

**31 July 2017**

Australian Securities Exchange  
Level 40, Central Park  
152-158 St George's Terrace  
Perth WA 6000

## Quarterly Update and Appendix 4C

### Highlights:

- ) Significant milestones achieved in commercialising the Miya platform throughout Australia and New Zealand.
- ) Securing of a \$AUD2.35m Contract with Western Health, crystallising a long term relationship with Western Health.
- ) Securing a \$NZD1.60m Contract with Mid Central, the Company's first deployment in New Zealand, paving the way for future engagement with the NZ Ministry of Health and the remaining District Health Boards.
- ) Securing a contract with the Northern Territory Department of Health to extend Miya Patient Flow across Katherine Hospital in the Northern Territory.
- ) Hosting initial discussions with Calvary Health Care over the deployment of the Miya platform across the group, with a focus on Revenue Optimisation and Analytics and securing an initial contract to develop a Data Lake for Calvary Health Care.
- ) Entered into preliminary discussions with North American Strategic Partners, with a view to reciprocal distribution agreements.
- ) The Company's quarterly cash and cash equivalents reduced minimally by \$114k.
- ) Strong Cash position with Cash and cash equivalents as of 30 June 2017 of \$5.531 million, with minimal debt.
- ) Reviewed potential acquisition targets, with the view to accelerating the Company's commercialisation strategy through leveraging cross selling opportunities.

**Adelaide, South Australia, 31 July 2017** - Alcidion Group Limited (ASX:ALC) is pleased to provide a summary of its progress over the quarter ending 30 June 2017 and report on its cashflow over the same period.

In our first full financial year since listing on the ASX the Company has had an impressive year, having secured a number of large contracts and is looking forward to an exciting FY18, as we deliver the projects that we have secured, whilst simultaneously executing on our commercialisation strategy.

In July 2016, the company commenced its commercialisation strategy. We are delighted that we have now deployed the Miya platform across the Northern Territory, Western Health, throughout the Northern Integrated Care Service in Tasmania and are presently engaged with Calvary Health Care and Healthcare facilities across Australian and New Zealand.

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## **Mid Central District Health Board**

On 25 May 2017 the Company achieved a crucial milestone in the commercialisation of its technology into the New Zealand market, securing a \$NZD1.60m contract with the MidCentral District Health Board in New Zealand.

As our luminary site in New Zealand, Alcidion secured this project against global competitors and once this platform is fully deployed and operational, the Company will turn its attention to showcasing the platform to the balance of the 19 District Health Boards in New Zealand.

The Miya platform will be integrated across a broad cross section of Clinical Information Systems, including WebPas, HOMER, Medlab Central, CareStream RIS/PACS, NZ Blood Services, Broadway RIS, Pacific RIS and the Variance Management System for Nursing Workload Data.

The mobile EMR provides access to clinical information such as pathology and radiology results as well as access to clinical documentation. Furthermore, the platform identifies emerging clinical risk and highlights “at risk” patients to the clinicians.

A key aspect of the solution is to provide real time intelligence to the MidCentral Hospital Operations Centre, the focal point for supporting the most efficient allocation of hospital resources to help ensure a fast, safe, clinically effective journey for all patients.

The mobile bed management component of Alcidion’s solution provides an overview of capacity and demand ubiquitously across the hospital.

This initial contract is expected to be delivered in FY18 Q3 and as such, no revenue has been recognised in the current quarter.

## **Calvary Health Care**

On the 7 March 2017, The Company entered into a collaboration agreement with Calvary Health Care and is working to deploying an initial beta site at the Calvary Wakefield Hospital in Adelaide in FY18 Q2.

Calvary Health Care operates 15 Public and Private Hospitals in ACT, NSW, SA, TAS and VIC. In September 2016, Dr Robin Mann was appointed as the National Chief of Innovation and leads the development and implementation of Calvary’s innovation strategy. In close collaboration with the National Leadership Team, he leads Calvary’s business and service development transformation to progress Calvary’s vision for integrated care using innovation and technology.

We are delighted that Calvary Health Care commissioned Alcidion to develop a Data Lake as the first stage of what we intend to be a long term relationship with a leading, and very forward looking, private hospital group.

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## **Remedy**

On the 24 April 2017, The Company announced that it has ceased support for Remedy, resulting in a reduction of FTE's associated with the support and maintenance of this product set.

In 2008, Alcidion was commissioned by Remedy Healthcare, a wholly owned subsidiary of Australian Unity, to develop a chronic disease management system to build capability to assist their members to avoid the need for readmission to hospital. By 2010, the focus of the software solution morphed to that of telephone coaching support for specific patient types.

Since that time, Remedy Healthcare has significantly diversified its customer base, program types and geographic coverage, partly through organic growth but predominantly through the acquisition of a number of diverse "out of hospital" service providers who already operated internal systems to support their business activity.

The transition of Alcidion to a product Company, away from bespoke software solutions, had focused its product strategy and product directions on supporting "in hospital" services.

## **iScheduler**

On the 10 July 2017, The Company announced that it had secured the rights to distribute the iScheduler technology from Eceptionist, a Houston based innovator.

The Company has responded to a large Expression of Interest (EOI) for this solution and expects more such opportunities to arise in the Australian New Zealand market. combined iScheduler / Alcidion solution.

## **Miya Smartpage**

On the 10 May 2017, The Company announced the release of Miya Smartpage, which comprises a series of modules providing support for clinical, orderly and emergency services within a hospital.

Miya Smartpage Clinical is focused on clinical communication and collaboration functionality that, amongst many advantages, solves the Night Hospital problem. Hospitals have the full patient load overnight, patient deteriorations can occur 24/7 but medical staff are at minimal levels overnight. Hence there is a serious issue in ensuring those patients with the highest clinical priority are serviced first, or as soon as possible.

Miya Smartpage Clinical provides two-way messaging to support clinical supervision, rapid clinical orders, task sharing and clinical handover. This functionality enhances key workflows, and with the integration of clinical summaries and patient clinical data (ie: pathology and radiology), provides substantial improvements care team productivity and benefits to patient safety.

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The Company has been shortlisted for a significant Night Hospital tender call.

Miya Smartpage Orderlies provides for ward based electronic ordering of orderly support services and brings precision and visibility to the status of each request for a patient transfer. It replaces the multitude phone calls, radio pages, faxes between wards and central dispatchers. This module is able to significantly improve patient flow via fast, orderly requesting directly from the ward, ED, and clinical specialities, via its real time task system.

Miya Smartpage Emergency provides secure, instant messaging support for alerting and coordinating emergency response teams within the a hospital.

Miys Smartpage is offered as a stand-alone product, and as importantly, integrated into Miya Patient Flow where complete visibility of the patient journey is available, including tasking of clinical support and orderly services.

## FUJIFILM

The Company continues to benefit through its close relationship with FUJIFILM, through our OEM supply agreement with iCVIS.

## Research & Development

During FY17, The Company invested a \$1.739m in Product Research & Development, principally focussed on the development of Revenue Optimisation Algorithms to analyse Activity Based Funding reimbursements and User Configurable and Predictive Analytics.

An example of the analytics capability of the software platform is showcased below:



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## **Investor Relations**

During the Quarter the Company presented at multiple Investor Functions, including the ASX Spotlight Series in Singapore and Hong Kong, Co-Hosted a Private Luncheon Function with Resapp Health (ASX:RAP) in Singapore and recently attended the Bioshares Conference in New Zealand.

## **Financial and Corporate Update**

In relation to the cash position as at 30 June 2017, the Company provides the following commentary:

1. The Company's quarterly cash and cash equivalents reduced from \$5.645m to \$5.531m (\$114k).
2. The Company's full year (FY17) cash and cash equivalents reduced from \$5.845m to \$5.531m (\$314k).
3. The Company maintains a strong balance sheet, with \$5.531m in cash and cash equivalents, minimal current liabilities and no non-current liabilities.
1. The Company has made a provision of \$782,757 with respect to its full year, Research & Development Tax Incentive Claim.

The various cash flow data contained in this covering letter and the attached Appendix 4C are unaudited.

Appendix 4C immediately following the Attachment to this covering letter is submitted in the format as required by Paragraph 4.7B of Chapter 4 of the ASX listing rules.

## **Commercialisation Strategy**

Alcidion is an early stage Company with plans to achieve rapid revenue growth by leveraging the past years of technical effort and investment in the Miya Platform and the maturation of several major (paid) beta site deployments that are transitioning into production reference sites.

This progress is exemplified by our Melbourne based customer, Western Health Network where the organisation has transitioned from a paid beta deployment site to a commercial installation based on a three-year agreement with an option to extend in years four and five.

There will continue to be a R&D effort to ensure the Miya Platform drives the carve out of lucrative segments in the global informatics market but this will also be balanced with a heavy sales and marketing, and business development, effort.

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The rapid growth will come from several sources:

1. Organic business growth driven through our commercialization strategy, initially targeting Australia New Zealand for short term sales and North American and UK market entry in the medium term.
2. Growth through M&A, targeting businesses in the health space with a complementary customer base and a technology/product line that would offer significant Alcidion product upselling.
3. Expanding the method of platform delivery beyond the historical internal deployment model to a cloud based option.

Commercialisation will be further accelerated through a focussed sales and marketing effort to systematically engage with the continuum of hospital providers (private and public), health authorities, key healthcare consulting companies and strategic partnerships with major Health IT players.

Yours faithfully,



Raymond Blight  
**Chief Executive Officer & Chairman**

### ENDS ###

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### **About Alcidion**

Alcidion Group Limited (ASX: **ALC**) is a publicly listed, innovative health informatics company that specializes in clinical products that improve productivity, safety and efficiency. Alcidion's solutions target key problems for Emergency Rooms, Inpatient Services and Outpatient Departments and are built upon a next generation health informatics platform, which incorporates an intelligent EMR, Clinical Decision Support Engine, Data Integration Capability, Smartforms, Terminology Support and Standards Based Web Services.

Alcidion's focus is on delivering solutions that enable high performance healthcare and which assist clinicians by minimising key clinical risks, tracking patient progress through journeys and improving quality and safety of patient care.

[www.alcidion.com](http://www.alcidion.com)

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

**ALCIDION GROUP LIMITED**

**ABN**

**77 143 142 410**

**Quarter ended ("current quarter")**

**30 JUNE 2017**

<b>Consolidated statement of cash flows</b>	<b>Curent quarter (June 2017) \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,016	4,420
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(90)	(299)
(d) leased assets	-	-
(e) staff costs	(780)	(3,474)
(f) administration and corporate costs	(269)	(1,243)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	27	100
1.5 Interest and other costs of finance paid	(0)	(0)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(18)	(38)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(114)</b>	<b>(534)</b>

**2. Cash flows from investing activities**

2.1 Payments to acquire:

- (a) property, plant and equipment
- (b) businesses (see item 10)
- (c) investments

-	-
-	-
-	-

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<b>Consolidated statement of cash flows</b>	<b>Curent quarter (June 2017) \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2</b> Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other (provide details if material)	-	-
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b> <b>Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	225
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	(5)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10</b> <b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>220</b>

<b>4.</b> <b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	5,645	5,845
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(114)	(534)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	220

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<b>Consolidated statement of cash flows</b>		<b>Curent quarter (June 2017) \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>5,531</b>	<b>5,531</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Curent quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	295	535
5.2	Call deposits	5,036	5,110
5.3	Bank overdrafts	200	200
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,531</b>	<b>5,645</b>

**6. Payments to directors of the entity and their associates**

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

(134)

-

Director's wages, superannuation and reimbursements

**7. Payments to related entities of the entity and their associates**

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-

-

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**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	200	-
8.2 Credit standby arrangements	405	42
8.3 Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Loan facilities is an overdraft of \$200,000 provided by CBA at 9.31% secured over assets.

Credit standby arrangements:

- Corporate MasterCard credit cards of \$10,000 provided by CBA at 14.55% secured over assets.
- Pre-approved Equipment loan facility of \$250,000 provided by CBA, interest rate is determined at time of each Equipment loan, secured over assets.
- Corporate Amex credit cards of \$145,000 provided by American Express, interest rate 15%

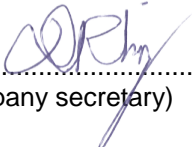
<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(90)
9.4 Leased assets	-
9.5 Staff costs	(900)
9.6 Administration and corporate costs	(300)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(1,290)</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  ..... Date: ...31<sup>st</sup> July 2017.....  
(Company secretary)

Print name: ....Duncan Robert Craig.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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