

Investor Presentation

Half Year Results – H1 FY2022

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23 February 2022

Alcidion helps healthcare organisations harness the power of technology to create a clinically relevant environment with digitally enabled care...

“Making the right thing to do, the easiest thing to do”



Alcidion – a Snapshot

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- **Alcidion has a simple purpose:** To transform healthcare with smart, intuitive technology solutions that improve efficiency & quality of patient care in healthcare organisations, worldwide
- Focus on providing tools to clinicians to enable them to take a proactive (rather than reactive) approach to patient care
- Complementary set of software products (driven by flagship, Miya Precision) & technical services create a unique offering in global healthcare market

377

Hospitals
Across UK, AUS & NZ

85

Healthcare Organisations
Partnering with ALC

64K

Beds
Using ALC technology

1.3B

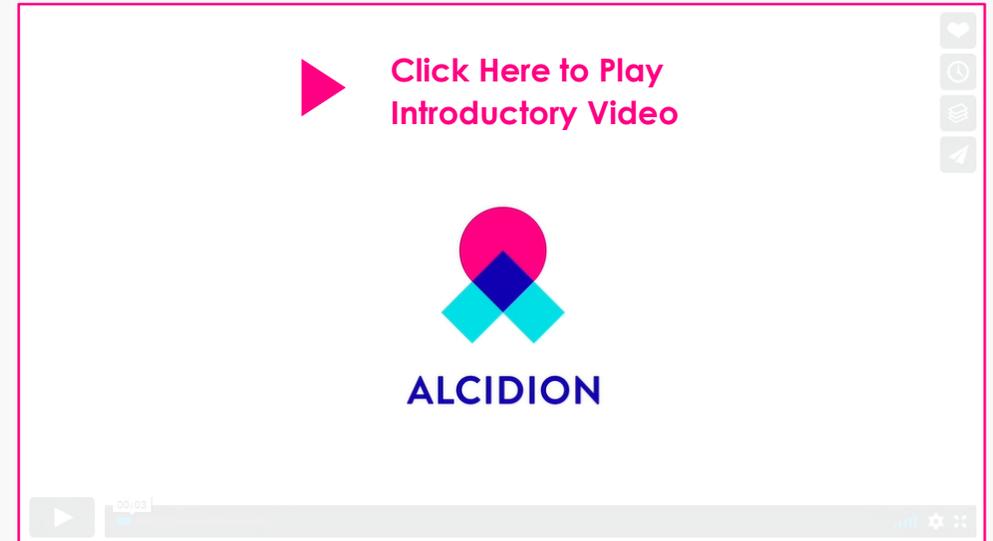
Observations
recorded

25M

Alerts generated

\$25.9M

Revenue in FY21



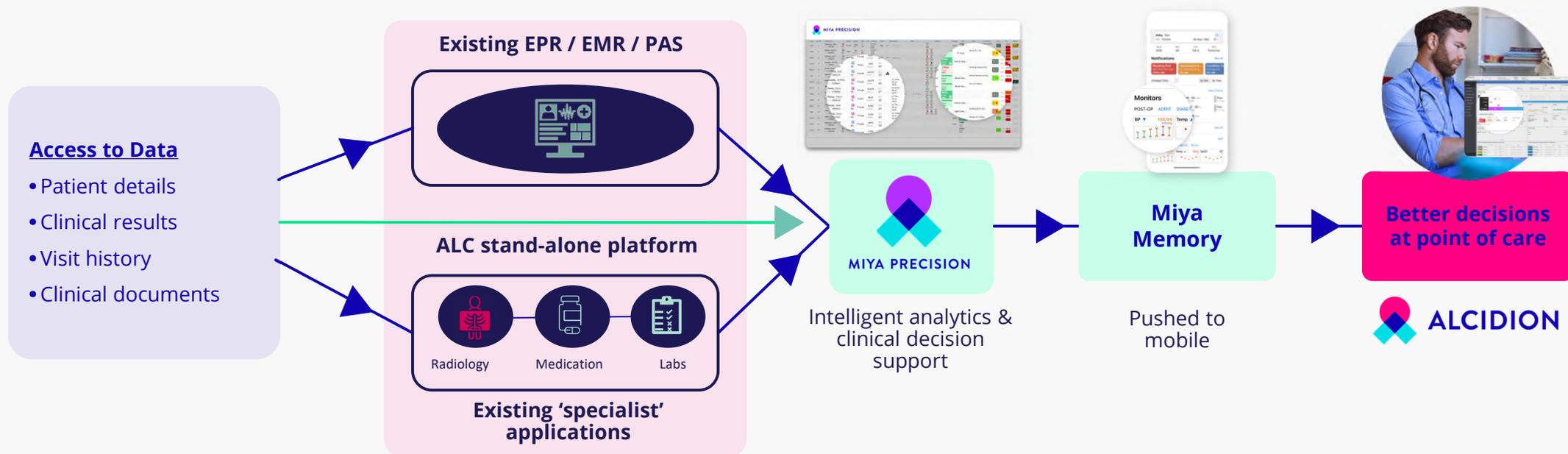
Alcidion operates in 2 Key Geographies

	UK	AUS & NZ
H1 FY22 Revenue %	34%	66%

Workflow of Patient Information

Seamlessly inter-operating with existing systems or stand alone, Alcidion enables clinicians to make better decisions

- Alcidion products integrate & inter-operate with not only major EPR/EMR systems but also “specialist” applications to create a unified platform, specifically extracting & presenting information to assist clinicians with patient care
- Ability to access platform via Mobile device a significant advantage for busy clinicians overseeing multiple patients & locations
- Clinical decision support; applying explainable AI & machine learning to consolidate real-time data, enabling faster & more effective decision making, thus “making the right thing to do the easiest thing to do”



Product Proposition – a clinician focused offering

Challenges

Patient Safety

Real-time critical notifications to clinicians reduce cognitive load to minimise clinical risk & prevent poor patient outcomes

Patient Flow

Clinical indicators & resource availability enabling streamlined care based on consolidated real-time data from multiple systems

Clinical Productivity

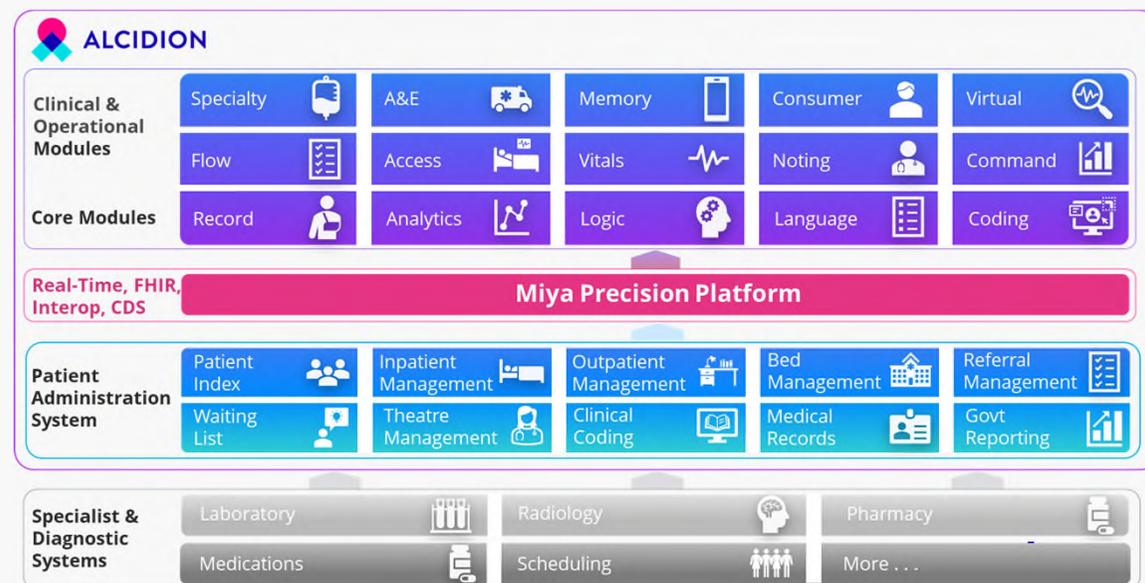
Command Centre capability supported by clinical mobility & communication aligned with workflows improving utilisation

Virtual Care (Out of Hospital)

Flexible scalable FHIR based platform to quickly adapt to requirements for new approaches to care delivery

Approach

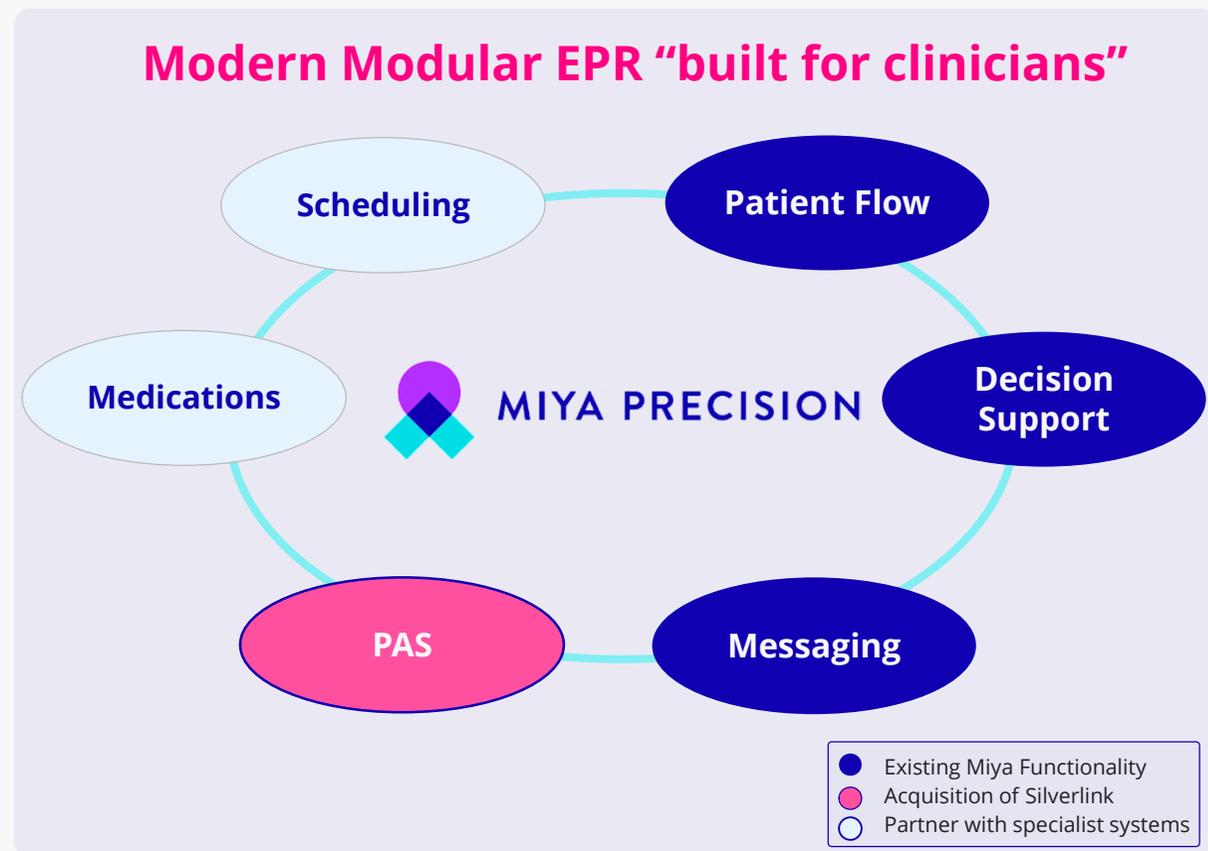
- Unlock value in existing IT investments using open standards with modular approach
- Multiple entry points e.g. Clinical 1st ↔ Flow 1st ↔ PAS 1st
- Build presence in existing PCS, Patienttrack & Smartpage customers with incremental modular path to Miya Precision
- Layer real-time, smart technology over transactional systems
- Apply effective clinical decision support



Establishing a Modern, Modular EPR Offering

Leveraging Miya Precision platform along with **recently acquired Silverlink PCS PAS**, Alcidion can deliver a cloud-native modern, modular, open architecture, EPR platform taking on global vendors

- Alcidion has a **clear** roadmap to become a leading provider of modular EPR solutions
- Leveraging Miya Precision, Alcidion will progressively evolve PAS offering & incorporate as part of integrated, modular EPR solution
 - Partner with ‘specialist system’ providers for niche functionality
- First mover advantage:
 - **Cloud-native**
 - **Modular solution** meeting needs of customers rather than customers adapting needs to rigid traditional solutions
 - **Modern** based on industry standard FHIR architecture
- Initially target UK NHS market through Silverlink’s established network & offering; as modules integrated with Miya Precision technology, opportunity to roll-out in AUS / NZ market



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H1 FY22 Summary

 A person wearing green scrubs is holding a tablet computer. The background is a blurred hospital setting with medical equipment and a person in white scrubs.

H1 FY22 – Financial Summary

Continuing to pursue growth leading to record sold revenue heading into H2 FY22

Revenue \$12.9M ↑ 16% ¹	Recurring Revenue \$8.8M ↑ 40%
Sold Revenue For FY22 \$27.1M ↑ 25%	Gross Margin 84.8% ↓ 3.3pts <small>Improvement on FY20 (88.1%)</small>
EBITDA (Loss) (\$5.4M) ↓ \$4.5M	Underlying EBITDA (Loss)² (\$3.2M) ↓ \$2.5M
Operating Cashflow (Outflow) (\$1.9M) ↑ \$1.3M	Cash (31 Dec 2021) \$18.9M

1. Compared to prior corresponding period (H1 FY21)
 2. Underlying EBITDA excludes share based payments & M&A costs

H1 FY22 Operational Highlights

Milestone Healthcare IT project

- Largest contract in Company history, \$23.3M, for Commonwealth of Australia as part of Leidos Australia Consortium
- \$23.3M TCV over 6 years covering Miya Precision implementation & subscription fees
- Potential for Miya Observations & Miya Assessments plus options to renew up to 15 years creates possible TCV of approx. \$50.0M

Additional Contract Wins

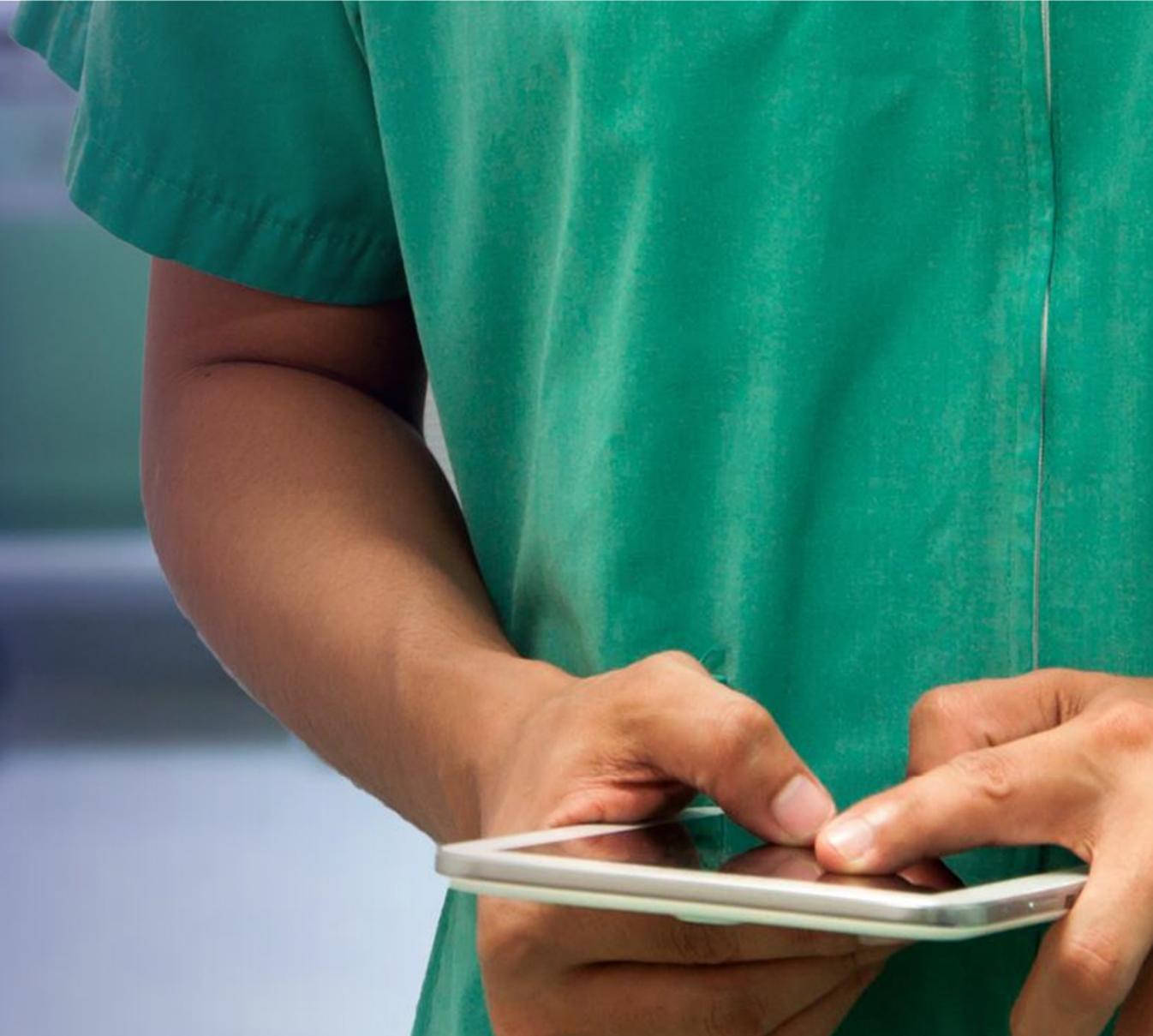
- Three-year contract with Sydney Local Health District for Miya Precision to support virtual operations
- First ExtraMed contract since acquisition with Queen's Hospital Burton for Inpatient Flow Manager
- Extension of three years for Royal Derby Hospital for Inpatient Flow Manager

Silverlink Acquisition

- Acquired Silverlink in December 2021, one of largest remaining specialist Patient Administration System (PAS) providers servicing UK NHS
- Provides core PAS capability, expanding overall product scope & positions cloud-native, modern, modular EPR to rival major global vendors
- Expands UK presence to 38 NHS Trusts (~26% market presence) plus expands addressable market

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H1 FY22 Financials



Profit & Loss - H1 FY22

Profit & Loss (A\$'000)	H1 FY22	H1 FY21	% Change
Recurring	8,765	6,270	40%
Non-Recurring	4,096	4,836	(15%)
Total Revenue	12,861	11,106	16%
Cost of Sales	(1,949)	(1,321)	48%
Gross Profit	10,912	9,785	12%
<i>Gross Profit margin %</i>	<i>85%</i>	<i>88%</i>	
Salaries & wages	(11,763)	(8,780)	34%
Marketing	(296)	(330)	(10%)
Professional fees	(721)	(386)	87%
Other operating expenses	(1,283)	(1,045)	23%
Operating Expenses	(14,063)	(10,541)	33%
Other Income	-	70	na
Underlying Operating EBITDA	(3,151)	(686)	na
M&A	(2,106)	(163)	na
Share based payments expense	(154)	(63)	144%
EBITDA	(5,411)	(912)	na

Key Comments

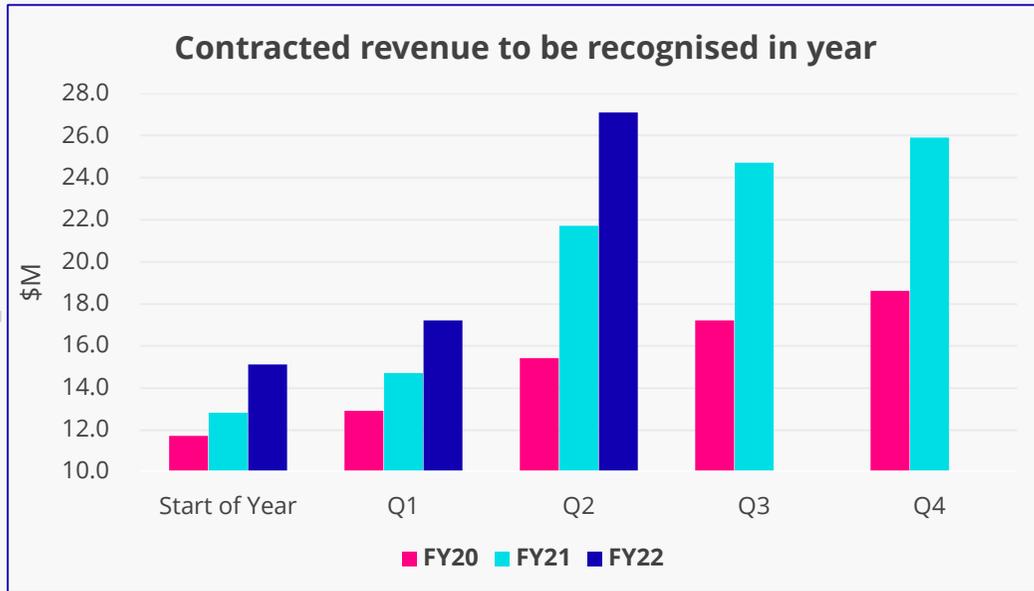
- Revenue in H1 FY22 of \$12.9M, 16% increase on H1 FY21 (\$11.1M)
 - 68% recurring compared to 58% for same period last year
- Strongest sales performance to date; new sales \$30.4M (TCV) compared with \$17.4M for same period last year
- H1 Gross profit (GP) of \$10.9M, representing gross profit margin of 85% (compared to 88% H1 FY21)
 - Lower GP % driven by higher proportion of resold products (e.g. NextGate, Better); although lower GP % than Alcidion products still generates strong incremental gross profit
- Staff costs increased 34% to \$11.8M
 - Full year impact of new hires in H2 FY21
 - New hires delayed to H1 FY22 due to labour market challenges for skilled staff & wage pressure in technology sector
- Underlying EBITDA loss of \$3.2M in line with management expectations for H1 FY22

Contracted Revenue

\$27.1M of FY22 Contracted Revenue at 31 December 2021 (incl. \$3.8M from Silverlink)

A\$M	Products	Product Imp.	Services	Total
Recurring	18.7	-	-	18.7
Non-recurring	-	5.1	3.3	8.4
Total revenue	18.7	5.1	3.3	27.1

Product Imp. = Product Implementation



Key Comments

- Further \$1.9M scheduled renewal revenue, expected to convert to contracted revenue & to be recognised in FY22
- 69% of FY22 contracted revenue is recurring (up from 65% pcp)
- Product Implementation revenue:
 - Non-recurring only occurs once to implement product
 - Facilitates future periods of recurring revenue in form of support & maintenance (S&M) fees

Balance Sheet

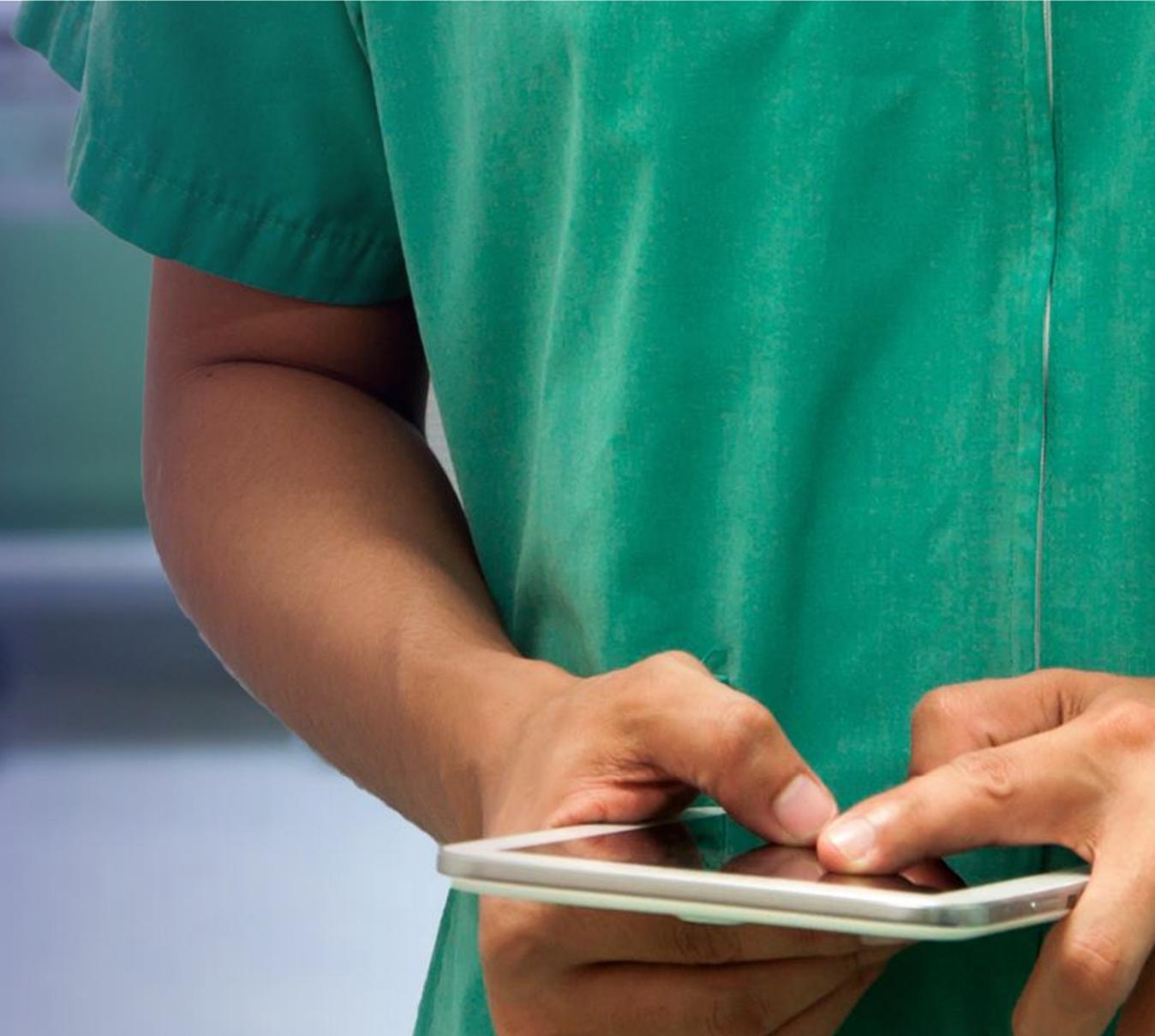
Balance Sheet (A\$'000)	31-Dec-21	30-Jun-21
Cash & equivalents	18,938	25,027
Trade and other receivables	5,559	4,114
Other assets - prepayments	1,190	1,206
Current Assets	25,687	30,347
Plant & Equipment	447	371
Intangibles	91,244	27,489
Other	1,485	178
Total Assets	118,863	58,385
Trade & other payables	6,625	2,919
Employee provisions	2,684	2,774
Income in advance	11,035	7,107
Lease Liabilities/tax payable	388	199
Contingent Consideration	2,788	-
Current Liabilities	23,520	12,999
Provisions & other liabilities	1,194	164
Contingent Consideration	2,788	-
Total Liabilities	27,502	13,163
Net Assets	91,361	45,222

Key Comments

- \$18.9M cash & no debt
- \$63.8M goodwill provisionally recognised in intangible assets from acquisition of Silverlink which was acquired for \$62.2M (incl. earn-out component)
- Income in advance of \$11.0M, reflects revenue invoiced in advance of products / services being delivered
 - Increase includes income in advance acquired with Silverlink
 - Revenue is recognised in accordance with AASB 15 (revenue from contracts with customers)

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H1 FY22 Operations



Ongoing H1 FY22 Sales Momentum & Deployments

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Recent Contract Wins

Australian Government

- Milestone \$23M+ initial TCV with Commonwealth of Australia
- Consortium led by Leidos Australia
- Alcidion to provide Longitudinal Health Record via Miya Precision

Sydney Local Health District

- New contract with TCV of \$1.8M over 3 years, won via competitive tender process
- Miya Precision to support virtual care delivery by via rpavirtual + consumer engagement with Miya Care
- Key reference site for delivery of virtual care

Queens Hospital Burton NHS (ExtraMed)

- First new ExtraMed contract win following acquisition of ExtraMed in April 2021
- Part of University Hospitals of Derby & Burton NHS Foundation Trust, one of largest NHS trusts in UK

Derby Teaching Hospitals (ExtraMed)

- Contract extension with Derby Teaching Hospitals for use of ExtraMed platform (IPFM)
- Extension of licence & support contract validates ExtraMed continued positive impact on patient care

Successful Deployments

Salford NHS (ExtraMed)

- As of 11 November 2021, ExtraMed software 'live'
- Part of UK's first 'Digital Control Centre'; £25m IT project with lead contractor, Hitachi Consulting
- Initial contract focused on Salford, with potential for expansion to other hospitals in North Care Alliance

Taranaki DHB (NZ)

- Pilot launched for first deployment of Better Meds eMedicine system in southern hemisphere with trial running through to Q3 FY22
- Pilot to extend across Te Manawa Taki region with Patientrack as hosted solution



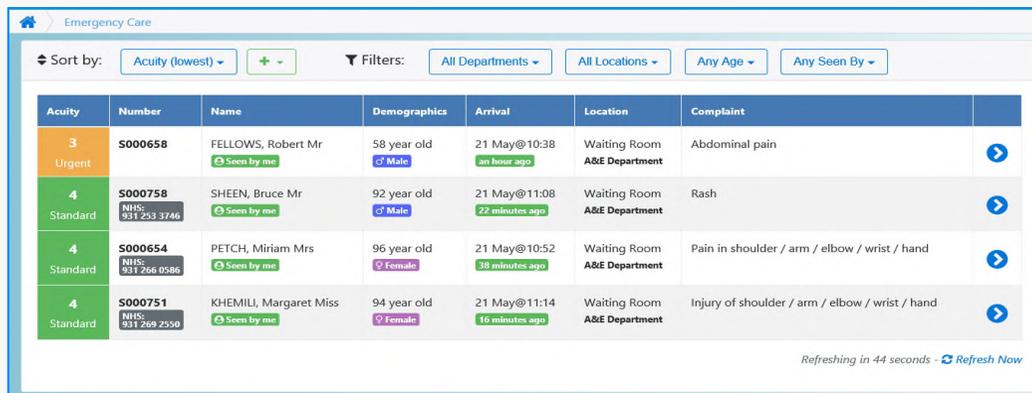
Hāwera Hospital, Tarankaki DHB

Acquisition of Silverlink

Trusted provider of PAS software (a critical component of hospital IT infrastructure) to 12 NHS Trusts

Business Overview

- One of **largest & last remaining specialist (standalone)** PAS providers servicing UK NHS market
 - Flagship product, Patient Care System (PCS), integrates with clinical systems to support a 'specialist system' approach enabling benefits of full EPR without single supplier lock-in
 - Enables staff to admit patients & track them in hospital, processing high volumes of patient data in real time
- 11 highly experienced IT & development healthcare professionals



Acuity	Number	Name	Demographics	Arrival	Location	Complaint
3 Urgent	S000658	FELLOWS, Robert Mr	58 year old ♂ Male	21 May@10:38 an hour ago	Waiting Room A&E Department	Abdominal pain
4 Standard	S000758 NHS: 931 233 3746	SHEEN, Bruce Mr	92 year old ♂ Male	21 May@11:08 22 minutes ago	Waiting Room A&E Department	Rash
4 Standard	S000654 NHS: 931 766 0586	PETCH, Miriam Mrs	96 year old ♀ Female	21 May@10:52 38 minutes ago	Waiting Room A&E Department	Pain in shoulder / arm / elbow / wrist / hand
4 Standard	S000751 NHS: 931 269 2558	KHEMIL, Margaret Miss	94 year old ♀ Female	21 May@11:14 16 minutes ago	Waiting Room A&E Department	Injury of shoulder / arm / elbow / wrist / hand

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Customer Overview

- Long-standing customer relationships with 12 NHS Trusts across approximately 50 different locations
- PAS market based on credibility & trust; high barriers to entry & long sales cycles resulting in very sticky customer relationships
- All customers have been using Silverlink for over 5 years, with average remaining contract term of 3.0 years

1 Existing¹


Harrogate and District
NHS Foundation Trust

11 New Customers for Alcidion



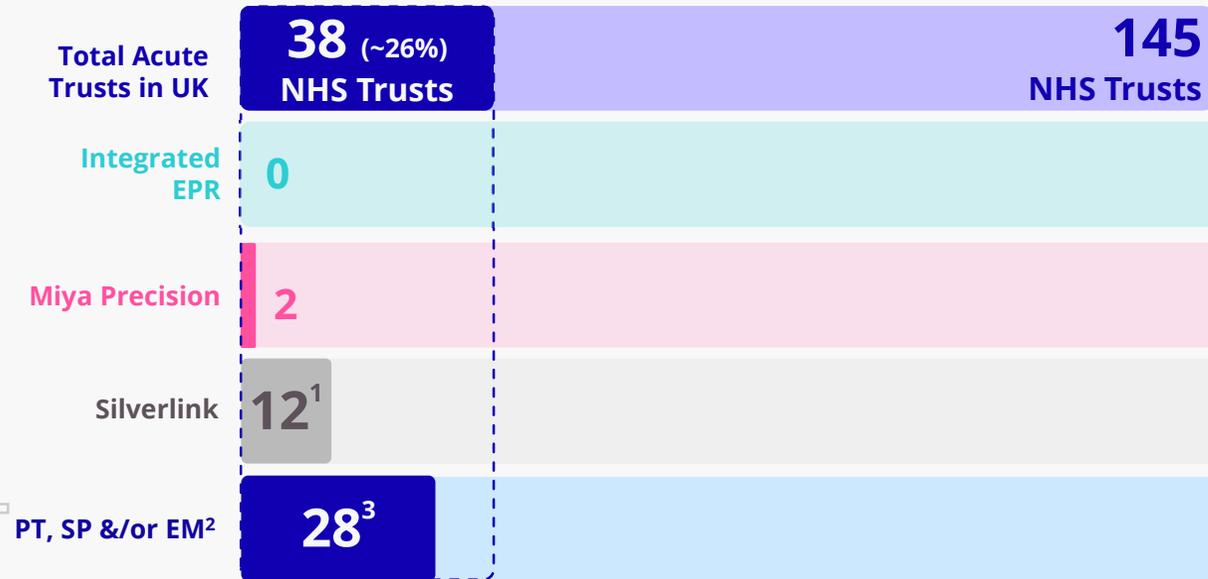
 North Cumbria Integrated Care
 The Royal Wolverhampton
 Northumbria Healthcare
 Moorfields Eye Hospital
 Liverpool Heart and Chest Hospital
 The Walton Centre
 Central and North West London
 Royal National Orthopaedic Hospital
 Mid Cheshire Hospitals
 Dorset County Hospital
 The Hillingdon Hospitals

1. Harrogate also use Miya Observations & Assessments modules (i.e. Patientrack)

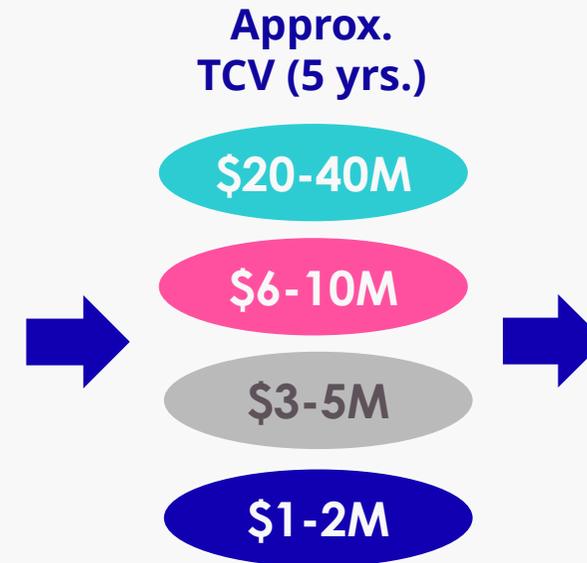
Expanding Alcidion's UK Market Penetration

Material revenue opportunity driven by modular product upsell, along with new customer wins

Alcidion NHS penetration in UK Market



Contract Size



Upside Potential

- Current EPR offerings based on legacy tech with modern alternative solutions needed
- Targeting 60+ Trusts for EPR in near term who need to modernise their IT systems
- Material revenue increase of EPR offering to either new or existing customers
- Further opportunity to win new Trusts – currently only ~26% mkt share (across all products)

ICS - The Future of the NHS



Silverlink expands presence to 4 new ICS

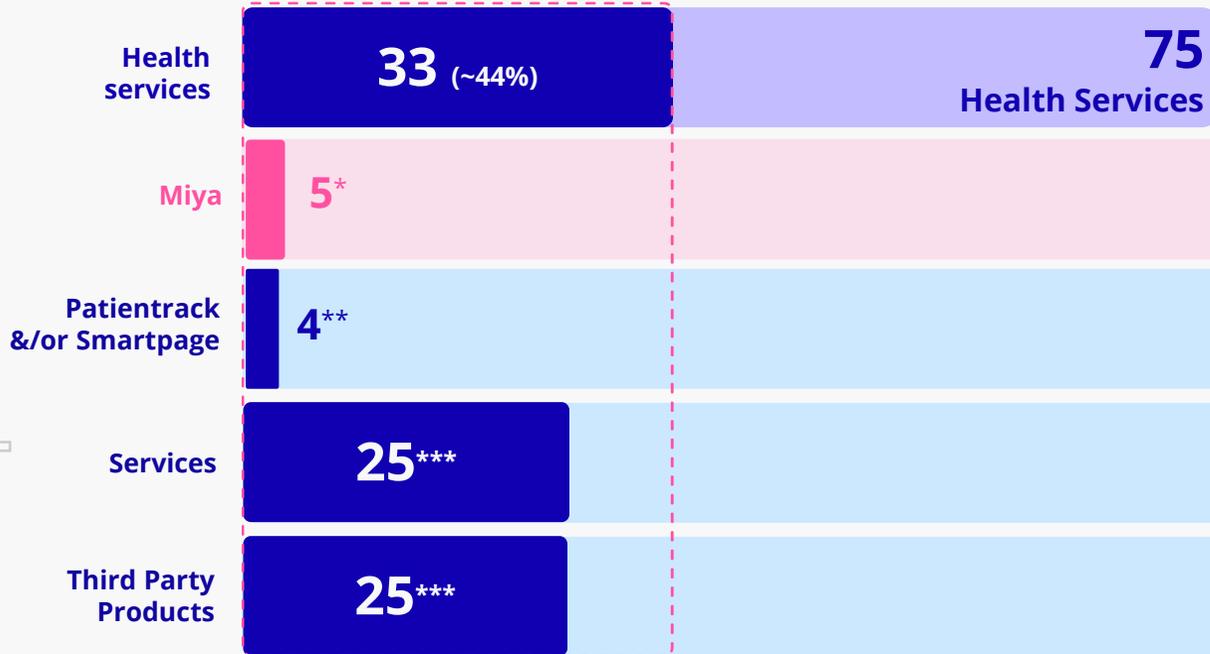
- Integrated Care System (ICS), partnership of NHS health services across a region
- Strong base to upsell existing 45% & target other 55%

1. Includes duplicative sites with Patientrack
 2. PT (Patientrack), SP (Smartpage), EM (ExtraMed)
 3. Includes duplicative sites with Miya Precision and Silverlink

Australia - Market Penetration

Strong relationships incorporating trusted services & product offering provide foundation for expansion

Alcidion penetration in AUS Market



Growth Focus



- 1** Established technical services offering holding relationships with gov't and hospital groups provides channel to product cross-sell
Milestone contract with Aust. Government validation of Alcidion capability
- 2** Market focus on Patient Flow to streamline operations & better manage demand with real-time insights
Significant backlog of patients needs more efficient utilisation of scarce resources
- 3** Virtual Care & Remote Monitoring post COVID
Alcidion well placed with Miya Precision given work with Sydney LHD (rpavirtual) & Murrumbidgee LHD

* Includes Murrumbidgee LHD and Sydney LHD who only have Miya Memory / rpavirtual

** Includes duplicative sites with Miya Precision

*** Includes duplicative sites with Miya Precision, Patienttrack and Smartpage

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Outlook



Growth Focus in FY22 and Beyond

Accelerating expansion in line with the strategy to become a global leader in healthcare technology



Building contracted revenue base

- Contracted revenue for FY22 of \$27.1M at 31 December 2021 (incl. \$3.8M from Silverlink); 69% is recurring by nature in future periods
- Further \$1.9M scheduled renewal revenue, expect to convert to contracted revenue & recognised in FY22



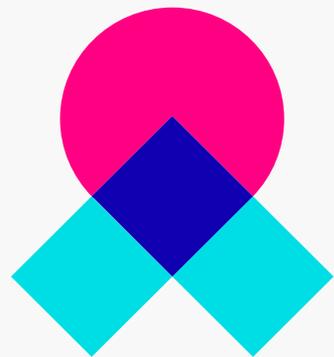
Industry Tailwinds

- Continued pressure on healthcare system, particularly in UK, due to COVID pandemic, has resulted in some delays in procurement speed and contract negotiation
- However, as UK financial year ends in April, Alcidion are optimistic about potential for new contracts in coming months
- Commitment of customers (e.g. NHS) seeking modern digital health solutions gives Alcidion confidence in opportunities for Miya Precision as we emerge from COVID impact



Emerging EPR Offering

- Silverlink acquisition equips Alcidion with core PAS capability; enables competitiveness with global vendors from cloud native, modern & modular EPR
- Initial customer & broader industry feedback has been very positive; facilitating cross/up sell discussions
- Increased Miya Flow prospects, clients realise benefits, add Miya Precision modules over time



ALCIDION