

29 January 2019

Australian Securities Exchange  
20 Bridge Street,  
Sydney NSW 2000

### **Alcidion Appendix 4C – Quarter ending 31 December 2018 (Q2 FY2019)**

**Adelaide, South Australia** – Alcidion Group Limited (ASX:ALC) today released its Appendix 4C Quarterly cash flow statement for the three month period ending 31 December 2018 (Q2 FY2019).

Net operating cash outflow was \$46K. Administrative and corporate costs for the quarter included a one-off cost of \$40K, for the final costs related to the acquisition of MKM Health. The improved cash flow position, compared to the prior corresponding period (Q4 FY2018: net cash outflow \$828K) is reflective of the benefit of the expanded Alcidion Group.

Cash receipts for the quarter were \$4.1 million, compared to \$5.0 million in the previous quarter and up from \$528K in the previous corresponding period. Q2 cash receipts are always impacted by early pre-Christmas cut-offs in customer payments of invoices. This was reflected in a substantial increase in group debtors as at the end of Q2 compared to the end of Q1.

Alcidion's cash balance as at 31 December 2018 was \$1.5 million, compared to \$2.8 million at the end of the previous quarter. This was primarily due to \$1.2 million in cash consideration being paid in accordance with the terms of the acquisition of MKM Health and Patientrack businesses. No further cash consideration is payable in relation to this acquisition.

#### **Q2FY19 Sales Update: Total contract value (TCV) of \$14.3 million added in Q2**

During the quarter, the Alcidion group signed or renewed 12 significant contracts, for Alcidion's products (Miya, Patientrack and Smartpage) and specialist IT services, with a TCV of \$14.3 million.

Material contract wins announced to the market during the quarter were:

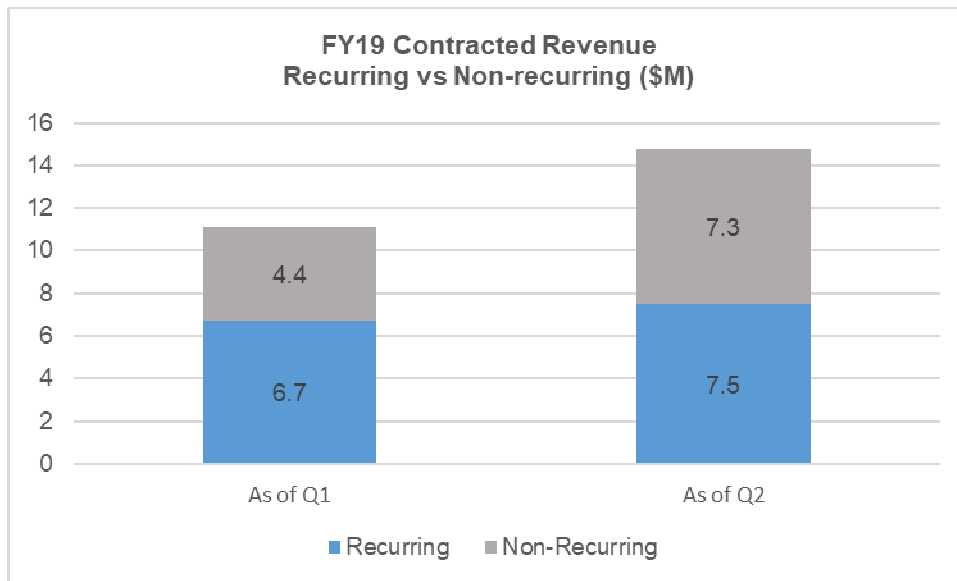
- **Queensland Health** – Contract with MKM Health to supply NextGate's Provider Registry solution to establish a Queensland wide Referral Service Directory (RSD); adding ~\$12 million to Alcidion's contracted revenue pool over five years;
- **ACT Health** – Two year extension of MKM Health's ongoing support contract, valued at \$1.3 million.

Also during the quarter, the South Canterbury District Health Board in New Zealand, signed a contract to implement Patientrack. There are now six district health boards using Patientrack, and confirming Patientrack as the leading provider for the South Island, where all but one district health boards are using Patientrack's electronic observations system.

#### **Contracted Revenue: Revenue to be recognised in FY19 and beyond increases, in line with new contract signings**

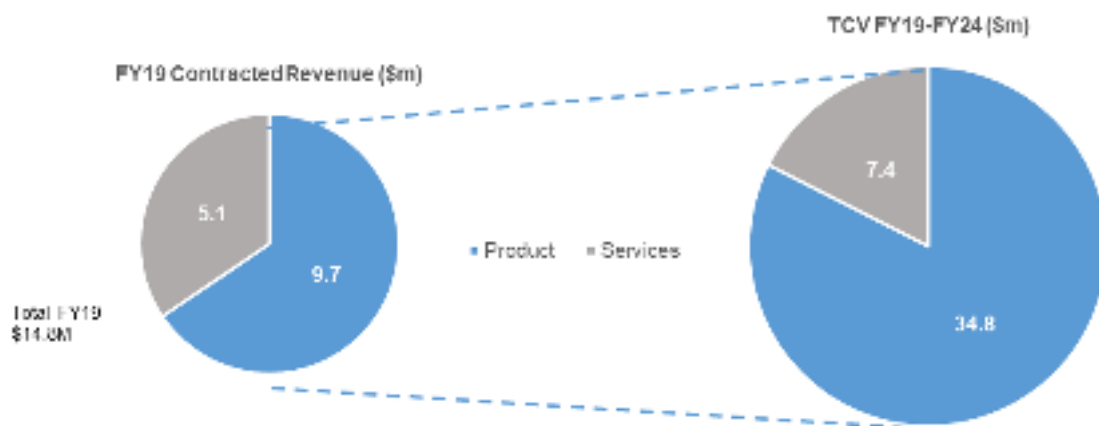
At the end of Q2 the contracted revenue which will be recognised in FY19 had increased to \$14.8 million (up from \$11.1 million at the end of Q1). This contracted revenue includes service and product related fees with \$7.5 million being recurring revenue and \$7.3 million non-recurring revenue.

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A further \$27.4 million of contracted revenue will be recognised over the next five years from these contracts.

The graph below shows Contracted Revenue to be recognised between FY19 and FY24, broken down by product revenue and service revenue.



### Summary

“Our contracted pool of revenue has continued to grow this quarter, with several new major contracts and renewals secured, providing a solid platform for revenue growth - this year and beyond. We are seeing the benefits of the enlarged group, with smoother operational cash flow, and increasing the likelihood of delivering consistent positive quarterly cash flow,” said Kate Quirke, Group Managing Director.

“Operationally, our focus is on leveraging the cross-selling opportunity across our customer base. This has contributed to a healthy sales pipeline – we’re seeing the volume and revenue of potential sales continuing to increase.”

### ENDS ###

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#### **About Alcidion**

Alcidion Group Limited (ASX:ALC) has a simple purpose: to make healthcare better with smart, intuitive solutions that meet the needs of hospital and allied healthcare, worldwide. The Group consists of three healthcare software companies; Alcidion Corporation, Patientrack and Smartpage, and MKM Health, an IT solutions and services provider. Each company brings a complementary set of products and skills that create a unique offering in the global healthcare market; solutions that support interoperability, allow communication and task management, and deliver clinical decision support at the point of care to improve patient outcomes. With over 25 years of combined healthcare experience, the Alcidion Group of companies brings together the very best in technology and market knowledge to deliver solutions that make healthcare better for everyone.

[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")**

**31 DECEMBER 2018**

<b>Consolidated statement of cash flows</b>	<b>Curent quarter (DECEMBER 18) \$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	4,133	9,194
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(94)	(254)
(d) leased assets	(24)	(50)
(e) staff costs	(2,978)	(5,983)
(f) administration and corporate costs	(754)	(2,023)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	12
1.5 Interest and other costs of finance paid	(0)	(0)
1.6 Income taxes paid	(0)	(92)
1.7 Government grants and tax incentives	-	-
1.8 Other – GST received/(paid)	(330)	(629)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(46)</b>	<b>175</b>

**2. Cash flows from investing activities**

2.1 Payments to acquire:

(a) property, plant and equipment	(5)	(65)
(b) businesses (see item 10)	(1,229)	(1,495)
(c) investments	-	-

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<b>Consolidated statement of cash flows</b>	<b>Curent quarter (DECEMBER 18) \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(1,234)</b>	<b>(1,560)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
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	-	61
3.6 Repayment of borrowings	(14)	(241)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(14)</b>	<b>(194)</b>

<b>4. 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	2,817	3,090
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(46)	175
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,234)	(1,560)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(14)	(194)

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<b>Consolidated statement of cash flows</b>		<b>Curent quarter (DECEMBER 18) \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	1	13
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>1,524</b>	<b>1,524</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	1,286	2,356
5.2	Call deposits	38	261
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>1,524</b>	<b>2,817</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

<b>Current quarter \$A'000</b>
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(180)
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Director's wages, superannuation and reimbursements
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**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

<b>Current quarter \$A'000</b>
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8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	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	410	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.
  - o \$60,662 has been utilised to purchase Laptop equipment of an 18-month period at 5.54% interest rate.
- Corporate Amex credit cards of \$145,000 provided by American Express, interest rate 15%
- Corporate Visa credit card of NZD5,000 provided by ASB, interest rate 20.95%

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(214)
9.4 Leased assets	(26)
9.5 Staff costs	(3,000)
9.6 Administration and corporate costs	(800)
9.7 Other - GST received/(paid)	(300)
<b>9.8 Total estimated cash outflows</b>	<b>(4,340)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions \$A'000	Disposals
10.1 Name of entity	MKM Health Pty Ltd	-
10.2 Place of incorporation or registration	Sydney, Australia	-
10.3 Consideration for acquisition or disposal	11,543	-
10.4 Total net assets	(822)	-
10.5 Nature of business	Medical IT Products and Services	-

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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: ...29 January 2019.....  
(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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