from financing activities</b>                   |             |                              |                              |
| Proceeds from issues of equity securities                     |             | 43,425                       | -                            |
| Proceeds received in advance of securities being issued       |             | 11,575                       | -                            |
| Transaction costs related to issues of equity securities      |             | (2,223)                      | -                            |
| Repayment of principal on lease liabilities                   |             | (419)                        | (135)                        |
| <b>Net cash inflows/(outflows) from financing activities</b>  |             | <b>52,358</b>                | <b>(135)</b>                 |
| Net (decrease) in cash and cash equivalents                   |             | (6,130)                      | (3,407)                      |
| Effects of exchange rate changes on cash and cash equivalents |             | 41                           | -                            |
| Cash and cash equivalents at the beginning of the period      |             | 25,027                       | 15,948                       |
| <b>Cash and cash equivalents at the end of the period</b>     |             | <b>18,938</b>                | <b>15,541</b>                |

The notes following the financial statements form part of the financial report.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 GENERAL INFORMATION**

Alcidion Group Limited (“Alcidion” or the “Group” or the “Company”) is a publicly listed company incorporated in Australia (ASX: ALC). The core of Alcidion’s business model is to create intellectual property in the form of software developed to improve the quality of care for all patients and improve the productivity of clinicians and care teams.

The Group’s software is bundled with other technologies and services to create complete clinical and business solutions. Alcidion builds, sells, implements or in some cases operates on behalf of the customer, integrates and supports these solutions for health care provider organisations in Australia, New Zealand and the United Kingdom.

### **2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements are general purpose interim financial statements which have been prepared in accordance with the Corporations Act 2001, and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2021, together with any public announcements made during the half year.

The half-year financial statements were authorised for issue by the directors on 23 February 2021.

#### **2.1 Basis of preparation**

The financial statements comprise the consolidated financial statements of the Group which comprises the Company and its legal subsidiaries. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity. Except for the changes disclosed at Note 2.2 below, the same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent financial statements.

The condensed interim financial consolidated financial statements of the Group are for the six months ended 31 December 2021 and are presented in Australian Dollars (\$AUD), which is the functional currency of the Parent Company.

##### **2.1.1 Reclassification of expenses**

In the June 2021 financial statements all staff costs were disclosed in Employee benefits expense and more detailed cost categories were introduced to the statement of profit or loss and other comprehensive income. These changes are reported in the same way in these half-year financial statements and have been reflected in the December 2020 comparative figures.

The changes identified above do not change the way revenue, gross profit or other comprehensive income of either the current or prior reporting period are calculated or disclosed.

#### **2.2 New or amended accounting standard and interpretations adopted**

The Group has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been adopted early.

### 3 BUSINESS COMBINATION

#### Silverlink PCS Software Limited

On 7 December 2021 Alcidion announced that it had entered into a Share Purchase Agreement to acquire Silverlink PCS Software Limited (Silverlink) for £30.0M (\$56.5M), with a further £3.0M (\$5.6M) payable subject to earn-out conditions being met.

Alcidion completed the acquisition and acquired 100% of the share capital of Silverlink on 15 December 2021.

Silverlink is one of the largest and few remaining specialist Patient Administration System (PAS) providers servicing the UK NHS market. The acquisition provides Alcidion with the core PAS capability, which expands the overall product offering and positions Alcidion to become a cloud-native, modern, and modular Electronic Patient Record (EPR/EMR) provider to rival major global vendors.

Post-Acquisition (in the period ended 31 December 2021) Silverlink has contributed \$351K revenue and \$221K net profit after tax to the Group consolidated results.

Goodwill arising from the acquisition has been recognised as follows:

|  | <b>31 Dec 2021<br/>Provisional<br/>\$000</b> |
|--|--|
| <b>Cash paid for Silverlink</b>                                  | <b>56,522</b>                                |
| Contingent consideration (i)                                     | 5,646  |
| Completion payments outstanding (ii)                             | 920  |
| Add fair value of identifiable net liabilities                   | 668  |
| <b>Goodwill</b>  | <b>63,756</b>                                |
| <b>Identifiable net assets acquired:</b>                         |  |
| Cash and cash equivalents  | 59   |
| Trade receivables  | 1,835  |
| Other current assets   | 293  |
| Trade creditors  | (545)  |
| Provisions   | (17)   |
| Fixed assets   | 164  |
| Unearned revenue   | (2,457)                                      |
| <b>Fair value of identifiable net assets / (net liabilities)</b> | <b>(668)</b>                                 |

- (i) *Payment of the contingent consideration is subject to the successful renewal of selected customer contracts prior to 31 March 2024*
- (ii) *Purchase price adjustment calculated from 'Working Capital Consideration' and based on provisional accounting, will be revised in accordance with Completion Accounts*

The accounting for the acquisition of Silverlink is provisional as permitted under AASB3 Business Combinations.

The fair value of Silverlink's intangible assets (brand name, customer base and software assets) are in the process of being valued.

The provisional accounting above includes numbers based on management estimates and will be revised once the valuation has been performed.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

#### 4 INTANGIBLE ASSETS

|   | <b>31 Dec 2021</b> | <b>30 June 2021</b> |
|---|--------------------|---------------------|
|   | <b>\$000</b>       | <b>\$000</b>        |
| Goodwill  | 89,216             | 25,460              |
| Intellectual property                           | 1,714              | 1,714               |
| Patents & Trademarks - at cost                  | 341                | 341                 |
| Patents & Trademarks - accumulated amortisation | (27)               | (26)                |
| <b>Balance as the end of the period</b>         | <b>91,244</b>      | <b>27,489</b>       |

Reconciliation of movement in intangible assets:

|   |               |
|---|---------------|
| <b>Balance at the beginning of the period</b> | <b>27,489</b> |
| Goodwill arising from business combination    | 63,756        |
| Amortisation charged to intangible assets     | (1)           |
| <b>Balance at the end of the period</b>       | <b>91,244</b> |

#### 5 CONTINGENT CONSIDERATION

|  | <b>31 Dec 2021</b> | <b>30 June 2021</b> |
|--|--------------------|---------------------|
|  | <b>\$000</b>       | <b>\$000</b>        |
| Contingent consideration - current liability     | 2,788              | -                   |
| Contingent consideration - non-current liability | 2,788              | -                   |

Contingent consideration relates to the acquisition of Silverlink Software PCS Limited. Payment of the contingent consideration is subject to the successful renewal of selected customer contracts prior to 31 March 2024.

The contingent consideration is split into two equal tranches.

The first tranche is subject to the successful renewal of selected customer contracts, these renewals are due to take place in the next 12 months and as such the first tranche of the contingent consideration is accounted for as a current liability.

The second tranche is subject to the successful renewal of selected customer contracts, these renewals are expected to take place on or before 31 March 2023 (but no later than 31 March 2024) and as such the second tranche of the contingent consideration is accounted for as a non-current liability.

The basis of the contingent payment is estimated fair value and determined by taking into account the high probability that Silverlink will renew the selected customer contracts that trigger the full payment of the contingent consideration.

This liability is considered a Level 3 financial liability that is remeasured each reporting date based on probability factors. Any changes to the fair value measurement of the contingent consideration will be recognised in Profit or Loss.

## 6 ISSUED CAPITAL

| <b>Consolidated</b>   | <b>31 Dec 2021</b> | <b>30 June 2021</b> |
|---|--------------------|---------------------|
|   | <b>\$000</b>       | <b>\$000</b>        |
| 1,221,766,143 fully paid ordinary shares<br>(30 June 2021: 1,048,069,052) | 99,220             | 58,569              |

|                                 | <b>6 Months to 31 December 2021</b> |               | <b>6 months to 30 June 2021</b> |               |
|---------------------------------|-------------------------------------|---------------|---------------------------------|---------------|
|                                 | <b>No.</b>                          | <b>\$000</b>  | <b>No.</b>                      | <b>\$000</b>  |
| Opening balance                 | 1,048,069,052                       | 58,569        | 990,694,052                     | 41,067        |
| Shares issued during the period | 173,697,091                         | 40,651        | 57,375,000                      | 17,502        |
| <b>Closing balance</b>          | <b>1,221,766,143</b>                | <b>99,220</b> | <b>1,048,069,052</b>            | <b>58,569</b> |

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

## 7 DIVIDENDS

There were no dividends paid or proposed during the period.

## 8 LOSS PER SHARE

| <b>Earnings (loss) per share</b>            | <b>31 Dec 2021</b> | <b>31 Dec 2020</b> |
|---|--------------------|--------------------|
|   | <b>Cents</b>       | <b>Cents</b>       |
| Basic and diluted earnings (loss) per share | (0.56)             | (0.14)             |

### (a) Earnings used in calculating basic and diluted earnings per share

|  | <b>31 Dec 2021</b> | <b>31 Dec 2020</b> |
|--|--------------------|--------------------|
|  | <b>\$000</b>       | <b>\$000</b>       |
| (Loss) attributable to ordinary shareholders of the Group<br>used in calculating basic and diluted earnings (loss) per share | (5,950)            | (1,357)            |

### (b) Weighted average number of shares used as denominator to calculate basic and diluted earnings per share

|  | <b>December 2021</b> | <b>December 2020</b> |
|--|----------------------|----------------------|
|  | <b>No.</b>           | <b>No.</b>           |
| Weighted average number of ordinary shares used in calculating<br>basic earnings per share | 1,064,117,153        | 990,694,052          |
| diluted earnings per share   | 1,073,645,738        | 1,000,342,186        |

## 9 COMMITMENTS

As at 31 December 2021 the Group has no commitments (2020: nil)

## 10 CONTINGENCIES

With the exception of the contingent consideration disclosed in note 5. In the opinion of the Directors, the Group did not have any contingent liabilities or contingent assets as at 31 December 2021 (2020: nil).

## 11 SEGMENT REPORTING

The Group operates in the healthcare industry in Australia, New Zealand and the UK. For management purposes, the Group is organised into one main operating segment which involves the provision of healthcare software solutions in all these territories. All the Group's activities are inter-related and financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. All significant operating decisions are based upon analysis of the Group as one segment. The financial results of this segment are therefore equivalent to the financial statements of the Group.

### Basis of accounting for purposes of reporting by operating segments

#### Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

#### Intersegment transactions

There were no intersegment sales during the period.

#### Segment information

Group Performance - No separate Group performance has been presented in this report as the Board receives only a consolidated Group performance report which is the equivalent to the statement of Profit or Loss and Other Comprehensive Income of the Group as a whole.

Group assets and liabilities - No separate Group asset and liabilities have been presented in this report as the Board only receives a consolidated asset and liabilities report which is the equivalent to the statement of financial position of the Group as a whole.

| Revenue by geographical region | 31 Dec 2021   |     | 31 Dec 2020   |     |
|--------------------------------|---------------|-----|---------------|-----|
|                                | \$000         | %   | \$000         | %   |
| Australia / New Zealand        | 8,549         | 66% | 7,926         | 71% |
| United Kingdom                 | 4,312         | 34% | 3,180         | 29% |
| <b>Total revenue</b>           | <b>12,861</b> |     | <b>11,106</b> |     |

| Timing of revenue recognition | 31 Dec 2021                          |                               |               | 31 Dec 2020                          |                               |               |
|-------------------------------|--------------------------------------|-------------------------------|---------------|--------------------------------------|-------------------------------|---------------|
|                               | \$000                                |                               |               | \$000                                |                               |               |
|                               | Goods transferred at a point in time | Service transferred over time | Total         | Goods transferred at a point in time | Service transferred over time | Total         |
| Australia / New Zealand       | 5,740                                | 2,809                         | 8,549         | 3,743                                | 4,183                         | 7,926         |
| United Kingdom                | 3,025                                | 1,287                         | 4,312         | 2,527                                | 653                           | 3,180         |
| <b>Total revenue</b>          | <b>8,765</b>                         | <b>4,096</b>                  | <b>12,861</b> | <b>6,270</b>                         | <b>4,836</b>                  | <b>11,106</b> |

#### Major customers

During the period the group had two customers that individually account for more than 10% of revenue:

1. South Tees \$1,490K (11.6%) (Dec 20: \$1,794K (16.2%))
2. Leidos Australia \$1,975K (15.4%) (Dec 20: NIL)



## **12 EVENTS AFTER THE END OF THE INTERIM PERIOD**

On 4 January 2022, 46,302,910 shares were issued to shareholders as part of the accelerated non-renounceable entitlement offer that was announced on 7 December 2021. These shares were issued at a price of \$0.25. The funds relating to the issue of these shares were received by the Group on 31 December 2021 and are recorded in the Statement of Financial Position in the Equity as unallocated share capital as at 31 December 2021.

On 14 January 2022, 126,428 performance rights were issued to employees in accordance with the Alcidion Group Limited Equity Incentive Plan.

Except for the items listed above there were no significant events after 31 December 2021.

## **DIRECTORS' DECLARATION**

The directors declare that:

- a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group for the half year ended 31 December 2021.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



**Rebecca Wilson**  
Non-Executive Chair  
Melbourne, 23 February 2022

## Alcidion Group Limited

Independent auditor's review report to members

### Report on the Review of the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Alcidion Group Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity) on pages 6 to 16, which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Alcidion Group Limited on pages 6 to 16 is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Responsibilities of the Directors' for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square  
Adelaide SA 5000  
GPO Box 11050  
Adelaide SA 5001  
Telephone: +61 8 8409 4333  
[williambuck.com](http://williambuck.com)

### **Auditor's Responsibilities for the Review of the Half-Year Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in cursive script that reads 'William Buck'.

**William Buck (SA)**  
ABN: 38 280 203 274

A handwritten signature in cursive script that reads 'G. Martinella'.

**G.W.Martinella**  
Partner

Dated this 23<sup>rd</sup> day of February, 2022.

## CORPORATE DIRECTORY


### Current Directors (Alcidion Group Limited)

| Name                  | Position               | Date of Appointment |
|-----------------------|------------------------|---------------------|
| Ms Rebecca Wilson     | Non-Executive Chair    | 01/08/2017          |
| Ms Kate Quirke        | Managing Director      | 03/07/2018          |
| Prof. Malcolm Pradhan | Executive Director     | 22/02/2016          |
| Mr Simon Chamberlain  | Non-Executive Director | 01/07/2019          |
| Ms Victoria Weekes    | Non-Executive Director | 01/09/2021          |
| Mr Daniel Sharp       | Non-Executive Director | 01/09/2021          |
| Ms Melanie Leydin     | Company Secretary      | 04/03/2019          |

### Registered office

Level 4  
100 Albert Road  
South Melbourne VIC 3205

### Principal place of business

Level 10  
9 Yarra Street  
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 1800 767 873

### Website


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### Registers of securities

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### Auditors


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### Tax Accountants


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### Solicitors


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Westpac Commercial Banking Tower B,  
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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 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.

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