25 February 2019

Australian Securities Exchange
20 Bridge Street,
Sydney NSW 2000

Alcidion Group Limited
H1 FY2019 results

Strengthened operational and financial performance following transformative acquisitions

- Successful integration of MKM Health and Patientrack delivering results – total revenue of $7.3 million in H1 FY2019 vs $1.3 million in H1 FY2018.
- Important contract wins during H1 FY2019 include Queensland Health, Alfred Health, NT Department of Health and ACT Health.
- Operating loss of $0.6 million (H1 FY2018 $1.1 million) after investment during the half to integrate the expanded Group, grow sales capability, introduce Alcidion products to the UK and progress strategic product enhancements.
- Strong outlook for the Group with $14.8 million of contracted revenues to be realised in FY2019 and a further $27.4 million of contracted revenues to be realised over the next five years.
- Ms Kate Quirke appointed as Group Managing Director on 25 January 2019.

Adelaide, South Australia – Alcidion Group Limited (ASX: ALC) (the Group) has today released its financial results for the first half of FY2019 (H1 FY2019).

During the period Alcidion completed the acquisition of the MKM Health and Patientrack businesses and commenced integration of these newly acquired businesses. The Group now has a broader portfolio of products and services, a larger and more diversified customer base and an enhanced financial profile.

For the six months to 31 December 2018, total revenue grew nearly six-fold to $7.3 million compared to the prior comparable period (H1 FY2018: $1.3 million), a direct result of the contribution of the newly acquired business as well as new contract wins and renewals. New contract wins and renewals over the period totalled $23.4 million and included contracts with several large public health organisations such as Queensland Health, Alfred Health, NT Department of Health and ACT Health.

As at 31 December 2018, Alcidion had a total of $14.8 million in contracted revenues which are expected to be realised in the current financial year. The Group therefore anticipates reporting revenue for H2 FY2019 of at least $7.5m, prior to winning any new contracts. In addition, the Group has a further $27.4 million in contracted revenues to be realised over the next five years from FY2020.

Alcidion continues to transition towards profitability whilst making strategically important investments that will help drive future profitable growth. Reported Net Loss After Tax in H1 FY2019 was $0.6 million, an improvement compared to the prior year half net loss of $1.1 million. During the half the Group has invested to integrate the acquired businesses into the Group, further build the Group sales capability, introduce Alcidion's products to the UK market and complete the Miya Precision product redevelopment. These investments have impacted profitability for H1 FY2019 but are required to build a foundation for growth and improve group profitability in FY2020 and beyond.

Alcidion's closing cash balance as at 31 December 2018 was $1.3 million, down from the closing cash balance of $2.9 million as at 30 June 2018. This reduction reflects the payment of $1.5 million in cash consideration as part of the acquisition of the MKM Health and Patientrack businesses, with no further cash consideration being payable.

In H2 FY2019, the Group expects to rebuild its cash reserves through positive operating cash flows as it continues to grow revenues while prudently managing ongoing investment and controlling operating costs. The Board therefore does not anticipate any requirement for additional capital.

Alcidion also recently announced some important changes to the Board and Management team. As part of these changes, Mr Ray Blight has transitioned to the role of Non-Executive Chairman and Ms Kate Quirke has been appointed to the role of Group Managing Director and Colin MacKinnon has been appointed COO/CFO of the Group.

Ms Kate Quirke, Group Managing Director said, "*Alcidion has undergone a significant period of transformation, delivering significant progress in its first six months operating as a consolidated group. Revenues have increased six-fold on the comparable period and the Group has contracted revenue of $14.8m for FY19 and a further $27.4m in contracted revenue to be realised over the next five years.*

In-depth training of the sales and marketing team, a focus on cross-selling across the larger customer base and new contract wins are testament to the progress we have made. We remain firmly committed to generating sustainable long-term revenue, transitioning to profitability and building value for shareholders."

For further information, please contact:

Kyahn Williamson, WE Buchan
Ph: 0401018828
kwilliamson@we-buchan.com

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

Alcidion Group Limited (ASX:ALC)

Half Year Report FY19 – 31 December 2018

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Corporate Directory

Current Directors (Alcidion Group Limited)

Name	Position	Date of Appointment
Mr. Ray Blight	Non-Executive Chairman	22/02/2016
Ms. Kate Quirke	Managing Director	03/07/2018
Prof. Malcolm Pradhan	Executive Director	22/02/2016
Mr. Nick Dignam	Non-Executive Director	22/02/2016
Mr. Geoff Rohrsheim	Non-Executive Director	01/08/2017
Ms. Rebecca Wilson	Non-Executive Director	01/08/2017

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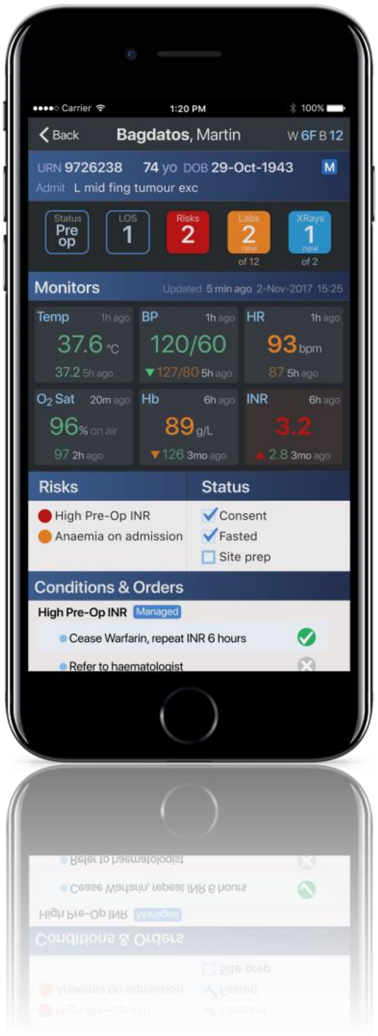

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Stock Exchange
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Exchange Centre
20 Bridge Street
Sydney, NSW 2000

ASX Code: **ALC**

Company Secretary
Mr Duncan Robert Craig

Registers of securities
Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street,
Adelaide SA 5000

Chairman’s Letter

Dear fellow shareholders,

I am pleased to present Alcidion’s Half Year Report for the six months ended 31 December 2018 (H1 FY2019).

As our shareholders are aware, Alcidion completed the transformative acquisitions of MKM Health and Patientrack in July 2018, following the acquisition of the Oncall Systems in FY18. Over the half year period, all three entities have been skilfully and successfully integrated into the previous business. As a result, Alcidion Group now has a stronger market and financial profile with a growing pool of contracted revenue, a broader technology portfolio, an enhanced customer base, broader service offerings and greatly improved sales capability.

In line with the Company embarking on this next stage of growth, we also recently announced a number of important changes to the Board and Management team. I have transitioned to the role of Non-Executive Chairman and Ms Kate Quirke has been appointed Alcidion’s Group Managing Director. Kate was appointed Chief Executive Officer as well as an Executive Director to the Alcidion Board in July 2018 and in this time has shown herself to be a very impressive leader, driving the integration of the businesses, establishing a pipeline of contracted revenue and building relationships with current and new customers. I am confident that Kate will continue to lead Alcidion on a positive growth trajectory.

Our first half financial performance confirms that the acquisition of MKM Health and Patientrack as well as our strengthened management team is delivering results. In-depth training of the sales and marketing teams, and a focus on cross-selling opportunities across our larger international customer base has already occurred, with several important contract wins announced over H1 FY2019. From a financial perspective, our success is also evident through the significant growth in reported revenues and operating cash flows.

Technological evolution will always remain at the forefront of what we do. Our enhanced suite of products, and next generation technology represents a leading offering in the healthcare analytics market. The growing trend of employing artificial intelligence (AI) on top of "big data" in the healthcare sector continues to offer Alcidion significant opportunity to capture efficiencies and value for our customers as well as our shareholders.

As a co-founder of Alcidion I am very pleased we have successfully executed on our strategy of growth by acquisition and have now significantly enhanced the foundations of our business. The smooth and successful acquisition and management transitions give me high confidence in Alcidion Group capturing the growth opportunities that lie ahead.

Thank-you for your ongoing support. We look forward to continuing to share our future progress with you.

Yours faithfully,

Mr Raymond Blight
B Tech, B Ec, MBM, FIE (Aust), FAICD
Non-Executive Chairman
Alcidion Group Limited

"Technological evolution will always remain at the forefront of what we do. Our enhanced suite of products, and next generation technology represents a leading offering in the healthcare analytics market."

Ray Blight, Chairman

Directors’ Report

The directors of Alcidion Group Limited (“Alcidion”, “the Group” or, the “Company”) submit herewith the interim financial report of the Group for the half year ended 31 December 2018 (Report).

Directors

The names and particulars of the directors of the Company in office during the half year and until the date of this report are as follows.

Directors were in office for the entire period unless otherwise stated.

Mr Raymond Blight

Non-Executive Chairman
Appointed 22 February 2016
B Tech, B EC, MBM, FIE (AUST), FAICD

Ray is the co-founder, non-executive Chairman of Alcidion. He brings a wealth of public and private sector healthcare experience and knowledge to Alcidion including the role of the Chief Executive Officer and Chairman of the South Australian Health Commission from 1994 – 1998 and Chair of the Australian Health Ministers’ Advisory Council.

Ray’s qualifications include the awards of Bachelor of Technology (Electronics), Bachelor of Economics and Masters of Business Management from the University of Adelaide. He is a fellow of the Institution of Engineers and the Australian Institute of Company Directors.

Ray currently chairs the University of SA Information Technology and Mathematical Sciences Advisory Board.

Ms Kate Quirke

Group Managing Director
Appointed 3 July 2018
B Applied Science

Kate has more than 25 years of experience in the healthcare information technology sector. She has been CEO of MKM Health since December 2015 and prior to this was Sales & Marketing Director for MKM Health for 4 years. MKM Health revenues grew 2.5x over Kate’s tenure with the company.

Kate has also held leading management roles at various healthcare software firms and has been involved in large systems implementations across Australia and Asia Pacific. She was a member of the Management buyout team that created iSOFT Asia Pacific from the healthcare product business at CSC.

Professor Malcolm Pradhan

Executive Director
Appointed 22 February 2016
MBBS, PhD, FACHI

With over 20 years of experience in Medical Informatics, Malcolm Pradhan is one of the world's leading minds in Clinical Decision Support. Prior to co-founding Alcidion in 2000, Malcolm was the Associate Dean of IT and Director of Medical Informatics, University of Adelaide. During his time at the University of Adelaide, Malcolm provided thought leadership and conducted research into applications of clinical decision support, and into optimum uses of a variety of statistical and probabilistic methods for applying clinical decision support. He also was active in the Australian health informatics community, as a founding fellow of the Australasian College of Health Informatics (ACHI).

In 2009 Malcolm was awarded the title of Adjunct Professor at the University of South Australia, and performs a leadership role within UniSA's academic organisation – as an educator and a researcher.

Malcolm's broad knowledge and vision of the path to a high-performance healthcare system are complemented by formal qualifications of an MBBS from University of Adelaide, and a PhD in Medical Informatics from Stanford University.

Mr Nick Dignam

Non-Executive Director
Appointed 22 February 2016
B.Com, LLB, MAppFin

Nick Dignam is an Investment Director at Blue Sky Private Equity and is responsible for originating new investment opportunities, working with portfolio companies to deliver growth and managing exit processes. Nick has more than ten years' experience working in private equity and corporate finance roles. In addition to serving as a Director of Alcidion, Nick is also currently a Non-Executive Director representing Blue Sky on the Boards of HPS, the largest outsourced hospital pharmacy services business in Australia; Wild Breads, a leading producer of artisan breads; and GM Hotels, a portfolio of ten hotels in South Australia.

Nick holds a Bachelor of Commerce and a Bachelor of Laws from the University of Queensland, and a Masters of Applied Finance from Queensland University of Technology.

Mr Geoff Rohrsheim

Non-Executive Director
Appointed 1 August 2017
B.E (Hons), Assoc.Dip Comp Apps, MEngSc, GAICD

Geoff is a former EY Entrepreneur of the Year winner for the southern region and has had 3 start-ups appear in the BRW Fast 100. His latest venture, Kloud Solutions grew rapidly in 5 years to have over 170 staff with offices in Melbourne, Sydney, Adelaide, Brisbane and Manila. Kloud was ranked by BRW as the fastest growing company in Australia in 2014. Kloud was sold to Telstra in Feb 2016.

A graduate of the Australian Institute of Company Directors, Geoff is a non-executive director of Seeley International, and Business SA (state chamber of commerce). He is a member of the Australia Post Stakeholder Council and an angel investor and advisory board member of various Adelaide based tech startups.

Ms Rebecca Wilson

Non-Executive Director
Appointed 1 August 2017
B.A (Journalism), Post Grad Applied Finance and Investment (FINSIA)

Rebecca has more than 20 years' experience working within the health, technology and life science sectors providing advice on stakeholder communications, issues management, investor and corporate relations, and business strategy to private and public companies, research institutes, governments, and asset managers.

She advises boards and executive teams on investor relations and commercial strategies and has strong experience in capital raisings, including more than 50 IPOs, and M&A transactions.

Rebecca is CEO and Executive Director of consulting firm WE Buchan, NED of Outcomes Australia, and Advisory Board member of Gillian Fox Leadership.

Executives

Mr Duncan Craig

Chief Financial Officer & Company Secretary
Appointed 29 February 2016
Resigned effective 28 February 2019

In 1995 Mr Craig gained full membership to the accounting body that is now the Institute of Public Accountants. Duncan has tertiary qualifications in Accounting, Financial Markets and Economics (major in Economic Development and minor in Econometrics).

Mr Craig fulfilled the role of Chief Financial Officer for the Group from the date the Company completed the legal acquisition of Alcidion Corporation Pty Ltd; being 29 February 2016. In November 2016, Mr Craig also took over the role of Company Secretary.

With over 20 years of experience in Senior management roles, the Governance Institute of Australia elected Mr Craig as a Fellow. This is in recognition of his experience in involving corporate governance and risk management.

Mr Colin MacKinnon

Chief Operations Officer and Chief Financial Officer
To be appointed 28 February 2019
B.BS (Hons), CA, GAICD

Colin has over 35 years' experience in building and managing businesses offering IT solutions and services. Over his career he has set up and managed IT professional services teams within international consulting practices in Australia, New Zealand and the United Kingdom as well as performing key business leadership roles in the formation and growth of software and IT services businesses. He was a founder of MKM Health and had primary responsibility for managing the commercial operations and financial affairs of both MKM Health and its related Patientrack group of companies over the last 16 years. Prior to the acquisition of MKM Health and Patientrack businesses by Alcidion Group, Colin held the role of Chief Operating Officer / CFO for these companies as well as holding directorships in all group companies.

Colin has a first class honours degree in business, majoring in IT and finance. He is a Chartered Accountant and also a graduate of the Australian Institute of Company Directors.

Managing Director's Report

Dear shareholder,

It has been a busy and productive half year for Alcidion, particularly as the Group has significantly progressed the integration of the MKM Health and Patientrack businesses to create Alcidion's new operating structure. I am pleased to report the businesses are all tracking well and leveraging the cross-selling opportunities across the larger customer base and wider geographical territories, which is contributing to a growing pipeline of sales opportunities.

H1 FY2019 performance

Our financial performance over H1 FY2019 reflects the transformation of our business and its increasing scale whilst also reflecting our commitment to necessary investments to complete the integration of acquired businesses and drive growth and profitability beyond the current financial year.

Our revenue grew nearly six-fold in H1 FY2019 to $7.3 million compared to the prior comparable period (H1 FY2018: $1.3 million). This growth was a direct result of the contribution of the newly acquired businesses as well as new contract wins and renewals by the combined business, following completion of the acquisitions. Over the half year we saw an increase in both recurring revenue and revenue from products and services directly related to product, demonstrating the value of a more comprehensive product set to our customers and therefore to the Alcidion Group.

Alcidion continues to work towards achieving profitability whilst making strategic investments that support continued profitable growth. At the Net Profit After Tax level, Alcidion incurred a loss of $0.6 million.

This is an improvement compared to H1 FY2018 when a $1.1 million loss was incurred. The loss reflects both some one-off acquisition related costs as well as planned investments made this year in integrating the acquired businesses, further building Group sales capability, introducing the Alcidion products to the UK market and completion of product redevelopment around Miya Precision. These investments will impact profitability for FY19 but are required to set a foundation for group profitability in FY20 and beyond.

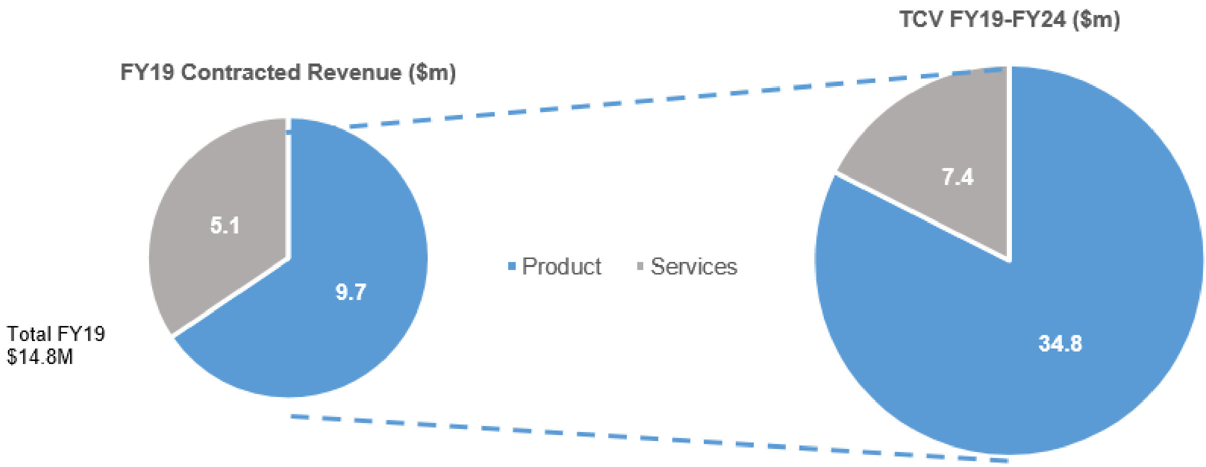
Operating cash receipts for the period were $9.2 million, a significant improvement compared to (H1 FY2018: $2.1 million) reflective of the significant revenue growth outlined above. Despite the net loss for H1, the first half of the year was positive in terms of operating cash flow with $74,000 net cash generated from operations compared to an outflow of $677,000 in H1 FY2018. Our closing cash balance of $1.3 million, was $1.6 million less than the cash balance as at 30 June 2018 of $2.9 million, primarily due to a total of $1.5 million in cash consideration paid since 30 June 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. We will continue to focus on revenue growth and prudent investment whilst controlling operating costs to rebuild cash reserves.

New contract wins

Over H1 FY2019, Alcidion has signed or renewed contracts for Alcidion Group products (Miya, Patientrack and Smartpage) and specialist IT services with a total value of $23.4 million. We now have a total of $42.2 million in contracted revenue, $14.8 million of which should be recognised in FY2019.

New contract wins that were announced during H1 FY2019 included:

- **Queensland Health** (November 2018): contract to establish a state-wide Referral Service Directory, which will be the central point of reference for external referrals from General Practitioners across Queensland Hospital and Health Services. This project will be deploying the NextGate Matchmetrix software for which MKM Health is the authorised reseller in Australia and New Zealand. The contract value is approximately $12 million with a 5-year term;
- **Alfred Health** (August 2018): strategic collaboration to deliver data management capability (contract terms not disclosed);
- **NT Department of Health** (July 2018): three year contract extension with value of $2.6 million over 3-years for the Miya platform ; and
- **ACT Health** (July 2018): a 5-year deal valued at approximately $4.75 million with ACT Health to deploy an Electronic Patient Journey Board solution. Represents the first deployment of a fully integrated Miya Flow, Patientrack and Smartpage offering.
- **ACT Health (Dec 2018):** a two year contract extension for the provision of ongoing IT support services valued at $1.3 million



Acquisition integration

The integration of Alcidion, MKM Health and Patientrack has been a key management focus over H1 FY2019. There has been progress in back office integration, production integration as well as building and training of sales and marketing teams, to ensure a comprehensive understanding of the enlarged product suite – now comprising Miya, Patientrack and Smartpage (via the Oncall acquisition in February 2018).

The first fully integrated deployment of these three products was won during the period and demonstrates the value of our combined product and the ability for our combined solution to compete in the healthcare analytics market. Importantly, this installation also serves as a tangible demonstration of the progress of our software integration and the promising cross-selling opportunities we have with current and future installations.

During H2 we will continue to invest in a number of strategic and operational initiatives required to position us as a fully integrated business early in the next financial year.

Product Management and Development

Throughout the first half we have continued to invest in product development to support the developing demand for smarter technology to support decision making in healthcare. Our investment in our next generation technology platform, Miya Precision, to provide a foundation for the application of Artificial Intelligence (AI) to the growing store of healthcare data, has resonated well with the healthcare community and we are experiencing increasing demand for the smarter use of data to support decision making to improve patient outcomes and reduce inefficiencies in healthcare delivery. The successful deployment of Miya Precision to MidCentral DHB in New Zealand saw Alcidion prove the new technology platform and position us to take it to the rest of the market.

The addition of Patientrack and Smartpage to our product portfolio allows Alcidion to close the loop on supporting healthcare delivery at the bedside and enhance communications between the clinical teams treating patients. During H1 we have invested significant product management and development effort in integrating all three product sets to support current and emerging customer demand for integrated functionality across all these products.

Outlook

We are pleased with the substantial progress Alcidion Group has made since the time of the MKM Health and Patientrack acquisitions in July.

The outlook for the Alcidion Group in FY2019 is strong. We now have a total of $14.8 million in contracted revenues which is expected to be realised in the current financial year and a further $27.4 million in contracted revenue to be realised over the next five years. While continuing to invest in positioning the Group for further growth, we will apply operational cash surpluses to increasing our cash reserves to support such growth.

From a strategic perspective, we will continue to position Alcidion as a company with market-leading technology solutions and the domain knowledge and technical expertise required to conceive and deliver innovative eHealth solutions. We will continue to work as a trusted partner of those health agencies and providers who are using our products to establish themselves as innovative early adopters of such solutions, while we continue to build a sales and delivery capability required to then take these solutions to the wider market. This will enable us to continue our positive momentum and position Alcidion for both ongoing growth and profitability beyond FY2019, thus delivering sustainable improvements to shareholder returns.

We will continue to invest in sales and marketing capabilities that will be key to cross selling our products to existing customers and prosecuting the growing pipeline of opportunities across all our geographies. The acknowledgement of the need for healthcare to utilise information technology to improve efficiency and safety is growing across the world. The use of information technology needs to support doctors and nurses in the delivery of care rather than add administrative burden. At Alcidion our aim is to support clinician decision making by using the increasing amounts of digital data available and applying smart technology and artificial intelligence to support clinical decision making, thereby freeing up time to care for patients and improving the patient outcome.

We will continue to seek strategic partnerships from which we can leverage further sales of Alcidion product. These partnerships allow us to broaden the scope of what we offer to our customers and provide a strategic platform to deliver new customers and enter new markets,

In the second half of this year we will largely complete investments required for the integration of the acquired businesses with an emphasis on brand development, building group-wide sales capability, integration of product management, operating as “one team” and the consolidation of all Alcidion infrastructure to support the seamless operation of the Alcidion Group. This will complete was has been a very successful integration phase and position Alcidion to prosecute our growth strategy.

It has been my pleasure to guide Alcidion through this transformative period and I look forward to sharing more opportunities and success with you as we close off a successful first financial year for the expanded business and position Alcidion for an even better FY2020.

Yours faithfully,

Ms Kate Quirke
Group Managing Director
Alcidion Group Limited

Financial Review

Operating Results

Alcidion Group Limited (the Group) delivered an interim period FY2019 loss before tax of $568,064 (H1 FY2018: loss $1,062,258). This figure includes expensed Research & Development Costs of $0.810 million.

The net loss after tax for the period ended 31 December 2018 was $563,208 (H1 FY2018: $1,054,335 loss), and there was a net cash inflow from operations of $74,386 (H1 FY2018: outflow of $676,938).

Financial Position

At 31 December 2018, the Group has a deficit in net current assets of $5,182,978 (30 June 2018: $2,095,223 net current assets) and net equity of $12,763,543 (30 June 2018: $3,333,246).

Further explanation regarding the net deficiency in current assets of $5,182,978 as at 31 December 2018 is as follows:

- Included within employee provisions of $1,123,591 is employee entitlements for annual leave and long service leave. These employee entitlements have been classified as a current liability in accordance with Australian Accounting Standards as the Group does not have an unconditional right to defer settlement of this obligation for a period of at least 12 months from the date of this report. However past history indicates that the payment of annual leave and long service leave in a twelve month period is significantly lower than the amount provided for as a current liability.
- As a result of the recent acquisitions of Oncall Systems Ltd and MKM Health Pty Ltd, contingent consideration amounts of $484,144 and $4,000,000 respectively have been recognised within Other current liabilities. The recognition of these amounts is a one-off event and will be settled in the next twelve months. The contingent consideration amount for Oncall Systems Ltd will be settled through a combination of a cash payment and the issuance of shares whilst the contingent consideration amount for MKM Health Pty Ltd will be settled entirely through the issuance of shares.

Net Cash at Bank at the end of the period was $1,324,043 with minimal debt.

Summary of Financial Information as at 31 December

	Group 31 December 2018	**Group 31 December 2017**
Cash and cash equivalents ($)	1,324,043	4,632,554
Net assets/equity	12,763,543	4,368,224
Loss from ordinary activities after income tax ($)	(563,208)	(1,054,335)
No of issued shares	805,671,138	607,779,957
Share price ($)	0.045	0.049
Market capitalisation (Undiluted) ($)	36,255,201	29,781,218

Significant Changes in State of Affairs

Other than those disclosed in this interim report no significant changes in the state of affairs of the Group occurred during the interim period, other than acquisition of the MKM Health Group (refer Note 3).

Significant Events after the Balance Date

There were no significant events after 31 December 2018

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.

Auditors Independence Declaration

The lead auditor's independence declaration under s.307C of the Corporations Act 2001 is set out on page 19 for the half year ended 31 December 2018

Auditor's Independence Declaration

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 2018 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.

William Buck

William Buck
ABN: 38 280 203 274

M.D. King
Partner

Dated this 25th day of February, 2019.

CHARTERED ACCOUNTANTS
& ADVISORS

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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;

b) in the Directors' opinion, the attached interim financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Australian Accounting Standards AASB 134: Interim Financial Reporting and the Corporations Regulations 2001 as disclosed in Note 2 and giving a true and fair view of the financial position and performance of the Group for the half year ended 31 December 2018;

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

For, and on behalf of, the Board of the Company,

Ray Blight

Non-Executive Chairman

Adelaide South Australia this 25 February 2019

Independent Auditor's Review Report

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 23 to 35, which comprises the consolidated statement of financial position as at 31 December 2018, 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 23 to 35 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 2018 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.

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.

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. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

— giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 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.

CHARTERED ACCOUNTANTS
& ADVISORS

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As the auditor of Alcidion Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

William Buck

William Buck
ABN: 38 280 203 274

M.D. King
Partner

Dated this 25th day of February, 2019.

Statement of Profit or Loss and Other Comprehensive Income

for the half year ended 31 December 2018

	Note	CONSOLIDATED 31 December 2018 $	CONSOLIDATED 31 December 2017 $
Revenue		7,256,431	1,253,011
Provision for Research and Development Rebate	4	-	450,000
Cost of sale of goods		(4,247,682)	(630,893)
Gross Profit		3,008,749	1,072,118
Other Revenue		11,051	42,379
Depreciation and amortisation expense		(21,238)	(17,590)
Directors and employee benefits expense		(2,046,433)	(1,134,725)
Finance costs		(2,971)	(356)
Marketing expense		(325,128)	(238,211)
Operations and administration expense		(1,112,213)	(726,942)
Other expenses		(79,881)	(58,931)
Loss before income tax expense		**(568,064)**	**(1,062,258)**
Income tax benefit		4,856	7,923
Loss after tax attributable to the owners of the Company		**(563,208)**	**(1,054,335)**
Other comprehensive income/(loss) net of tax			
Items that may be reclassified to profit or loss		-	-
Items that will not reclassified to profit or loss		-	-
Total comprehensive loss for the half year attributable to the owners of the Company		**(563,208)**	**(1,054,335)**
(Loss) Per Share			
Basic and diluted loss per share (cents)	8	(0.07)	(0.17)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the half year report.

Statement of Financial Position

as at 31 December 2018

	Note	CONSOLIDATED 31 December 2018 $	CONSOLIDATED 30 June 2018 $
Current assets			
Cash and cash equivalents		1,324,043	2,890,339
Trade and other receivables		2,759,728	1,529,191
Other assets		220,903	61,697
Total current assets		4,304,674	4,481,227
Non-current assets			
Plant and equipment		233,811	90,047
Deferred tax assets		336,193	120,377
Intangible assets	3	17,469,803	1,072,805
Other		44,912	66,075
Total non-current assets		18,084,719	1,349,304
Total assets		**22,389,393**	**5,830,531**
Liabilities			
Current liabilities			
Trade and other payables		1,656,699	573,605
Employee provisions		1,123,591	271,234
Other	3	6,707,362	1,541,165
Total current liabilities		9,487,652	2,386,004
Non-current liabilities			
Employee Provisions		138,198	111,281
Total non-current liabilities		138,198	111,281
Total liabilities		**9,625,850**	**2,497,285**
Net assets		**12,763,543**	**3,333,246**
Equity			
Issued capital		20,787,188	10,793,683
Reserves		684,000	684,000
Accumulated losses		(8,707,645)	(8,144,437)
Total equity		**12,763,543**	**3,333,246**

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the half year report.

Statement of Changes in Equity

for the half year ended 31 December 2018

CONSOLIDATED	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2017	10,793,683	684,000	(6,055,124)	5,422,559
Loss for the period	-	-	(1,054,335)	(1,054,335)
Other comprehensive income, net of income tax	-	-	-	-
Total comprehensive loss for the period	-	-	(1,054,335)	(1,054,335)
Shares issued during the period	-	-	-	-
Options issued during the period	-	-	-	-
Balance as at 31 December 2017	10,793,683	684,000	(7,109,459)	4,368,224
CONSOLIDATED				
Balance as at 1 July 2018	10,793,683	684,000	(8,144,437)	3,333,246
Loss for the period	-	-	(563,208)	(563,208)
Other comprehensive income, net of income tax	-	-	-	-
Total comprehensive loss for the period	-	-	(563,208)	(563,208)
Shares issued during the period	9,993,505	-	-	9,993,505
Options issued during the period	-	-	-	-
Balance as at 31 December 2018	20,787,188	684,000	(8,707,645)	12,763,543

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the half year report.

Statement of Cash Flows

for the half year ended 31 December 2018

	Note	CONSOLIDATED 31 December 2018 $	CONSOLIDATED 31 December 2017 $
Cash flows from operating activities			
Receipts from customers & R&D Rebate received		9,207,252	2,066,711
Payments to suppliers and employees		(9,140,400)	(2,785,672)
Interest received		10,505	42,379
Finance costs		(2,971)	(356)
Net cash inflows/(outflow) from operating activities		**74,386**	**(676,938)**
Cash flows from investing activities			
Payments for plant and equipment		(212,263)	(21,771)
Acquisition of business, net of cash acquired	3	(1,476,032)	-
Net cash inflows/(outflow) from investing activities		**(1,688,295)**	**(21,771)**
Cash flows from financing activities			
Proceeds from borrowings		60,662	-
Repayments of borrowings		(13,049)	-
Net cash inflows from financing activities		**47,613**	**-**
Net (decrease) in cash and cash equivalents		(1,566,296)	(698,709)
Cash and cash equivalents at the beginning of the period		2,890,339	5,331,263
Cash and cash equivalents at the end of the period		1,324,043	4,632,554

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes, which form an integral part of the half year report.

Notes to the Financial Statements

for the half year ended 31 December 2018

1 General information

Alcidion Group Limited (the Company) is a public company incorporated and domiciled in Australia. The core of Alcidion's business model is to create and commercialise intellectual property in the form of Clinical Decision Support Systems (**CDSS**) software developed to improve the quality of care for all patients and improve the productivity of clinicians and care teams.

The Company's software is bundled with other technologies and services to create complete clinical and business solutions for health care providers. In short, Alcidion builds, sells, delivers, runs and supports solutions for health care provider organisations around Australia and New Zealand and 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.

The financial statements were authorised for issue by the directors on 25 February 2019.

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 2018, together with any public announcements made during the following half year.

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. 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 2018 and are presented in Australian Dollars ($AUD), which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the financial statements of Alcidion Group for the period ended 30 June 2018 and the detailed accounting policies in Note 2 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

2.2 Amendments to Accounting Standards and new interpretations that are mandatorily effective for the current reporting Period

The Group has adopted all, of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and are effective for the current half-year.

AASB 15 Revenue from Contracts with Customers ("AASB 15")

The Group has adopted AASB15 as issued in May 2014 with the date of initial application being 1 July 2018. In accordance with the transitional provision in AASB15 the standard has been applied using the full retrospective approach. In this regard, the Group applied a practical expedient and did not restate any contracts that were completed at the beginning of the earliest period presented.

AASB15 superseded AASB18 Revenue, AASB111 Construction Contracts and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to customers.

At 1 July 2017 and 1 July 2018, all existing contracts were assessed and it was determined that the adoption of AASB15 had no significant impact on the Group.

Revenue recognition

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step process outlined in AASB 15 which is as follows:

Step 1: Identify the contract with a customer;

Step 2: Identify the performance obligations in the contract and determine at what point they are satisfied;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations;

Step 5: Recognise revenue as the performance obligations are satisfied.

Following the adoption of AASB 15, on 1 July 2018, the Group's revenue recognition accounting policy is that:

The performance obligation for the implemented Group's software is satisfied when the software has been installed and is operating materially as contractually required and appropriate services have been performed. Rather than recognising the contracted revenue evenly over the contract period which ranges from 12 to 60 months in the case of license revenue or evenly over an implementation period for service revenue (generally 3 to 12 months), under the new accounting policy, both license and implementation revenue for the contracted period is recognised at the point in time when the Group's software has been installed and is operating materially as contractually required.

AASB 9 Financial Instruments ("AASB 9")

The Group has adopted AASB9 as issued in July 2014 with the date of initial application being 1 July 2018. In accordance with the transitional provision in AASB9, comparative figures have not been restated. AASB9 replaces AASB139 Financial Instruments: Recognition and Measurement ("AASB 139"). Bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment and hedge accounting. The accounting policies have been updated to reflect the application of AASB 9 for the period from 1 July 2018.

Measurement and classification

At the date of initial application, existing financial assets and liabilities of the Group were assessed in terms of the requirements of AASB9. The assessment was conducted on instruments that had not been derecognised as at 1 July 2018. In this regard the Group has determined that the adoption of AASB9 has impacted the classification of financial instruments as follows:

Class of financial instrument presented in the statement of financial position	Original measurement category under AASB139 (i.e. prior to 1 July 2018)	New measurement category under AASB9 (i.e. from 1 July 2018)
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost
Trade and other receivables	Loans and receivables	Financial assets at amortised cost
Trade and other payables	Financial liability at amortised cost	Financial liability at amortised cost
Borrowings	Financial liability at amortised cost	Financial liability at amortised cost

The change in classification has not resulted in any re-measurement adjustments at 1 July 2018.

Impairment of financial assets

In relation to the financial assets carried out at amortised cost, AASB9 requires an expected credit loss model to be applied as opposed to an incurred credit loss model under AASB139. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. In particular, AASB9 requires the Group to measure the loss allowance at an amount equal to lifetime expected credit loss ("ECL") if the credit risk on the instrument has increased significantly since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to the ECL within the next 12 months.

As at 1 July 2018, the Group reviewed and assessed the existing financial assets for impairment using reasonable and supportable information. In accordance with AASB9, where the Group concluded that it would require undue cost and effort to determine the credit risk of a financial asset on initial recognition, the Group recognises lifetime ECL. The result of the assessment is as follows:

Items existing at 1 July 2018 that are subject to the impairment provisions of AASB9	Credit risk attributes	Cumulative additional loss allowance recognised on 1 July 2018 $'000:
Cash and cash equivalents	All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable institutions.	-
Trade receivables	The Group applied the simplified approach and concluded that the lifetime ECL for these assets would be negligible and therefore no loss allowance was required at 1 July 2018.	-

3 Business Combination

Alcidion has completed the 100% acquisition of MKM Health Pty Ltd & Patientrack Holdings Ltd on 3rd July 2018. MKM Health is a leading provider of IT solutions to healthcare providers across Australia and New Zealand and UK based Patientrack is a world leading supplier of healthcare software targeted at improving patient safety in hospitals. The acquisition expands Alcidion's international and domestic footprint substantially with a diversified customer base.

The purchase was satisfied by the issue of 197,891,181 ordinary shares at a deemed issue price of 5.05c per share and the payment of $1,549,395.

Assets and liabilities acquired in the MKM Health and Patientrack operations have been measured at their fair value and the excess of the consideration over the net assets acquired and recognised upon acquisition has been recorded as Goodwill on acquisition. The following table shows the assets acquired, liabilities assumed and the purchase consideration at the acquisition date.

	Fair Value 3 July 2018 (Provisional)
Purchase consideration:	
- Cash	1,549,395
- Shares	9,993,505
- Contingent Consideration (i)	4,000,000
Total purchase consideration	15,542,900
Assets and liabilities acquired at fair value:	
Cash and Cash Equivalents	73,363
Trade and Other Receivables	3,333,092
Plant and Equipment	60,675
Intangible Assets	10,212
Deferred Tax Asset	203,002
Trade and Other Payables	(1,770,610)
Employee Benefits	(805,427)
Deferred Income	(1,926,134)
Identifiable assets acquired, and liabilities assumed at fair value	(821,827)
Intangible assets recognised upon acquisition:	
Intellectual Property	1,714,244
Net assets acquired and recognised upon acquisition	892,417
Purchase Consideration	15,542,900
Less: Net assets acquired and recognised upon acquisition	(892,417)
Goodwill (ii)	14,650,483

At 31 December 2018, the business combination accounting is provisional and pending final valuation of the assets and liabilities acquired. On completion of the final valuation the balances for the acquisition may be revised in accordance with applicable Australian Accounting Standards.

The measurement of identifiable intangible assets acquired in a business combination is highly subjective and there are a range of possible values that could be attributed for initial recognition.

Judgement is applied in selecting the value to be recognized on the balance sheet. Management's assessment of the useful life of the intangible assets is reviewed at each reporting period.

Impact of acquisition on the results of the Group

Since the acquisition date, the MKM Health Group (inclusive of Patientrack) has generated revenues of AU$5.7m and generated a profit after tax of AU$717k

(i) A further contingent consideration of up to AU$4m, to be satisfied by the issue of Alcidion shares at a deemed issue price of 5.05c per share, is payable in 12 months from acquisition date subject to the revenue and EBITDA performance of MKM Health and Patientrack in that 12 month period. The revenue target requires the MKM Health Group to generate at least $11m in revenue over the 12 month period following the acquisition whilst the EBITDA target is based on a sliding scale ranging from $1m to $2m EBITDA.

(ii) Goodwill arose in the acquisition of the MKM Health Group due to the strong position and competitive advantage that the MKM Health Group has in the Health IT sector. None of the Goodwill arising on this acquisition is expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

Consideration paid in cash	1,549,395
Less: Cash and cash equivalent balances acquired	(73,363)
	1,476,032

Acquisition-related costs amounting to $150,000 have been excluded from the consideration transferred and have been recognised as an expense in profit or loss in the half-year, within the 'operations and administration expense' line item.

Reconciliation of movements in intangible assets:

Opening Balance – 30 June 2018	1,072,805
Additional amounts from business acquisitions - Goodwill	14,650,483
Additional amounts from business acquisitions - intangible assets	1,724,456
Other movements in intangible assets	22,059
Closing Balance – 31 December 2018	$17,469,803

Other liabilities is comprised of the following:

Contingent consideration – MKM Health Group	4,000,000
Contingent consideration – Oncall Systems Ltd	484,144
Other liabilities	2,223,218
Closing Balance – 31 December 2018	$6,707,362

4 Loss for the Period

The following revenue items are relevant in explaining the financial performance for the interim period:

	Consolidated 31 December 2018 $	Consolidated 30 December 2017 $
Provision for Research and Development Rebate	-	450,000

During the period the Directors have decided not to recognise a provision for research and development revenue rebate at 31 December 2018 as there is uncertainty whether recognition requirements will be met at 30 June 2019.

5 Share-based payments: Share options and Contingent Share Rights

The Company provides an ownership-based compensation arrangement for its employees.

Each share option issued under the arrangement converts into one ordinary share of Alcidion Group Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. Options neither carry rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. Vesting dates and conditions are dependent on each arrangement as agreed to by the directors.

The number of options granted is at the sole discretion of the directors.

Incentive options issued to directors (executive and non-executive) are subject to approval by shareholders and attach vesting conditions as appropriate.

No share-based payments were made or exercised during the current half-year period.

Options

	Consolidated 31 December 2018 $		Consolidated 30 June 2018 $	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance at beginning of period	10,000,000	0.07	10,000,000	0.07
Granted during the period	-	-	-	-
Exercised during the period	-	-	-	-
Options expired during the period	-	-	-	-
Balance at end of the period	10,000,000		10,000,000	-
Exercisable at end of period	10,000,000		10,000,000	-

Date options issued	Expiry Date	Exercise price (cents)	Number of options
29 November 2016 (i)	30 June 2020	6	5,000,000
29 November 2016 (ii)	30 June 2020	8	5,000,000
Total number of options outstanding at the date of this report			10,000,000

(i) These options became exercisable once the FY17 results were published in the Alcidion Annual Report.
(ii) These options became exercisable once the FY18 results were published in the Alcidion Annual Report.

The weighted average exercise price of these options is $0.07 and the weighted average exercise period is 1.5 years

Contingent Share Rights

	Class A Contingent Shares Rights (1) Number of Rights (3) (4)	Class B Contingent Shares Rights (2) Number of Rights (3) (4)
Balance at beginning of period 1 January 2018	145,161,290	148,387,096
Granted during the financial period	-	-
Consideration foregone	(145,161,290)	-
Balance at the end of the period 30 June 2018	-	148,387,096
Balance at beginning of period 1 July 2018	-	148,387,096
Granted during the financial year	-	-
Consideration issued	-	-
Balance at end of the period 31 December 2018	-	148,387,096

(1) *Each Class A Contingent shares right would have been convertible to one fully paid ordinary share on Alcidion Group achieving $10,000,000 in revenue (audited) over 12 consecutive months within 24 months from the 29th February 2016 (re-admission of Alcidion Group to the ASX), this did not occur and such were forfeited during the previous financial year.*

(2) *Each Class B Contingent shares right will be converted to one fully paid ordinary shares on Alcidion Group achieving $15,000,000 in revenue (audited) over 12 consecutive months within 36 months from the 29th February 2016 (re-admission of Alcidion Group to the ASX)*

(3) *Holder of Class A & B contingent rights will have no right to vote at Company's General Meeting.*

(4) *No expense has been attributed to Class B Contingent Share Rights since in the opinion of the directors there is very low probability of achieving the vesting targets*

6 Equity

(a) Issued capital

	Consolidated 31 December 2018 $	Consolidated 30 June 2018 $
805,671,138 fully paid ordinary shares	20,787,188	10,793,683
(2018: 607,779,957)	20,787,188	10,793,683

	Consolidated 31 December 2018		Consolidated 30 June 2018	
	No.	$	No.	$
Balance at 1 July	607,779,957	10,793,683	607,779,957	10,793,683
Shares issued during the period	197,891,181	9,993,505	-	-
Balance at 31 December	805,671,138	20,787,188	607,779,957	10,793,683

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

	Consolidated 2018 Cents per share	Consolidated 2017 Cents per share
Basic (loss) per share (cents)	(0.07)	(0.17)

	Consolidated 2018 $	Consolidated 2017 $
Basic earnings per share		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share		
Loss after tax	(563,208)	(1,054,335)

	2018 No.	2017 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	804,589,765	607,779,957

The rights of options held by option holders and the Contingent Share Rights have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 “Earnings per Share”.

9 Commitments

The Group has a number of operating leases in effect for office premises and equipment.

Future minimum payments under this non-cancellable operating lease as at year end are:

	Consolidated 31 December 2018 $	Consolidated 30 June 2018 $
Within one year	367,169	84,583
Between one and five years	442,786	-
	809,955	84,583

As at 31 December 2018 the Group has no other commitments (2017: nil)

10 Contingencies

In the opinion of the Directors, the Group did not have any contingent liabilites or contingent assets as at 31 December 2018 (2017: nil).

The Group has provided security as follows; first registered Group charge by Alcidion Corporation Pty Ltd over the whole of its assets and undertakings including uncalled capital.

11 Segment reporting

The Group operates predominantly in the health informatics industry in Australia. For management purposes, the Group is organised into one main operating segment which involves the provision of health informatics software in Australia, New Zealand and UK. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

12 Subsequent events

No matter or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Additional Shareholders' Information

Alcidion Group Limited's issued capital is as follows:

Ordinary Fully Paid Shares

At the date of this report there are the following number of Ordinary fully paid shares

	Number of shares
Balance at the beginning of the year	607,779,957
Shares issued during the period	197,891,181
Total number of shares at the date of this report	**805,671,138**

Shares Under Option

At the date of this report there are 10,000,000 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the period	
Unlisted options	10,000,000
Listed options	-
	10,000,000
Movements of share options during the period and to the date of this report	-
Total number of options outstanding at the date of this report	**10,000,000**

The balance is comprised of the following:

Date options issued	Expiry date	Exercise price (cents)	Listed/Unlisted	Number of options
29 November 2016	30 June 2020	6	Unlisted	5,000,000
29 November 2016	30 June 2020	8	Unlisted	5,000,000

No person entitled to exercise any option referred to above has had, by virtue of the option, a right to participate in any share issue of any other body corporate.

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.

Alcidion

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Appendix 4D

Half Year Report

Name of entity:	**ALCIDION GROUP LIMITED**
ABN:	**77 143 142 410**

Half year ended ('current period')

Half year ended ('previous corresponding period')

31 December 2018	31 December 2017

Results for announcement to the market

				$m
Consolidated revenue from operations	up	479.1%	to	7.256
Loss after tax attributable to shareholders	down	(46)%	to	0.563
Net Loss for the period attributable to shareholders before individually material items	down	(46)%	to	0.563

	31 December 2018	30 June 2018
Net tangible asset backing per ordinary security	Cents 0.12	Cents 0.4

No Dividends reported or payable in either period.

Control Gained over Entities in the Half Year

On 3 July 2018, the Group acquired 100% of the issued capital of MKM Health Pty Limited and Patientrack Holdings Limited (which were combined to form "MKM Health Group"). MKM Health Group reduced the Group's consolidated loss by $717k during the period.