

30 August 2022

Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

FY22 Full Year Results and Annual Report

Melbourne, Australia – Alcidion Group Limited (‘Alcidion’ or the ‘Company’) today releases audited full year results and Annual Report to Shareholders for the Financial Year ended 30 June 2022 (FY22).

Highlights:

- FY22 full year revenue of \$34.4M, up 33% on prior corresponding period – PCP (\$25.9M)
- Recurring revenue of \$23.3M, up 42% on PCP (\$16.3M)
- Positive Underlying EBITDA of \$0.9M, up 68% on PCP (\$0.5M)
- Positive operating cashflow of \$1.0M (PCP \$1.5M); \$3.1M excluding one off acquisition costs
- FY22 new sales with total contract value (TCV) of \$57.7M, up 96% up on PCP
- Signed milestone contract as part of Leidos Consortium to support delivery of healthcare services across the Australia Defence Force with initial TCV of \$23.3m over six years
- Transformational acquisition of Silverlink PCS Software in December 2021, provided Alcidion with capability to deliver a cloud-native, modern, and modular Electronic Patient/Medical Record
- Cash reserves of \$17.3M and no debt as of 30 June 2022
- Entering FY23 with \$28.3M of contracted revenue (up 87% on PCP) and a further \$2.9M of scheduled renewal revenue expected to be recognised in FY23

Alcidion Group Managing Director Kate Quirke said, “The past twelve months have been significant for Alcidion, achieving record new sales and full year revenue for FY22, as well as completing the acquisition of Silverlink PCS and signing several pivotal contracts that have enabled us to progress toward our ambition of becoming a global leader at the forefront of digital healthcare.”

“Many of the trends we are seeing in the global healthcare system, such as greater demand for virtual / in-home care and remote patient monitoring are areas our product solutions are already addressing for our customers and have been for some time. The ever-increasing volume of patients flowing through hospitals and on hospital waiting lists continues to increase the complexity and further strengthens the value and benefits for interoperability of data and systems. This is one of the core value propositions of our technologies and highlights the critical role we can play in addressing these needs.”

“As the UK government continues to invest in the modernisation of the NHS, we are well-positioned to respond to larger EPR tenders that are emerging from the NHS EPR maturity program. The integration of Silverlink into our product suite has strategically positioned us – both in terms of market perception and capability – to further expand our UK presence through the NHS Frontline Digitisation Program which aims to have 90% of NHS Trusts with an EPR procured by December 2023 and 100% of NHS trusts to have an EPR live by March 2025. We will continue to champion our modular strategy in concert with this initiative and look forward to partnering with the NHS to help them achieve their vision of a digitally enabled health and care system.”

Financial Summary

Profit & loss (\$000)	FY22	FY21	% change
Recurring revenue	23,274	16,343	42%
Non-recurring revenue	11,081	9,539	16%
Total revenue	34,355	25,882	33%
Direct costs	(4,862)	(3,018)	61%
Gross profit	29,493	22,864	29%
<i>Gross profit %</i>	<i>86%</i>	<i>88%</i>	
Salaries & wages	(23,614)	(18,659)	27%
Marketing	(577)	(573)	1%
Professional fees	(1,100)	(938)	17%
Other operating expenses	(3,346)	(2,459)	36%
Operating expenses	(28,637)	(22,629)	27%
Other income	-	275	NC
Underlying EBITDA	856	510	68%
M&A costs	(2,136)	(769)	178%
Share based payments expense	(328)	(227)	44%
EBITDA (loss)	(1,608)	(486)	231%
Depreciation & Amortisation	(2,256)	(457)	394%
EBIT	(3,864)	(943)	310%

Alcidion delivered record full year revenue of \$34.4M, up 33% on the prior corresponding period (pcp). Notably, recurring revenue growth outpaced total revenue growth, up 42% on pcp to \$23.3M and now represents approximately 68% of total revenue (FY21: 63%).

The FY22 revenue split between products, product implementation and services is as follows:

A\$M	Products	Product Imp	Services	Total
Recurring	23.3	-	-	23.3
Non-recurring	-	6.3	4.8	11.1
Total	23.3	6.3	4.8	34.4

FY22 revenue was achieved through a combination of organic and acquisitive growth. UK revenue increased 44% on pcp to \$16.3M supported by a \$4.3M contribution from 6.5 months of Silverlink revenue. ANZ revenue increased by 25% on pcp to \$18.1M.

Gross Profit margin of 86% was slightly below the prior year margin of 88%, reflective of the product mix. As part of offering customers a broader product solution, Alcidion re-sells certain partner products such as Provation's cloud based iPro anaesthetic information management system or Better Meds eMedicine system. Whilst the gross profit margin percentage on re-sold products may be lower than Alcidion's own products within the Miya product suite the incremental gross profit value will be higher and therefore beneficial to overall financial performance.

An increase in staff costs was consistent with the strategy of scaling key resourcing, which was delayed from FY21, particularly in the UK, to take advantage of emerging opportunities. Alcidion expects a further increase in staff costs in FY23, reflecting the full-year impact of Silverlink staff costs, full-year impact of H2 FY22 hires along with planned new hires not yet recruited.

The Company reported positive underlying EBITDA of \$0.9M, reflective of the continued emphasis on scaling the business, albeit beginning to demonstrate early stages of operating leverage.

Alcidion delivered positive operating cashflow in FY22 of \$1.0M and after excluding the costs associated with acquisitions the operating cash flow was \$3.1M.

The business ends the year with a cash balance of \$17.3M and no debt.

Business Update

New and Renewed Contacts

Alcidion signed several new and renewal contracts during FY22, with a total contract value (TCV) of \$57.7M, up 96% up on FY21. As outlined in Q4 Activities Report, while not every new contract was announced to the market for commercial and materiality reasons, collectively they contribute to improving Alcidion's market penetration and reference ability for prospective customers.

In the UK market, Alcidion ended FY22 with at least one product in 39 NHS Trusts or approximately 27% of all acute NHS sites. Additionally, the Company has at least one product in 20 of the 42 Integrated Care Systems (ICS) across the UK, providing several touchpoints from which to leverage potential future ICS level partnerships.

Alcidion's modular approach to implementing the Miya platform continued to resonate with customers, with Miya Flow, which helps streamline patient journeys throughout the hospital, of particular interest given the current patient backlog caused by COVID and hospital overcrowding. As Alcidion continues to build long-term relationships with customers, the ability to meet their needs via additional modules is a core part of our value proposition.

Transformational Acquisition

In December 2021, Alcidion completed the acquisition of Silverlink PCS Software Ltd, one of the largest and few remaining independent specialist Patient Administration System (PAS) providers servicing the UK NHS market. The acquisition fulfilled a key aspect of the EPR/EMR strategy positioning Alcidion with core PAS capability and subsequent ability to offer a cloud-native, modern, and modular Electronic Patient Record (EPR) to rival major global vendors.

All operational functions have been integrated with Alcidion with product upgrades to the cloud and integration with the Miya platform progressing in order of customer priority.

Leadership

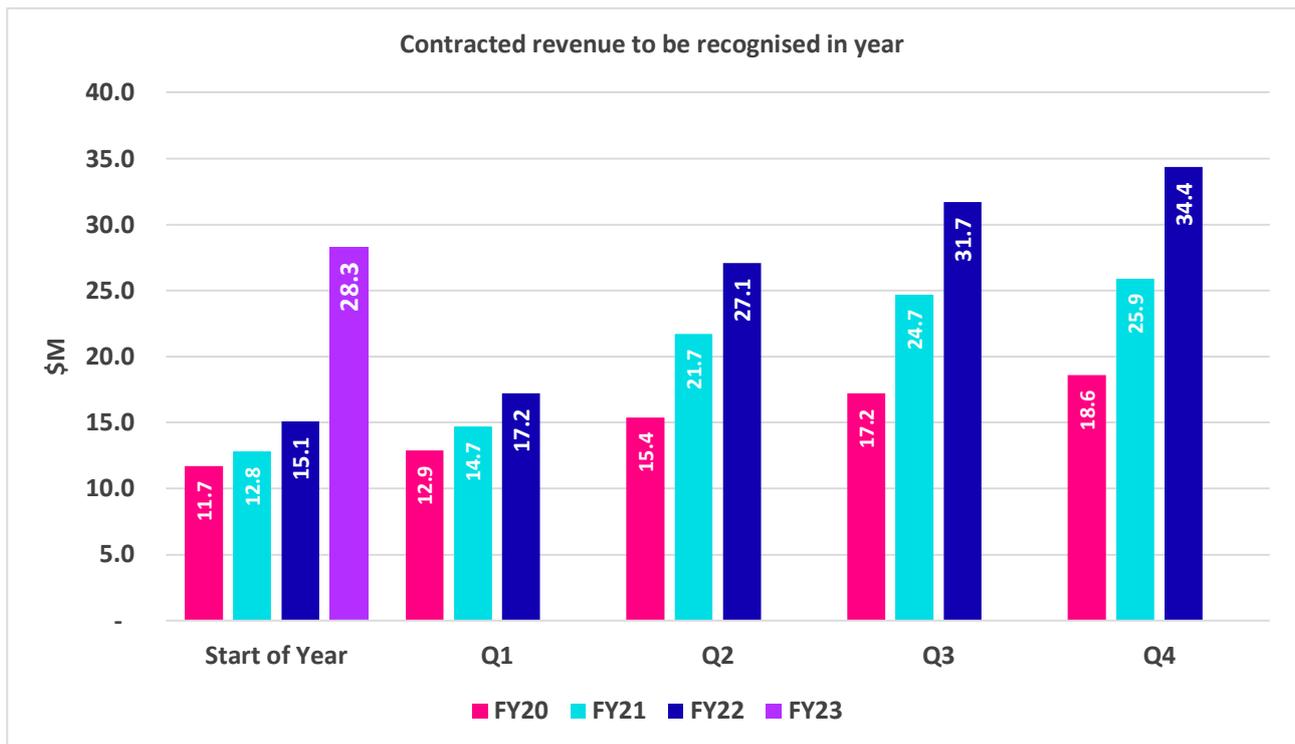
Alcidion continued to invest in its people adding key growth focused roles including Florian Stroehle joining as Director of Strategy and Business Development, Dr Paul Deffley joining us as the UK Chief Medical Officer and Steve Leggett being appointed as UK Head of Strategic Markets.

At a Board level, Alcidion added two non-executive directors, Ms Victoria Weekes and Mr Daniel Sharp to the Board. Victoria brings a deep understanding of the health care sector and Danny a career in investment banking and corporate finance. One of the appointments was to replace Mr Nick Dignam who resigned from the Board in November 2021 after almost five years.

Outlook

Alcidion begins the year in a strong position with \$28.3M of contracted revenue to be recognised in FY23, 87% higher than at the same time last year. The Company has a further \$2.9M of scheduled renewal revenue, existing customers renewing current subscription and licences, which is expected to be converted to contracted revenue over the course of FY23.

The pipeline continues to expand and mature, particularly in the UK as Alcidion's modular product approach attracts increasing interest given the UK's clear focus on improving digital maturity of the NHS over the next two years.



Investor Webcast

Alcidion Group Managing Director Kate Quirke and Chief Financial Officer Matthew Gepp will host a webcast with investors via Zoom today at 12.00pm Australian Eastern Standard Time (AEST).

To register for the webcast, please follow this link:

https://us06web.zoom.us/webinar/register/WN_GNcVvGUqRpCe3b1sv-IdUA

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

T: +61 3 8060 6177

E: investor@alcidion.com

Financial data

All financial amounts contained in this presentation are expressed in Australian dollars (unless otherwise stated). Any discrepancies between totals and sums of components in tables, figures and body content contained in this presentation are due to rounding. Tables, figures and body content contained in this presentation have not been amended by ALC to correct immaterial summation differences that may arise from this rounding convention.

Investors should also be aware that certain financial data included in this presentation including underlying NPAT and underlying EBIT/EBITDA and measures described as “pro-forma”, are “non-IFRS financial information” under ASIC regulatory Guide 230 (disclosing non-IFRS financial information). The non-IFRS financial information financial measures do not have a standardised meaning prescribed by Australian International Reporting Standards (AIFRS) and, therefore, may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other measures determined in accordance with AIFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial measures included in this presentation.

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