

Investor Presentation

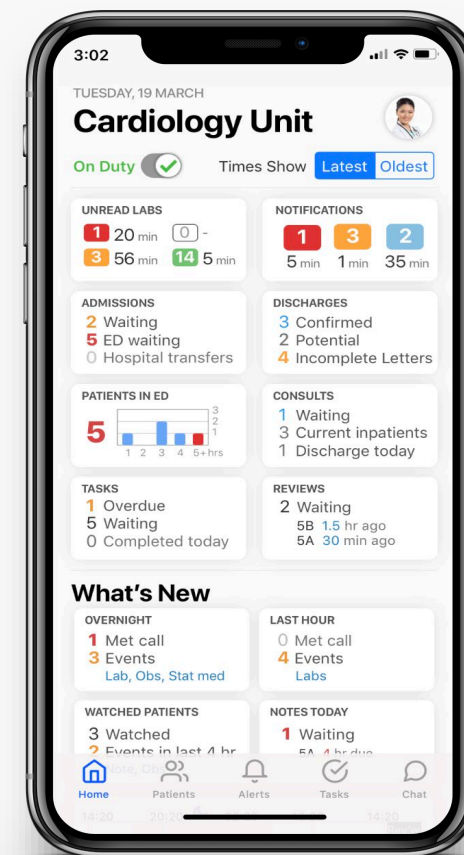
Half Year Results - H1 FY2021

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25 February 2021

H1 FY2021 Highlights

- H1 revenue of \$11.1M – up 36% on pcp (H1 FY2020)
- Gross profit of \$9.8M (88.1% gross profit margin), up from \$7.1M (87.4%) pcp
- \$17.4M contracted revenue added in H1, one of Alcidion's strongest sales periods to date
- Contracted revenue to be recognised in FY2021 increased to \$21.7M, 17% increase on FY2020 full year revenue (\$18.6M) with a further six months of the year remaining
- \$23.0M of sold revenue to be recognised over next 5 years from FY2022 to FY2026, with \$22.4M of that being recurring product revenue to be delivered at 85%+ margins
- Significant contracts signed in the UK and Australia, including with South Tees NHS Trust for our largest ever Miya Precision contract
- EBITDA loss for H1 FY2021 of \$0.9M with investment phase in key areas of fixed cost base – sales staff, IT & HR - now largely complete, resulting in a stabilisation in the cost base going forward
- Strong cash reserves of \$12.5M, bolstered in January by receipt of \$3.0M from South Tees



H1 Financial Snapshot

\$11.1M ↑

REVENUE
36% UP ON PCP

\$9.8M ↑

GROSS PROFIT
37% UP ON PCP

88.1% ↑

GROSS PROFIT MARGIN
UP FROM 87.4% PCP

(\$0.9M) ↑

EBITDA LOSS
47% IMPROVEMENT
ON PCP

\$10.8M ↑

CASH RECEIPTS
17% UP ON PCP

\$12.5M

CASH AT
31 DECEMBER 2020

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Profit & Loss

Profit & Loss (A\$'000)	H1 FY21	H1 FY20	% Change
Recurring	6,344	4,549	39%
Non-recurring	4,762	3,616	32%
Total Revenue	11,106	8,165	36%
Commissions (staff & 3rd party)	(117)	(10)	1,070%
Cost of re-sold products / services	(863)	(782)	10%
Hosting costs	(306)	(168)	82%
Project delivery expenses	(35)	(68)	(49%)
Cost of Sales	(1,321)	(1,028)	29%
Gross Profit	9,785	7,137	37%
<i>Gross Profit margin %</i>	<i>88.1%</i>	<i>87.4%</i>	
Salaries & wages	(8,586)	(6,632)	29%
Marketing	(330)	(340)	(3%)
Other operating expenses	(1,495)	(1,886)	(21%)
Operating Expenses	(10,411)	(8,858)	18%
Underlying Operating EBITDA	(626)	(1,721)	64%
M&A / new markets advisory	(223)	-	na
Share based payments expense	(63)	-	na
EBITDA	(912)	(1,721)	47%

Key Comments

- \$11.1M revenue in H1 FY2021, 36% increase on pcp
 - c.60% of non-recurring revenue relates to Product implementation services which are required to generate recurring licence and support fees from new product sales
- Sold revenue of \$21.7M able to be recognised in FY2021, 17% up on FY2020 full year revenue with a further six months remaining in the year

A\$M	Products	Product Imp.	Services	Total
Recurring	13.9	-	0.1	14.0
Non-recurring	-	5.0	2.7	7.7
Total Revenue	13.9	5.0	2.8	21.7

- Cost of Sales items reclassified to better reflect how other ASX-listed software companies report gross profit
 - Salary-related expenses for product management, development, sales and service delivery are now classified as operating expenses¹
- Investment phase in key areas of fixed cost base – sales, IT & HR – largely complete, resulting in stabilisation of the cost base going forward
 - Albeit H2 will incorporate the full-year impact of investments made in H1

1. While salary related expenses are classified as Salaries & Wages in the proforma P&L, they are classified across other expense headings in the Statement of Profit & Loss and Other Income

Milestone \$11.3M contract with South Tees NHS Trust

**\$9.3M
initial
contract**



MIYA PRECISION

+

OPENeP

- Our flagship product suite
- Second UK customer for Miya Precision
- >80% of initial contract value

- Medication management solution
- Alcidion is a reseller
- <20% of initial contract value

**\$2.0M
extension**



SMARTPAGE

+



SERVICES

- Communication, collaboration and task management
- Modules for clinical and non-clinical use

- Cloud hosting on Microsoft Azure
- Business change management services

- Largest Miya Precision contract with TCV¹ of A\$11.3M over five years
 - Miya Precision will be used across 1,000 beds, enabling digitalisation of patient care processes & records
- Second NHS Trust to procure Miya Precision & OPENeP (following Dartford & Gravesham)
- Only two of ~223 NHS Trusts² have Miya Precision implemented, highlighting significant opportunity to scale

1. Total Contract Value (TCV)

2. Data from The Kings Fund (an independent charity working to improve the healthcare system in England), as of Oct 2019

Important ANZ Miya Precision contracts

Initial 12-month contracts signed with an opportunity to expand timelines and scope



- Two contracts with a Total Contract Value (TCV) of \$0.7M over 12 months
- Includes continued use of Miya Precision
- Miya Precision COVID-19 dashboard implemented to monitor COVID-19 cases in hospital & remotely
- Miya Memory deployed to clinicians



- Initial 12-month with a TCV of \$0.6M
- Option to extend for further 12 months
- Miya Precision implementation to support virtual COVID monitoring at rpavirtual
- Opportunity to expand scope for broader Miya Precision offering

Further H1 Contracts & Extensions

UK Contracts & Extensions

- 5-year, \$1.5M contract with NHS Lanarkshire to implement Miya Observations & Assessments (Patientrack)
- 5-year Smartpage contract with Lancashire Teaching Hospital
- Smartpage deployment alongside existing Miya Observations and Assessments implementation with Isle of Man Department of Health and Social Care



ANZ Contracts & Extensions

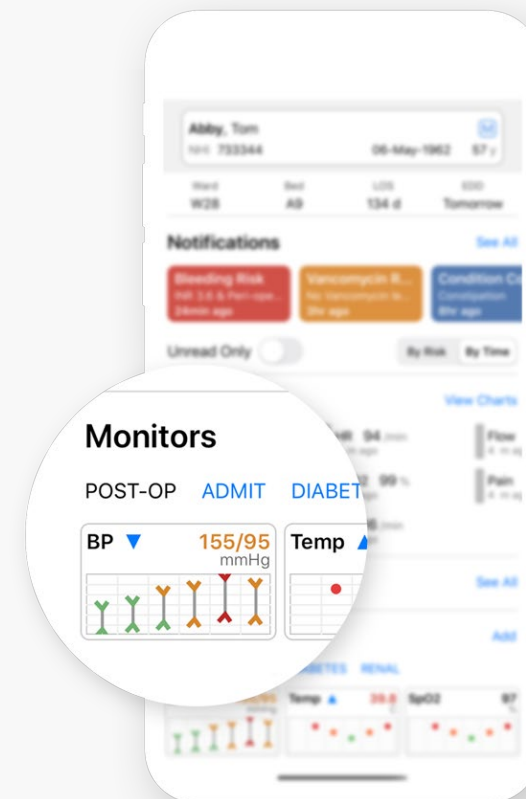
- NT Health extension for program management services
- New integration services contracts with ACT Health
- Extension with NSW Health for technical services relating to Child Data Hub (CDH)
- Victoria Department of Health – panel contract supporting Victorian Hospital Incident Management System (VHIMS)



Outlook

Alcidion advantageously positioned for H2 FY2021, with the Health IT sales environment progressively returning to pre COVID-19 levels

- On track to surpass FY2020 revenue, with contracted revenue for FY2021 already 17% higher and six months of the year remaining
- From FY2022 to FY2026, further \$23.0M revenue to be recognised, with \$22.4M as recurring product revenue expected to be delivered at gross profit margins of 85%+
 - Although not included in the \$23.0M, Alcidion are confident of renewing / rolling a significant portion of current customers that have contracts expiring in the next 5 years
- Solid sales pipeline with new and existing customers in all markets being underpinned by Health IT procurement progressively returning to pre COVID-19 activity
- Sales traction in UK market accelerating driven by key Miya Precision (and Patienttrack) reference sites increasing alongside growing Smartpage uptake
- Enhanced value proposition with rebranded Miya Precision flagship product, supported by full-service health IT offering



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Questions

Please enter your question using the Zoom Q&A function