ALCIDION

ALCIDION ANNUAL REPORT 2022

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FY22 Highlights

$17.3M
Cash balance

$0.9M
Underlying EBITDA
versus $0.5M in FY21

$34.4M
Revenue
33% growth vs FY21

$57.5M
Total FY22 TCV sales

45%
growth on PCP

Recurring revenue $23.3M.
**PCP = Prior Corresponding Period*

$3.1M

Positive operating cash flow excluding M&A costs. Statutory cash flow $1.0M

$28.3M

Contracted revenue to start FY23

$23.3M

Six year TCV. Largest ever contract win as part of Leidos Australia consortium to deliver key capability for healthcare IT project to the Australian Defence Force

About Alcidion

Alcidion Group Limited (Alcidion) has a simple purpose, that is, to transform healthcare with proactive, smart, intuitive technology solutions that improve the quality and efficiency of patient care in healthcare organisations, worldwide.

Alcidion offers a complementary set of software products and technical services that create a unique offering in the global healthcare market. Based on the flagship product, Miya Precision, the solutions aggregate meaningful information to centralised dashboards, support interoperability, facilitate communication and task management in clinical and operational settings and deliver Clinical Decision Support at the point of care; all in support of Alcidion's mission to improve patient outcomes.

Since listing on the ASX in 2011, Alcidion has acquired multiple healthcare IT companies and expanded its foothold in the UK, Australia, and New Zealand to now service over 400 hospitals and 87 healthcare organisations, with further geographical expansion planned.

With over 20 years of healthcare experience, Alcidion brings together the very best in technology and market knowledge to deliver solutions that make healthcare better for everyone.

ALCIDION

Letter from the Chair

Dear shareholders

Pressure on the global health system has dominated our attention and keenly focussed resource capacity as healthcare organisations look to find ways to support and retain talent, better manage the backlog of patient care that has been exacerbated by the ongoing pandemic, and ultimately improve the treatment outcomes for patients. The power of technology has never been stronger and Alcidion is well placed to provide solutions to these challenges; by enabling the growing demand for hospital in the home, improving hospital flow efficiency, or more efficient management of critical data to inform clinical decisions and priorities. Meanwhile, the acceleration of existing trends, such as the digitisation of healthcare that we're seeing from the NHS Frontline Digitisation Program in the UK, has given Alcidion the opportunity to champion our modular technology approach, positioning us as a true disruptor capable of providing new and innovative solutions.

Against this backdrop of both pressure and innovation, Alcidion has performed strongly, delivering positive underlying EBITDA and operating cashflow for FY22. Our record $57.7M in new TCV sales for FY22 – driven not only by the signing of several significant contracts in the UK and Australia, but also through consistent delivery by our team on smaller agreements which contribute to the robustness and steady growth of our business year on year - demonstrates our resilience as a business.

The formal announcement in May of Alcidion's role, as part of the Leidos Consortium, in a ground-breaking digital health project for members of the Australian Defence Force has also highlighted the adaptability of the Miya Precision platform for broader healthcare settings.

This year's annual report includes Alcidion's inaugural Environmental, Social and Governance (ESG) proposition. In FY22 the Board formally initiated a program to gain a deeper understanding of Alcidion's current ESG position, supporting a commitment to strive for best practice. Our business is strongly grounded in our purpose to transform healthcare together with our customers by embracing smart technology. It's from this strong, innate position that we are building an ESG program that is already central to many parts of our business, and we look forward to an opportunity to share this work with our shareholders, customers, and employees.

Despite our significant achievements, progress, and milestones this year, Alcidion has not been immune to the volatility of the market. Our decisions as a board have been firmly focussed on building a scalable global business. This includes realising value from our acquisitions, demonstrating the cross-selling opportunities across our customer portfolio, and enabling continued strong, double-digit growth across our markets. We remain confident that these areas of focus will translate to substantial shareholder value and returns in the future.

Our fundamentals have never been stronger, and as we enter a new era of both cashflow and EBITDA positive performance, we remain confident that Alcidion can capitalise on the tailwinds driving our industry and convert this to value for our shareholders in coming years.

Our success this past year has been achieved through the efforts of our highly skilled and committed team which in this last year has grown by more than 20%. On behalf of the Board, I extend our thanks to the entire Alcidion family for their individual and collective contribution. In addition, I'd like to acknowledge the recognition of our Managing Director, Kate Quirke, who was named one of 25 Brilliant Women in Digital Health this past year.

As Chair of the Board at Alcidion, it is a privilege to lead a team of experienced and engaged directors. From a governance perspective, we have maintained our policy on board refreshment to ensure we are able to provide our Managing Director and senior leadership team with the right guidance to support the next phase of our growth as we move from a multi-national aspirant to global leader. We were pleased to welcome to the Board Victoria Weekes and Danny Sharp who joined the Board in September and have made a significant contribution since.

Finally, I'd like to thank our shareholders for their support throughout the year. We move into this next year with great confidence on the role we can play in transforming healthcare and we look forward to keeping you abreast of our achievements and progress.

Yours sincerely

Rebecca Wilson

FY22 Timeline

2021

1 September, 2021
Victoria Weekes and Daniel Sharp join Alcidion Board as Independent Non-Executive Directors

12 October, 2021
Three-year agreement with Queen's Hospital Burton for ExtraMed's Inpatient Flow Manager (IPFM). First new contract win following acquisition of ExtraMed in April 2021

12 October, 2021
Royal Derby Hospital, sister to Queen's Hospital Burton, extend contract for ExtraMed's IPFM

18 October, 2021
Sydney LHD & RPA Virtual extension of Miya Precision to support virtual care of acute diverticulitis patients with patient engagement via Miya Care app

28 October, 2021
Alcidion partner in research project through Digital Health CRC applying our health informatics solutions to clinical decision making

8 November, 2021
Alcidion and Te Manawa Taki Region pilot first Better Meds system in southern hemisphere

15 November, 2021
Kate Quirke recognised in inaugural Telstra Health, 2021 Brilliant Women in Digital Health

17 November, 2021
Nicholas Dignam steps down as Non-Executive Director

30 November, 2021
Alcidion partners with Australian Institute of Digital Health to support Women in Digital Health Leadership Program

3 December, 2021
Alcidion part of Leidos Australia consortium to deliver health knowledge management system for the Australian Defence Force

7 December, 2021
Alcidion acquires Silverlink PCS Software Limited (Silverlink) and successfully completes $55.0M capital raising to fund the acquisition

1 March, 2022
Florian Stroehle appointed as Director of Strategy and Business Development based in Auckland office

10 March, 2022
Dr Paul Deffley joins Alcidion as UK Chief Medical Officer

14 March, 2022
Steve Leggett appointed as UK Head of Strategic Markets

16 March, 2022
NHS Tayside signs five-year agreement to deploy Miya Observations and Assessments

22 March, 2022
Hereford and Worcestershire NHS Trust procures Miya Flow

1 April, 2022
Dartford and Gravesham NHS Foundation Trust procure Miya Emergency together with Provation Anaesthesia

4 April, 2022
First two renewals for Silverlink PCS solution signed with Moorfields Eye Hospital and Liverpool Heart and Chest Hospital

6 April, 2022
East Lancashire Hospitals NHS Trust signs five-year agreement to implement Miya Flow

19 April, 2022
Northern Territory Health upgrade to latest Miya Precision platform, continuing 13-year partnership

2022

Q&A with Managing Director Kate Quirke

1. What were Alcidion's key growth drivers in FY22 and how will these shape the business?

The past twelve months have been transformational for Alcidion achieving record new sales for FY22 and the completion of pivotal agreements that have enabled us to progress our ambition to become a global organisation at the forefront of digital healthcare.

In December 2021, we successfully completed the acquisition of Silverlink, one of the last remaining independent UK Patient Administration Systems (PAS), together with a $55.0M capital raise to fund this strategically important acquisition. In line with our Electronic Patient Record (EPR) strategy, this acquisition has provided Alcidion with a core PAS capability, enabling us to expand our product offering to include a cloud-native, modern and modular EPR that rivals major global incumbents and positions us to expand our UK presence. The opportunity we have now to champion our modular strategy would not be possible without this acquisition. We look forward to partnering with the NHS to achieve their vision of a digitally enabled health and care system.

In May 2022 we announced our role as part of a global consortium to build a $299M Health Knowledge Management (HKM) system for the Australian Defence Force (ADF). The HKM system is a critical project that will improve the care delivered to military personnel. Our Miya Precision platform will consolidate data from partner systems to provide clinicians with access to a longitudinal health record.

We are extremely proud to make a leading contribution to the HKM, working with a consortium of primarily Australian companies to deliver this ground-breaking digital health project. Importantly, the project demonstrates that Alcidion's solutions are scalable and can play a central role in enabling integration across diverse healthcare settings.

In addition to these achievements, our commercial fundamentals have strengthened. We have seen an important shift in the balance of our revenue mix in favour of products. We ended FY2022 with revenue of $34.4M, with $23.3M (68%) of that revenue coming directly from our products. This is an important financial pillar of our future success and has been a strategic focus for the company when in FY19, less than 50% of revenue was from product.

2. As the impact of the pandemic continues, what challenges and opportunities do you see for healthcare?

Today Alcidion is an international, not yet what I would consider global, digital health company focussed on using data to transform healthcare delivery. We have 170 staff. We aggregate all the data available and centralise it in our Miya Precision platform. We then use this data to support clinicians in their decision-making. It is through this lens that we continually look for challenges and trends to see how we can better support our customers to improve patient outcomes and promote safer clinical environments.

Over the course of the last three years, we have witnessed several important shifts in the global healthcare system which have focused our attention:

- Significant strain on global healthcare systems arising from the backlog of non-coronavirus care
- Increasing demand for virtual care and remote patient monitoring
- Stress on healthcare workers and the resulting challenge for healthcare organisations to support and retain staff
- Increasing volumes of patient data, which in turn increases the complexity and need for interoperability

We have also seen significant growth in the UK as that market has begun to invest in the modernisation of the UK NHS. Our products provide solutions that address many of these challenges facing the healthcare sector today which have been exacerbated by the global pandemic.

3. How has your relationship with customers and engagement models evolved?

I have been extremely pleased with the uptake of our products by new customers, as well as by the confidence demonstrated by long-standing customers upgrading and confirming their long-term commitment.

In Australia, we entered into a new five-year agreement with Alfred Health to implement Miya Flow. We also signed upgrade agreements with Northern Territory Health and Western Health, building on existing long-term partnerships.

We announced contract wins and renewals with UK customers including new Miya Precision customers, upsell to existing customers, renewal of Silverlink contracts and the upgrade of ExtraMed customer East Lancashire to Miya Flow – the first customer upgrade from Inpatient Flow Manager following Alcidion's acquisition in April 2021.

These agreements are a validation of Alcidion's strategy while also demonstrating the benefits of recent acquisitions alongside our growth strategy.

Recognising the importance of our engagement with our customers, this year we issued our inaugural Net Promoter Score (NPS) survey. Our response rate was in the standard range for an inaugural survey and the resultant NPS score was 86% which is deemed "excellent". We certainly appreciate the time that our customers took to participate in this process and value their feedback.

4. How do you see the Silverlink acquisition changing your go-to market proposition?

Since listing on the ASX in 2011, Alcidion has acquired multiple healthcare IT companies which has allowed us to accelerate the scale of our business. Today we engage with over 400 hospitals and 87 healthcare organisations.

In line with our EPR strategy, Silverlink has provided Alcidion with core PAS capability, so that we are now able to offer a cloud-native, modern and modular EPR. Importantly, the integration of Silverlink into our product suite has strategically positioned us – both in terms of market perception and capability – to further expand our UK presence through the NHS Frontline Digitisation Program which aims to have 90% of NHS Trusts with an EPR procured by December 2023 and 100% of NHS trusts to have an EPR live by March 2025.

5. How significant to you was your acknowledgement as a Telstra Health, 2021 Brilliant Women in Digital Health recipient?

While women have long been well-represented in healthcare, the same cannot be said for the technology sector where we have struggled to see women in the same numbers as men. Approximately 16% of the science, technology, engineering and math (STEM)-skilled workforce are women, when compared with close to 50% female participation in the broader Australian workforce. The award offers an opportunity to role-model an important pathway for women into STEM careers, through digital health and a contribution to improved healthcare.

On a more personal level, I am fortunate to have worked in a sector that has allowed me to follow my passions. The award has given me an opportunity to share my story with other women who may benefit from hearing about the challenges I experienced, but also the sense of fulfilment I have gained from working in the sector.

6. After the success of FY22, what is your focus for the coming year?

Following the successful acquisition of Silverlink in December, our efforts are focused on consolidation and ensuring the smooth and successful integration of both cultures and systems. During my recent trip to the UK, I spent time with the team and I am extremely pleased with the progress. We are currently integrated at a messaging level and planning to move modules into the Miya Precision architecture over time, beginning with the Emergency module.

As we look toward the future, it is important for us to survey new market opportunities that will, in time, allow us to expand further. Recently, CTO Vivek Krishnan and I were part of a trade visit to India which resulted in a Tamil Nadu Government member visiting Sydney Local Health District who are using Miya Precision to support their virtual care program. It is early days and this is just one of several geographies on our radar for potential expansion.

Modern Modular EPR

Alcidion's innovative approach to the design and development of healthcare technology has challenged many longstanding norms and traditional categorisation of systems. This year we observed an acknowledgement across the sector that there needed to be a shift in how clinicians are supported and patients engaged and that this can be facilitated by adoption of digital solutions aligned with contemporary models of care delivery.

Some of the key areas to shift in focus included:

System of Record - System of Engagement

As John Glaser detailed in the Harvard Business Review article "It's Time for a New Kind of Electronic Health Record"[1], today's technology has the capability to be more than a transaction-oriented system to support billing. It needs to bring intelligence to the clinician in the form of plans and workflow logic.

This foundational shift recognises the underlying architecture and philosophy of Miya Precision. The event-based architecture is a significant change from the traditional transactional approach. It was adopted as it better reflects the delivery of clinical care and to provide a basis for extensive clinical decision support.

Proprietary Models – Open Standards

Traditional healthcare systems capture enormous volumes of data, however, often the value of that data is not realised as it is stored in proprietary closed data structures. There is increasing demand for healthcare systems based on open standards that facilitate interoperability and access to data.

The benefits of this capability immediately translate to care delivery. Interoperable, open-standards based systems share information readily and result in a patient record that is comprehensive and spans engagement with multiple healthcare organisations. Clinicians have access to a true longitudinal patient record.

Hospital Focus – Patient Focus

There has been widespread recognition that it is not sustainable to keep building more and bigger hospitals. To improve efficiency and promote equitable access, different models of care delivery need to be adopted. Digital capability provides the foundation for models such as virtual care and remote patient monitoring by providing end-to-end integration and direct communication channels.

While this model of care has been practiced for some time under the "Hospital in the Home" initiative, the move to virtual care for more clinical conditions was accelerated by the significant demand on healthcare services created by the COVID pandemic. The availability of digital solutions to facilitate out-of-hospital care meant that healthcare organisations could extend their capacity without additional "bricks and mortar" and patients could receive care in the comfort of their home.

These ambitions are well supported by our approach to advancing the digital maturity of healthcare organisations which is enabled by our data-driven, open-standards and flexible digital health platform, Miya Precision.

Miya Precision is an event driven, highly interoperable platform that allows healthcare organisations and care providers to access health information for meaningful use, enhancing patient safety, patient experience and operational efficiency.

Specifically:

- It addresses clinical workflows in a modular graphically intuitive user interface that highlights information that is significant to the care delivery process. Clinicians are supported through access to real-time tailored information that relieves clinical burden. It supports operational requirements through an enterprise approach to patient flow that enables optimisation of resource utilisation and management of scarce resources.
- The solution is designed to overcome interoperability issues of existing health systems and support the development of an open architecture layer across the healthcare eco-system. The solution augments clinical data from any health system to form a single, longitudinal patient record to provide both a system of record as well as a platform for clinical engagement.
- Our experience supporting virtual care and remote patient monitoring suggests it is most effective when data is directly integrated from patient devices. A patient app is provided to engage real-time in a virtual care setting based on assigned care plans and shared information supported by the central monitoring presented to the care team.

Due to the architecture of Miya Precision, Alcidion can offer different approaches to address healthcare organisation requirements based on their existing environment:

Digital enhancement:

This approach uses the modular nature of Miya Precision to create a unified, open-standards (FHIR) Clinical Data Repository from existing interoperable best of breed systems.

Full EPR:

In this option, Miya Precision and relevant partner products would address primary clinical and administrative requirements. Due to the modular nature, a staged approach to the implementation can be adopted.

Orchestration layer:

Spanning multiple healthcare organisations and / or groups, this option provides a consolidated view and removes the need to immediately replace existing systems thus achieving value much earlier in the relationship.

The convergence of modern technology and realisation that healthcare systems should provide better support to clinicians in a modular model that aligns with ability to implement change complements Alcidion's Miya Precision as a logical choice for healthcare organisations to extend their digital maturity today.

1. John Glaser, Harvard Business Review "It's Time for a New Kind of Electronic Health Record https://hbr.org/2020/06/its-time-for-a-newkind-of-electronic-health-record

Environmental, Social and Governance

Since its inception, Alcidion has been guided by a simple purpose, that is, to transform healthcare with smart, intuitive technology solutions that meet the needs of hospital and allied healthcare, worldwide. We aim to improve patient outcomes and make healthcare safer for all, with this sense of responsibility extending more broadly to the communities in which we operate. So to the best of our ability, we aim to conduct business sustainably and in a way that fosters strong corporate, social and environmental governance.

In FY22, our Board identified an opportunity to gain a deeper understanding of Alcidion's current performance as it relates to Environmental, Social and Governance (ESG) considerations; build a roadmap of how the company can manage its ESG risks; and a vision for the future that incorporates a sustainable approach to conducting business. A cross-functional ESG working group was formed, bringing together senior management to determine the most important ESG concerns for the company; how they are reflected in our purpose, strategy and ambitions; and where we can look to implement change for the better.

We conducted a comprehensive materiality assessment to identify the ESG topics that were most important to both our internal and external stakeholders and consequently to the ultimate success of our business. The process involved:

- A desktop review of key ESG topics and metrics across ESG ratings, standards, and frameworks, together with an analysis of industry peers to benchmark against ESG initiatives and disclosure.
- A survey of internal stakeholders to develop an understanding of the ESG topics viewed as most relevant to the Alcidion business.
- A series of in-depth interviews and with members of the Board and senior management to understand current ESG initiatives and to develop an understanding of ESG ambitions.

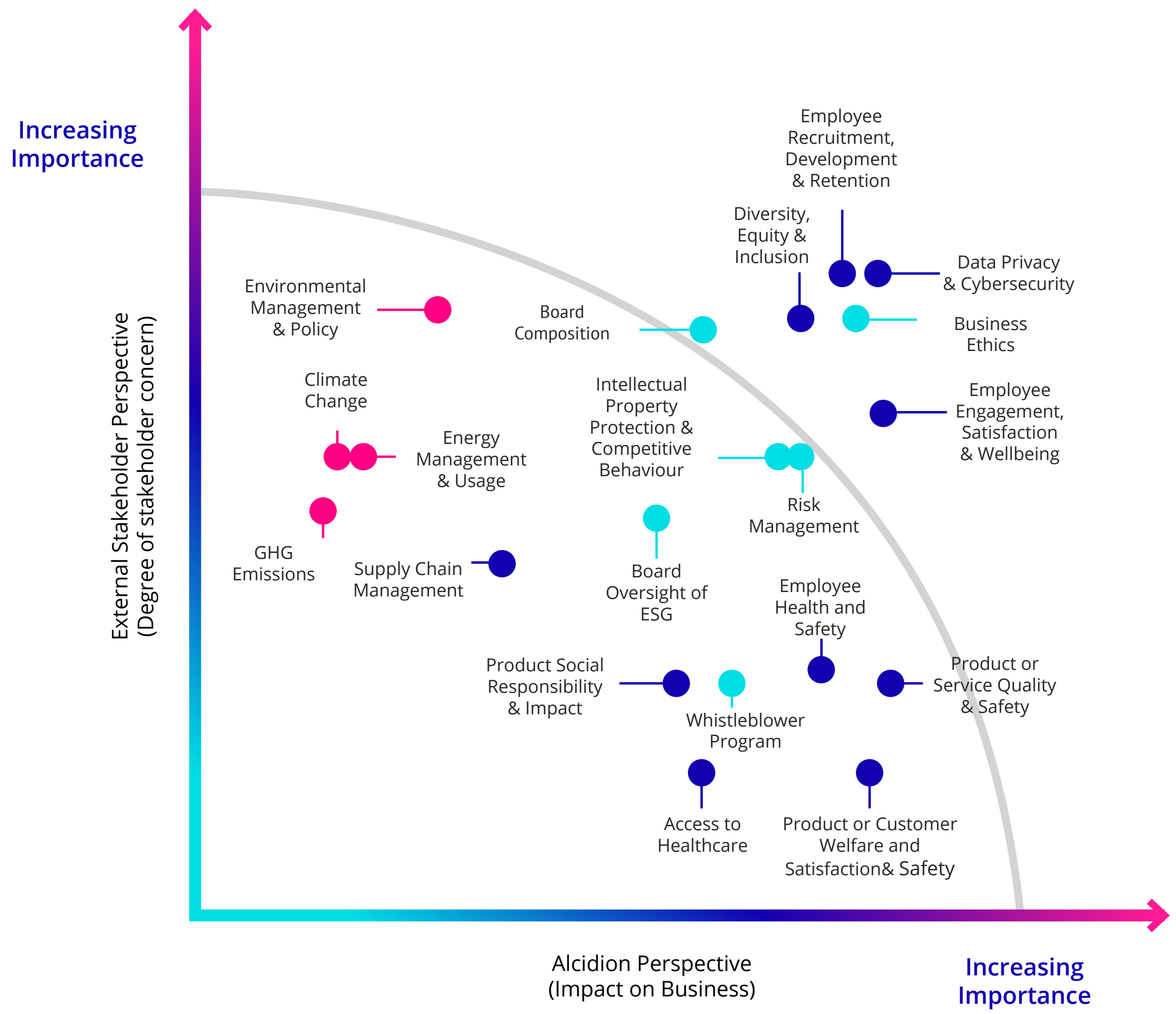
This process was also informed by a review of external stakeholder perspectives drawn from a range of ESG ratings, standards and frameworks, together with insights from top investors.

The resulting information was synthesised into a materiality matrix, through which we identified six key topics relevant to Alcidion:

1. **Data privacy and cybersecurity**
2. **Employee recruitment, development and retention**
3. **Business ethics**
4. **Diversity, equity and inclusion**
5. **Employee engagement, satisfaction and wellbeing**
6. **Board composition**

These findings give us a clearer understanding of where Alcidion already performs strongly and where we can begin to drive positive change for the benefit of all our stakeholders. We are proud of the initial progress we have made in FY22 toward formalising an ESG approach for Alcidion, recognising the increasing level of importance that ESG priorities hold for the communities in which we conduct business. We acknowledge this first important step and commit to providing transparency as we progress this initiative.

ESG Materiality Matrix



Women in STEM

Alcidion has a strong belief in an inclusive and diverse workforce and is proud to offer opportunities to develop the skills and support of women in STEM.

Alcidion partnered with the Australian Institute of Digital Health (AIDH) to support the Women in Digital Health Leadership (WiDH) Program. The program includes professional development activities and courses. In parallel, it is building a community of connection with other women in the industry. Two of our employees, Rhian Sketcher and Samantha Townsend, successfully applied to take part in the program.

In the UK, Alcidion is sponsoring Ethical Healthcare Consulting's Minerva Programme. Minerva is a development programme for women working in health technology or a health and care data environment. Featuring face-to-face and virtual learning opportunities, coaching and networking support, the Minerva Programme is for women who aspire to lead in their field. Congratulations to Louise Clowes and Melanie Alexander who have been accepted into the program.

In this Q&A Sam, Rhian, Mel and Louise share their insights:

Rhian

What do you enjoy about working at Alcidion?

Rhian: The shared vision and passion to transform healthcare and seeing the tangible impact. The opportunity to gain insights from each engagement, by working with amazing customers and colleagues. Alcidion as a company is growing – given that environment, there are many opportunities to develop and progress. The culture supports individuals to achieve their potential.

Sam

Sam: I love the diversity of the projects and customers. I have been working in Health IT for a long time and have the opportunity to work on projects that are completely new to me. I moved to Alcidion to challenge myself and to continue to build my skills. There have been great learning opportunities and I have really enjoyed the culture of the organisation. The people are all very supportive and there were events throughout lockdown and after, creating a real team atmosphere.

Mel: What is there not to like; the culture and people make it one of the friendliest places I have worked. The products speak for themselves and will transform the Healthcare Market.

Louise: I love the sense of family at Alcidion and that everyone works together collaboratively, there is a real sense of team and inclusion, whereby peers up to senior management genuinely care for your wellbeing. I think this is also shown in the response to staff feedback being actioned and addressed in a short space of time.

What do you hope to achieve from your participation these Programs?

Rhian: Throughout my career I have sought new roles and projects that challenge my knowledge and provide opportunities for personal growth and leadership development. I feel now is the right time to formalise over ten years of on-the-job and personal learning and further refine my skills returning to work after maternity leave and taking on a new role to lead a team delivering clinical software modules. The opportunity to meet and network with other women in various stages of their leadership journeys, the one-on-one coaching and mentoring from industry leaders is invaluable.

Sam: I think it's extremely important to keep engaged in continuous learning. Working alongside skilled, experienced people is where I have learnt most in my career. I feel that I have progressed rapidly in the last five years and this program is a great opportunity to build confidence and leadership skills, to work with successful, experienced women from my industry and to build my professional network.

Mel

Mel: The Minerva Programme will give me the insight into what a great leader looks like and how I can use these skills within Alcidion and as part of my development and career path.

Louise: I am hoping that through the Minerva Programme I will be able to build my confidence and learn how I can develop as a line manager both now and in the future.

What impact will the adoption of digital health solutions have on healthcare delivery?

Rhian: I am passionate about delivering transformative solutions with health care organisations to improve the delivery of care and patient outcomes. I believe the adoption of digital solutions that provide real time insights and improve accessibility for clinicians and consumers will streamline healthcare delivery. Freeing valuable time to focus on what's important, making communication easier and ensuring nothing slips through the cracks.

Sam: We all have horror stories about medical notes being lost or going missing, or incorrect medications being prescribed, whether in professional settings or through experiences with family and friends. Digital health solutions make those occurrences much less likely. Better quality information, available at the point of care equals better informed decision making and improved outcomes for the patients and for healthcare institutions.

Mel: Joining up all the data we have available in the patient journey will have a huge impact on the delivery of patient care.

Louise

Louise: Digital Health solutions will transform the way in which clinicians deliver and ultimately interact with patients to provide care. This will ensure clinicians have all the information they need at their fingertips at any given time in the patient's journey to be able to make a quick, safe and informed decision.

Directors' Report & Financial Statements For the year ended 30 June 2022

Alcidion Group Limited and controlled entities

Australian Business Number (ABN): 77 143 142 410

Directors' Report

The directors of Alcidion Group Limited ("Alcidion" or the "Group" or, the "Company") submit herewith the annual financial report of the Group for the year ended 30 June 2022 (Report).

Directors

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

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

Ms Rebecca Wilson

Chair (From 30 August 2019)
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 healthcare, technology and life science sectors providing advice on stakeholder communications, issues management, investor and corporate relations, and business strategy to private and public companies, corporations, governments, and asset managers.

She advises boards and executive teams on investor relations and commercial strategies and has strong experience in transactions, including more than 60 IPOs, M&A transactions, and hundreds of capital raisings.

Rebecca is an Executive Director of consulting firm WE Worldwide. She is a member and graduate of the Australian Institute of Company Directors (AICD).

Special responsibilities:

Member of the Audit & Risk Committee
Member of the Remuneration & Nomination Committee

Ms Kate Quirke

Managing Director
Executive 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 involved in large systems procurements and implementations of healthcare information technology across Australia, United Kingdom, New Zealand and Southeast Asia.

Kate's background involves holding leading management roles at some of the largest healthcare software firms where she has had an impact on strategic product direction across the health sector and believes astute application of information technology will support the transformation of healthcare delivery worldwide.

As Alcidion Managing Director, Kate leads the various elements of the business across Australia, New Zealand and the United Kingdom with a focus on sales and marketing and developing business relationships with customers, partners and investors across the world.

Prof Malcolm Pradhan

Chief Medical Officer
Executive Director
Appointed 22 February 2016
MBBS, PhD, FACHI

With over 25 years of experience in Medical Informatics, Malcolm is one of the world's leading minds in Clinical Decision Support and Health Informatics. Malcolm holds a medical degree from the University of Adelaide and a PhD in Medical Informatics from Stanford University. Prior to co-founding Alcidion in 2000, Malcolm was a founding fellow of the Australasian College of Health Informatics (ACHI).

Throughout his career, Malcolm has been a strong advocate for interoperability, and a sustainable health care system using smart data-driven IT systems that improve patient safety, reduce clinician workloads and support new models of care.

In his time at Alcidion, Malcolm has overseen and driven the development and design of Alcidion's products, including Miya Precision, a system designed to run algorithms safely and at scale so organisations can improve healthcare delivery by using real-time analytics and AI.

Mr Simon Chamberlain

Non-Executive Director
Appointed 1 July 2019
B.Com (Accounting), LLB (Hons), GAICD

Simon is an accomplished executive and business leader, with more than 20 years' experience in executive roles at companies including Experian (LON: EXPN), Medibank Private (ASX: MPL), Qantas (ASX:QAN) and MedAdvisor (ASX:MDR). He is currently the Chief Revenue Officer at the high-growth, tech-enabled residential services business, Detector Inspector, where he runs the sales, marketing, support and strategy functions.

Simon has a proven track record for strategic success and commercial growth across a range of industries and markets. Simon led Qantas' entrance into the online hotels business, establishing a profitable, high growth new division. At Medibank, Simon had responsibility across customer channels, data and customer experience.

Gaining a better understanding of the complex challenges facing the wider health system led to Simon's role leading strategy for MedAdvisor, where he supported the global expansion of its health technology business. Simon brings a valuable international perspective and global network to the Alcidion Board, holding executive roles across the US and the UK, where he was a key part of the executive team that sold the Australian start-up, Hitwise, to Experian in 2007.

Special responsibilities:

Chairman of the Remuneration & Nomination Committee
Member of the Audit & Risk Committee

Ms Victoria Weekes

Non-Executive Director
Appointed 1 September 2021
B.Com, LLB, Senior Fellow of FINSIA, AICD Fellow and a Chartered Banker

Victoria is an accomplished non-executive director with experience across a diverse range of industries built on a successful executive career in investment markets and financial services.

Victoria's 30 years of experience in the finance and banking sector includes C-suite roles as a Managing Director at Citigroup and Executive General Manager at Westpac.

As the immediate past Chair of the Sydney Local Health District, Victoria has a deep understanding of the healthcare sector where she served as Chair of its Education & Research Committee and Deputy Chair.

Recognised for her specialist expertise in risk management and regulation having led organisations through strategic issue management and transformational change, Victoria is Deputy Chair of the ASIC Markets Disciplinary Panel, immediate past Chair of the NSW Treasury Audit & Risk Committee and President of the Financial Services Institute of Australasia (FINSIA).

Until recently Victoria was the Deputy Chair of St George Community Housing, NSW's largest non-government community and affordable housing provider and a member of the Council of the State Library of NSW.

Special responsibilities:

Chair of the Audit & Risk Committee

Mr Daniel Sharp

Non-Executive Director
Appointed 1 September 2021
B.Econ, LLB, CFA Charter Holder

Originally commencing his career as a lawyer, Daniel has over 25 years senior executive experience in investment banking and corporate finance.

From 2012-2020, Daniel was an Executive Director of Corporate Finance at Canaccord Genuity where he led dozens of equity capital market transactions and corporate finance advisory projects across the healthcare, life sciences, technologies, financial services and general industrials sectors. Prior to his executive role at Canaccord, Daniel headed the corporate finance division at two of Australia's leading independent Investment Banking/Stockbroking firms.

Daniel has managed the IPOs, capital raisings and corporate advisory activities for many successful ASX listed companies in the healthcare, technologies and general industrials sectors. He is closely connected to strong networks of institutional, family office and high net worth investors both in Australia and overseas.

Special responsibilities:

Member of the Audit & Risk Committee

Member of the Remuneration & Nomination Committee

MR NICK DIGNAM
NON-EXECUTIVE DIRECTOR
(B.Com, LLB, MAppFin)
Appointed 22 February 2016, Nick was a non-executive director for the period 1 July 2021 to 17 November 2021. He was the Chairman of the Audit & Risk Committee until 31 August 2021.

Company Secretary

Ms Melanie Leydin was appointed Company Secretary on 4 March 2019. Ms Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law and is a member of the Institute of Chartered Accountants, Fellow of the Governance Institute of Australia and is a Registered Company Auditor. Ms Leydin is Managing Director of Vistra Australia. Vistra is a prominent provider of specialised consulting and administrative services to clients in the Fund, Corporate, Capital Markets, and Private Wealth sectors.

Ms Leydin has over 25 years' experience in the accounting profession and has extensive experience holding Board positions including Company Secretary of ASX listed entities. She has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of companies, initial public offerings, secondary raisings and shareholder relations.

Directorships of other listed companies

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of Directorship
Victoria Weekes	Bendigo and Adelaide Bank (ASX: BEN)	Since February 2022
	URB Investments (ASX: URB)	December 2016 - December 2019
Daniel Sharp	Botanix Pharmaceuticals Ltd (ASX: BOT)	Since March 2022

Principal activities

The principal activities of Alcidion include the development and licensing of its own healthcare software products (Miya Precision, Patientrack, Smartpage, ExtraMed and Silverlink PCS), the reselling of selected healthcare software products from its strategic partners and the delivery of product implementation, product support and maintenance, systems integration and data analysis services to healthcare customers in Australia, New Zealand and the United Kingdom.

Overview of Alcidion and its business

Alcidion has a simple purpose: to transform healthcare with smart, intuitive technology solutions that meet the needs of hospital and allied healthcare, worldwide. It offers a complementary set of software products and services that create a unique offering in the global healthcare market; solutions that support interoperability, improved team collaboration and task management, and deliver clinical decision support at the point of care to improve patient outcomes.

In December 2021 Alcidion acquired Silverlink PCS Software Limited, one of the largest and few remaining specialist Patient Administration Systems (PAS) providers servicing the UK NHS market. (Refer to Business Combinations Note 12 for more details).

In April 2021 Alcidion acquired ExtraMed Limited, a leading UK provider of patient flow management software. (Refer to Business Combinations Note 12 for more details).

With over 25 years of healthcare experience, the Alcidion team brings together the very best in technology and market knowledge to deliver solutions that make healthcare better for everyone.

Directors’ Meetings

The following table sets out information in relation to Board and Committee meetings held during the year:

Board Member	Board Meetings		Audit and Risk Committee		Remuneration and Nomination Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Rebecca Wilson	15	15	1	1	5	5
Kate Quirke	15	15	-	-	-	-
Malcolm Pradhan	15	14	-	-	-	-
Simon Chamberlain	15	15	5	5	5	5
Victoria Weekes	13	13	4	4	-	-
Daniel Sharp	13	13	4	4	2	2
Nicholas Dignam	5	5	2	2	3	3

Remuneration Report (Audited)

The remuneration report is set out under the following main headings:

A. Executive and Non-Executives covered by this report
B. Rewards framework
C. Governance
D. Executive remuneration - Performance outcomes and disclosures
E. Details of remuneration
F. Share-based compensation
G. Directors' & KMP equity holdings
H. Director & KMP service agreements

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001.*

A. Executive and Non-Executives covered by this report

The remuneration of Key Management Personnel (KMP) for the Group is disclosed in this Report.

Key management personnel of the Group are those persons having authority and responsibility for planning, directing, and controlling the Group's major activities, whether directly or indirectly. For the year ended 30 June 2022, the Board has determined that the Key Management Personnel of the Group covered by this report are the individuals whose details are set out below:

Name	Position	Term as KMP
Non-Executive Directors		
Rebecca Wilson	Non-Executive Chair (Independent)	Full Year
Simon Chamberlain	Non-Executive Director (Independent)	Full Year
Victoria Weekes	Non-Executive Director (Independent)	From 1 September 2021
Daniel Sharp	Non-Executive Director (Independent)	From 1 September 2021
Nicholas Dignam	Non-Executive Director (Independent)	To 17 November 2021
Executive Directors		
Kate Quirke	Managing Director and Chief Executive Officer	Full Year
Malcolm Pradhan	Executive Director & Chief Medical Officer	Full Year
Executive Personnel		
Matthew Gepp	Chief Financial Officer	Full Year

B. Rewards framework

The Remuneration & Nomination Committee consists of three non-executive directors. The remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and short-term incentives based on the Group's financial results and achievement of individual performance targets aligned with the Company's strategic goals. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to manage the Group.

Non-Executive director remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

Under the ASX Listing Rules, the total amount or value of remuneration paid to Non-executive Directors in any year may not exceed the amount approved by Shareholders at a general meeting. This amount was fixed at $500,000 per annum at the Annual General Meeting of Shareholders in 2021.

The following table describes the adopted framework for Non-Executive Director Remuneration during the year ended 30 June 2022 (The fees described below are applicable from 1 September 2021).

Fee Type	Non-Executive Chair	Non-Executive Director	Chair of Committee	Committee Member
Fee	$110,000	$75,000	-	-

The remuneration of Non-Executive Directors does not, and must not include a commission, or a percentage of profits or operating revenue.

The Company will contribute statutory superannuation to a complying superannuation fund where required. Remuneration is reviewed annually and any increase to it will be at the discretion of the Board but will not exceed $500,000 per annum or such other aggregate amount approved by Shareholders.

Non-executive Directors are entitled to participate in the Long-Term Incentive Plan but are not eligible to receive any performance-based awards.

Senior Executive leader remuneration

The Board's policy for determining the nature and amount of remuneration for senior executives is as follows:

- The remuneration policy, setting the terms and conditions for the remuneration of executive directors and other senior executives, is reviewed annually as appropriate, to reflect changing remuneration practices and the growing size of the Company. All executives receive a base salary (which is based on the market rate for the role in similar sized listed companies and the experience of the individual), superannuation and short-term incentives in the form of annual performance-based payments.
- The Board may exercise its discretion in approving both salaries and short-term incentives to ensure they are designed to attract and appropriately incentivise the highest calibre of executives and reward them based on the achievement of financial results and strategic objectives that will drive long-term growth in shareholder wealth and the realisation of other strategic Company goals such as being an employer of choice and a good corporate citizen.

The key components of executive salaries provide a mix of fixed and variable (at risk) pay and short and long term incentives.

Component	Description
Fixed Remuneration	Annual remuneration paid regularly in the form of base pay (cash), superannuation and where relevant other applicable allowances. This component is not at risk and is independently benchmarked against comparable roles. Typically, median pay is our target.
Short-term incentive (STI)	Annual, variable at risk opportunity, linked to the achievement of specific objectives in a given performance period. It is designed to encourage achievement and outperformance against annual targets that contribute to enterprise value. The Board will set the short-term incentive opportunity for participants at the start of the performance period, with the determination of the amount of cash to occur at the end of the relevant performance period based on targets set by the Board. For the FY22 Performance period the short-term incentive will be paid in cash. Targets are communicated at the start of the performance period as part of a balanced scorecard encompassing both financial and non-financial components. Each component is assessed individually to determine the incentive amount payable, provided particular financial and/or non-financial targets are achieved.
Long-Term Incentive (LTI)	Grant of performance rights to the Executive Leadership team that encourages alignment with shareholder interests. The number of performance rights granted represent 100% of the Participants entitlement with actual number of performance rights vesting dependent upon the satisfaction of Vesting Conditions as follows: **Service Based:** The Participant remains employed or engaged by a Group Company for 3 years from the date of grant. **TSR:** The Company's Total Shareholder Return (TSR) outperforms the S&P/200 All Industrial Index over the period and is a positive increase from the base year.

C. Governance

The Board takes a proactive approach to decision making in the evaluation of Executive Remuneration outcomes. The remuneration and governance frameworks enable the Board to assess the achievement of strategic objectives and balance the interests of the business, employees and shareholders.

Board

The Board has overall responsibility for Executive Remuneration, including the assessment of performance and remuneration for the CEO. Ensuring there is a transparent connection between pay and performance is the key objective of the Board in rewarding outcomes for our leaders.

The Board is committed to providing competitive rewards that attract and retain talent and compensate Executive Leaders commensurate with the performance and growth of the Company.

The remuneration and nomination committee

Simon Chamberlain is the Chairman of the Remuneration and Nomination Committee. Ms Wilson and Mr Sharp are members of the Committee.

The Remuneration and Nomination Committee works with Senior Leaders to present information and make recommendations to the Board. The Committee assists the business and the Board by developing and reviewing organisation policies and practices including remuneration as well as challenging Senior Leadership to continually review and revise remuneration targets and approaches to ensure they are contemporary and market leading.

The 2021 audited remuneration report received positive shareholder support at the 2021 Annual General Meeting (AGM) with a vote of 97.7% in favour (2020: 97.8%).

Senior leadership

Our Senior Leadership Team (SLT) is responsible for leading the implementation of initiatives designed to inspire people to be their best. The SLT provides feedback on organisational practices and uses data and qualitative assessments to provide insight into culture and organisational performance – including the effectiveness of the rewards program. The SLT has input into and makes recommendations to the Remuneration and Nomination Committee in relation to Executive Remuneration and has done this with the advice and support of subject matter experts to continuously improve our program.

The CEO is responsible for providing recommendations on fixed pay and Short-Term Incentive outcomes for direct reports and puts the recommendations to the Remuneration and Nomination Committee for review and discussion prior to recommendations going to our Board for its decision.

Determining executive rewards plans

We use independent data and advice in the annual evaluation of our Senior Leaders remuneration and benefits. It is important to ensure they are fairly compensated for their contribution and responsibilities as the Company grows. Any changes recommended will be discussed at the Remuneration and Nomination Committee and recommendations for the CEO and direct reports, role changes or new appointments will be made to the Board for their decision making. We are continuing to refine our approach to evolve our incentive plans to recognise and reward for more contemporary strategic inputs that result in out-performance outcomes for the Company, adding to shareholder value.

D. Executive Remuneration - Performance, outcomes and disclosures

KMP remuneration is rewarded with consideration of the Group's earnings and performance. The following table sets out Alcidion Group's key financial results and shareholder wealth generation over the past five years:

Group Performance Metrics	FY22	FY21	FY20	FY19	FY18
Revenue ($000)	34,355	25,882	18,608	16,864	4,179
EBITDA ($000)	(1,608)	(486)	(3,842)	(39)	(2,087)
Underlying EBITDA ($000) (i)	856	510	(3,779)	63	(1994)
Loss from ordinary activities after income tax expenses ($000)	(4,412)	(2,244)	(3,077)	(84)	(2,089)
Basic earnings per share (cents)	(0.38)	(0.22)	(0.33)	(0.01)	(0.34)
Diluted earnings per share (cents)	(0.38)	(0.22)	(0.33)	(0.01)	(0.34)
Share price (as at 30 June) ($)	0.110	0.400	0.145	0.125	0.052
Change in share price ($)	(0.290)	0.255	0.020	0.073	(0.017)
% Change in share price	(73%)	176%	16%	71%	(25%)
Market capitalisation (Undiluted) ($M)	139.5	419.2	143.7	100.7	31.6

(i) Underlying EBITDA excludes costs associated with acquisitions and the non-cash cost of performance rights. A reconciliation of NPAT to EBITDA and underlying EBITDA can be found in the Directors' report.

CEO Scorecard and performance - 2022

Excluding the LTI, which is assessed over a 3-year period, Ms Quirke's remuneration in FY22 was structured as 73% fixed and 27% at risk.

FY22 remuneration outcomes for Ms Quirke are detailed below:

Component	Weighting	At risk %	Description	Performance assessment	% Earned
Base Salary	73%	-	Fixed cash salary	-	100%
On Target Earnings (OTE)	16%	100%	Cash	Achieving financial & KRA annual targets	48%
Stretch bonus	11%	100%	Cash	Exceeding financial targets	0%
LTI	-	100%	Performance rights	Continued employment/TSR	TBD

The LTI for Ms Quirke is assessed over a 3-year period. Ms Quirke is eligible to receive up to 100% of base salary as an LTI. Achieving the LTI component of salary is based on the Company's Total Shareholder Return (TSR) outperforming the S&P/200 All Industrials Index over the period of 1 July 2020 to 30 June 2023 as well as Ms Quirke's continuous employment. The Remuneration Table in section E has disclosed $132,053 in relation to the LTI, this represents the pro rata accounting expense of the LTI in FY22 and is subject to being reversed should the LTI hurdles not be met.

Where the annual financial targets are not fully met the STI will be based 70% on financial performance and 30% on personal achievement milestones as set by the Remuneration and Nomination Committee.

A stretch bonus of up to $65,300 is achievable based on exceeding the revenue target by 15% or more, reducing proportionally to $Nil (where revenue does not exceed target).

E. Details of remuneration

Details of remuneration of the directors and key management personnel (as defined in *AASB 124 Related Party Disclosures)* of Alcidion Group Limited are set out in the following table.

The Company does not have any other employees who are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

The table below shows the 2022 and 2021 figures for remuneration received by the Company's directors and key management personnel:

	Short Term		Post-employment	Long term benefits		Total
	Salary & Fees	OTE STI (iv)	Superannuation	Share Based Payments	Long Service Leave	
	$	$	$	$	$	$
2022 Directors						
Rebecca Wilson	105,833	-	-	-	-	105,833
Kate Quirke	398,360	45,600	27,500	132,053	7,112	610,625
Malcolm Pradhan	315,000	4,750	27,500	29,200	8,702	385,152
Nicholas Dignam (vi)	33,125	-	-	-	-	33,125
Simon Chamberlain	73,333	-	-	-	-	73,333
Victoria Weekes (v)	56,818	-	5,682	-	-	62,500
Daniel Sharp (v)	62,500	-	-	-	-	62,500
Executives						
Matthew Gepp (iii)	272,885	18,666	25,000	4,152	253	320,956
2022 Total	**1,317,854**	**69,016**	**85,682**	**165,405**	**16,067**	**1,654,024**
2021 Directors						
Rebecca Wilson	77,626	-	7,374	-	-	85,000
Kate Quirke	388,461	113,422	24,998	80,317	7,365	614,563
Malcolm Pradhan	304,750	18,004	24,992	17,760	9,943	375,449
Raymond Blight (i)	89,100	-	-	-	-	89,100
Nicholas Dignam	65,000	-	-	-	-	65,000
Simon Chamberlain	65,000	-	-	-	-	65,000
Executives						
Colin MacKinnon (ii)	252,908	68,340	22,914	11,872	7,479	363,513
Matthew Gepp (iii)	19,038	-	1,809	-	-	20,847
2021 Total	**1,261,883**	**199,766**	**82,087**	**109,949**	**24,787**	**1,678,472**

(i) *Mr Blight resigned as a director on 30 June 2021*

(ii) *Mr MacKinnon ceased his role as CFO (and a KMP) on 6 June 2021. Mr MacKinnon's 2021 remuneration above reflects the period he served in the position of CFO*

(iii) *Mr Gepp was appointed CFO on 7 June 2021*

(iv) *Cash bonus includes amounts paid or accrued in the period that relate to the period disclosed*

(v) *Ms Weekes and Mr Sharp were appointed as Directors on 1 September 2021*

(vi) *Mr Dignam resigned as a director on 17 November 2021*

Refer to Section H of this Remuneration report for details of remuneration of all current directors and other key management personnel.

The relative proportions of those elements of remuneration of key management personnel that are linked to performance is as follows:

	Fixed remuneration		Remuneration linked to performance	
	2022	2021	2022	2021
Non-executive Directors				
Rebecca Wilson	100%	100%	-	-
Simon Chamberlain	100%	100%	-	-
Victoria Weekes	100%	-	-	-
Daniel Sharp	100%	-	-	-
Executive officers				
Kate Quirke	73%	71%	27%	29%
Malcolm Pradhan	90%	89%	10%	11%
Matthew Gepp (i)	83%	100%	17%	-

(i) *Mr Gepp was appointed CFO on 7 June 2021 and was not eligible to receive remuneration linked to performance for the year ended 30 June 2021*

F. Share-based compensation

Performance rights and options can be issued to directors and executives as part of their remuneration.

Issue of Shares

No shares were issued to directors or other key management personnel as part of compensation during the period ended 30 June 2022 (2021: Nil)

Performance Rights

Name	As at 1 July 2021	Granted as an LTI	Forfeited	Balance end of Year	Vested	Unvested
Kate Quirke	2,547,511	-	-	2,547,511	-	2,547,511
Malcolm Pradhan	563,309	-	-	563,309	-	563,309
Colin McKinnon	509,982	-	(509,982)	-	-	-
Matthew Gepp	-	230,834	-	230,834	-	230,834
Total	**3,620,802**	**230,834**	**(509,982)**	**3,341,654**	**-**	**3,341,654**

The performance rights issued to Ms Quirke and Prof Malcolm Pradhan in FY21 were authorised by shareholders at the 2020 AGM.

G. Directors' & KMP equity holdings

Fully paid ordinary shares of Alcidion Group Limited:

	Balance at 1 July	Share Options exercised	Net other change (Sale)/Purchase	At date of resignation	Balance at 30 June
	No.	No.	No.	No.	No.
2022 Directors		-			
Rebecca Wilson	1,517,924	-	144,565	-	1,662,489
Kate Quirke (ii)	46,561,285	-	1,000,000	-	47,561,285
Malcolm Pradhan	134,582,403	-	-	-	134,582,403
Nicholas Dignam	-	-	-	-	-
Simon Chamberlain	295,000	-	222,308	-	517,308
Victoria Weekes	-	-	160,000	-	160,000
Daniel Sharp	-	-	328,572	-	328,572
2022 Executives					
Matthew Gepp	-	-	-	-	-
	182,956,612	**-**	**1,855,445**	**-**	**184,812,057**
2021 Directors					
Rebecca Wilson	1,480,000	-	37,924	-	1,517,924
Kate Quirke (ii) & (iv)	56,542,557	-	(9,981,272)	-	46,561,285
Raymond Blight (iii)	100,578,081	-	93,750	-	100,671,831
Malcolm Pradhan	134,582,403	-	-	-	134,582,403
Nicholas Dignam	-	-	-	-	-
Simon Chamberlain	-	-	295,000	-	295,000
2021 Executives					
Colin MacKinnon (v)	70,563,015	-	(11,481,273)	-	59,081,742
Matthew Gepp	-	-	-	-	-
	363,746,056	**-**	**(21,035,871)**	**-**	**342,710,185**

(i) Shares held by directors and executives are held both directly and indirectly

(ii) Includes 100,000 shares held by a related party (2021: 100,000)

(iii) Includes 4,643,050 shares held by a related party

(iv) In May 2021, MKMS Investment Trust (a related party of Ms Quirke) sold 11.48m shares, that total balance was included in Ms Quirke's PY shareholding. Ms Quirke's beneficial interest in Alcidion shares held by MKMS was 13% or 1,497,557 shares. During FY21, Ms Quirke acquired 1,500,000 shares on market, resulting in a net gain in her shareholding over the year of 2,443 shares

(v) In May 2021, MKMS Investment Trust (a related party of Mr MacKinnon) sold 11.48m shares, that total balance was included in Mr MacKinnon's PY shareholding. Mr MacKinnon's beneficial interest in Alcidion shares held by MKMS was 3,244,708 shares

H. Director & KMP service agreements

Director and KMP service agreements as at the date of this report are summarised below.

Rebecca Wilson is employed as Non-Executive Chair on the following key terms:

a) Salary of $110,000 per annum inclusive of superannuation

Kate Quirke is employed as an Executive Director & Chief Executive Officer on the following key terms:

a) Base salary of $425,860 gross inclusive of superannuation, any allowances and salary sacrifices
b) Annual performance-based cash short term incentive (STI) up to $96,000 on achieving on-target revenue and other personal performance targets with up to an additional $65,300 on achieving stretch targets
c) Eligible to participate in the Long-Term Incentive Plan (LTIP) with the issue of performance rights or options (subject to shareholder approval) up to the value of 100% of base salary
d) 6-month notice period

Malcolm Pradhan is employed as an Executive Director & Chief Medical Officer on the following key terms:

a) Base salary of $342,500 per annum inclusive of superannuation
b) Annual performance-based cash short term incentive (STI) up to $10,000 on achieving on-target revenue and other personal performance targets with up to an additional $30,000 on achieving stretch targets
c) Eligible to participate in the in the Long-Term Incentive Plan (LTIP) up to the value of 30% of base salary (subject to shareholder approval)
d) 6-month notice period

Simon Chamberlain is employed as a Non-Executive Director on following key terms:

a) Director fee of $75,000 per annum inclusive of superannuation

Victoria Weekes is employed as a Non-Executive Director on following key terms:

a) Director fee of $75,000 per annum inclusive of superannuation

Daniel Sharp is employed as a Non-Executive Director on following key terms:

a) Director fee of $75,000 per annum inclusive of superannuation

Matthew Gepp is employed as Chief Financial Officer. Mr Gepp was appointed on 7 June 2021, on the following key Terms:

a) Base salary of $300,000 per annum inclusive of superannuation
b) Annual performance-based cash short term incentive (STI) up to $41,250, on achieving on-target revenue and other personal performance targets with up to an additional $20,000 on achieving stretch targets
c) Eligible to participate in the in the Long-Term Incentive Plan (LTIP) up to the value of 30% of base salary
d) 6-week notice period

- - END OF REMUNERATION REPORT - -

Directors' Report (continued)

Financial review

Operating results

1. Alcidion Group Limited (the Group) reported 2022 revenue of $34,355,000 (2021: $25,882,000)
2. The 2022 loss after tax was $4,412,000 (2021 loss after tax $2,244,000)
3. 2022 Underlying EBITDA was $856,000 (2021: $510,000)
4. Cash at Bank at the end of the year was $17,339,000 (FY21: $25,027,000). The company has no debt.

Operations and financial position

The Group has reported a net loss after tax for the year ended 30 June 2022 of $4,412,000 (2021: $2,244,000 loss) and a net cash flow from operating activities of $996,000 (2021: $1,545,000).

Included in the loss is $2,136,000 of costs related to the acquisition of Silverlink PCS Software Limited (Silverlink) and $1,248,000 of amortisation related to acquired intangibles as well as $328,000 of non-cash share-based payment expense.

Cash flows from financing activities was $55,000,000 following a successful Placement and non-renounceable entitlement offer in December 2021 that together raised $51,942,000 (net of costs). The funds raised were used to fund the acquisition of Silverlink PCS Software Limited.

Cash flow from operating activities was $996,000 (2021: $1,545,000). Excluding the cash paid for acquisition costs the underlying operating cash flow was otherwise $3,133,000 (2021: $2,314,000).

Cash at 30 June 2022 was $17,339,000 (2021: $25,027,000).

At 30 June 2022, the Group has current assets of $26,262,000 (2021: $30,347,000) and net assets of $93,955,000 (2021: $45,222,000).

Reconciliation of loss after tax to non-IFRS EBITDA & underlying EBITDA:

Year ended 30 June:	**2022 $000**	**2021 $000**
(Loss) after tax attributable to the owners of the company	**(4,412)**	**(2,244)**
Add:		
Depreciation & amortisation expense	2,256	457
Income tax expense	504	1,310
Finance costs	68	3
Less:		
Income tax expense benefit	-	-
Interest revenue	24	12
EBITDA (loss)	**(1,608)**	**(486)**
Add back:		
Costs related to acquisitions	2,136	769
Non-cash cost of performance rights	328	227
Underlying EBITDA	**856**	**510**

Summary of financial information as at 30 June 2022

	Group FY22	Group FY21	YoY change	YoY change %
Revenue ($000)	34,355	25,882	8,473	33%
Cash and cash equivalents ($000)	17,339	25,027	(7,688)	(31%)
Net assets/equity ($000)	93,955	45,222	48,733	108%
Net tangible assets (NTA) ($000)	(4,863)	17,733	(22,596)	NC
Net tangible assets per security (cents)	(0.38)	1.7	(1.63)	NC
EBITDA ($000)	(1,608)	(486)	(1,042)	(296%)
Underlying EBITDA ($000)	856	510	356	68%
Loss from ordinary activities after income tax expenses ($000)	(4,412)	(2,244)	(2,168)	97%
EPS (loss per share) (cents)	(0.38)	(0.22)	(0.16)	72%

Acquisition of Silverlink PCS Software Limited

In December 2021, Alcidion acquired Silverlink PCS Software Limited (Silverlink), one of the largest and few remaining specialist Patient Administration System (PAS) providers servicing the UK NHS market.

The acquisition provides Alcidion with core PAS capability, expanding its overall product offering and positioning Alcidion to offer a cloud-native, modern and modular Electronic Patient Record (EPR) to rival major global vendors. In addition, it expanded the company's UK presence to 38 NHS Trusts giving a ~26% market presence, while also expanding the addressable market.

The acquisition price of £30.0M ($56.5M) with a further £3.0M ($5.6M) subject to earn-out conditions being met, was funded via a $55.0M equity raising (see below for details).

The first of the earn-out conditions was met in March 2022 and £1.5M of the earn-out was remitted to the vendor in April 2022.

Silverlink had forecast FY22 (30 April year-end) annual revenue of $7.8M from existing contracts (95%+ recurring revenue), generating EBITDA of $4.8M (62% EBITDA margin).

During the year Silverlink contributed $4.3m to Group revenue (representing 6.5 months of trading).

Additional details can be found at note 12 Business Combinations.

Share placement and accelerated non-renounceable entitlement offer

On 7 December 2021 Alcidion announced that it would raise $55.0M by way of:

- A placement to institutional and sophisticated investors of $30.0M; and
- A 1 for 10.5 accelerated non-renounceable entitlement offer to raise $25.0M

On 15 December 2021, the Company issued 120,183,900 shares at $0.25 each raising $30,045,975. On the same day, a further 53,513,191 shares were issued as part of the accelerated component of the entitlement offer at the same price raising $13,378,298.

On 4 January 2022, the Company issued 46,302,910 shares at $0.25 from the retail component of the entitlement offer. The funds for these shares ($11,575,728) were received on 31 December 2021.

Significant contract wins

During the year Alcidion contracted new sales with a total contract value (TCV) of $57.7M, $15.6M of which was recognised as revenue in the current year. This was a 96% increase on the prior year new TCV sales of $29.5M.

Significant contract wins in the year include:

- As part of a Consortium led by Leidos Australia, Alcidion was awarded a contract to deliver key capability for a Healthcare IT project for the Australian Defence Force (ADF), specifically the provision of the Longitudinal Health Record via Miya Precision. The value of the contract to Alcidion is estimated to be $23.3M over six years, which will cover the implementation and a subscription to Miya Precision. Further potential to take up Miya Observations and Miya Assessments and options to renew up to 15 years creates a possible TCV for the contract with Leidos of approximately $50.0M.
- A new three-year contract with Queen's Hospital Burton in the UK for ExtraMed's Inpatient Flow Manager (IPFM), the first new contract win following the acquisition of ExtraMed in April 2021 with TCV of $0.6M.
- A three-year contract extension, with a TCV of $0.6M, for ExtraMed's IPFM licence and support with Royal Derby Hospital, sister to Queen's Hospital Burton, which has documented success in reducing length of stay using IPFM.
- A new three-year contract with Sydney Local Health District, with a TCV of $1.8M, was secured for the use of Miya Precision in supporting virtual care of acute diverticulitis patients by rpavirtual. Miya Precision will be the platform supporting virtual care across Sydney Local Health District capturing information from integrated devices along with patient entered information from the new Miya Care module. It will be a key reference site for Alcidion, highlighting the capability of Miya Precision to support virtual care and remote patient monitoring.
- A five-year agreement with NHS Tayside to implement the Miya Observations and Assessments modules of Miya Precision. With a TCV of $1.9M, NHS Tayside is the third health board in Scotland to implement Miya Observations and Assessments for real-time capture of patient vital signs.
- A five-year agreement with Herefordshire and Worcestershire Health and Care NHS Trust to implement Miya Flow. With a TCV of $1.35M, this is the first NHS community trust to procure Alcidion's flow technology.
- A five-year agreement with Dartford & Gravesham NHS Trust to include a new module of Miya Precision, Miya Emergency, along with the resale of Provation's anaesthesia module. The contract has a TCV of $3.0M.
- The first two renewals for Silverlink Patient Care System (PCS), Moorfields Eye Hospital and Liverpool Heart and Chest Hospital, with a combined TCV of $2.8M over three years.
- A five-year contract with East Lancashire NHS Trust to implement Miya Flow. With a TCV of $1.4M, Miya Flow will overlay Cerner's Millennium EPR to support clinical staff and streamline the patient journey.
- An agreement with Northern Territory Health, with a TCV of $5.0M, to upgrade from an earlier version of Miya to the current Miya Precision platform, continuing a 13-year partnership with Alcidion.

Performance rights

On 10 November 2021, the Company issued 1,513,719 performance rights to employees in accordance with the Alcidion Group Limited Equity Incentive Plan.

On 14 January 2022, 126,428 performance rights were issued to employees in accordance with the Alcidion Group Limited Equity Incentive Plan.

A further 828,528 Performance rights were forfeited and cancelled during the period.

Purchase Price Allocation of Silverlink and ExtraMed

In the June 2021 Financial Statements, the accounting for the ExtraMed acquisition was recorded as provisional, similarly the accounting for the Silverlink acquisition was recorded as provisional in the December 2021 half year accounts.

During the year an external valuation was performed on the Silverlink and ExtraMed acquisitions for the purpose of determining the value of the identifiable intangible assets acquired. Following this valuation, the Purchase Price Allocation for each of these acquisitions was finalised, the results of which are detailed in Note 12 Business Combinations.

Risk Management

The Alcidion risk management processes support our business to manage and effectively mitigate critical risks. The ability to effectively identify and manage risk is a vital element of business success for all parts of the Alcidion business. Risk management takes place in many different processes and operations throughout the Group. The Board of Directors is ultimately responsible for the governance of risk management and the executive management ensures that there is a consistent and efficient process in place.

During the year, the Audit and Risk Committee regularly reviewed the Risk Register and assessed the need for any changes to its Risk Management Process, Risk Appetite Statement and Risk Management Policy. Recommended updates were reported to the Board and mitigation strategies implemented.

Victoria Weekes is the Chair of the Audit and Risk committee. Rebecca Wilson, Simon Chamberlain and Daniel Sharp are members of the Audit and Risk Committee.

Further details on Company Risk are outlined in Note 28 of the Financial Report.

Significant Changes in State of Affairs

Other than those disclosed in this annual report, no significant changes in the state of affairs of the Group occurred during the financial year.

Significant Events after the Balance Date

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

Likely Developments and Expected Results

Despite continuing challenges from the COVID-19 pandemic, Alcidion has grown its revenue 33% in FY22 and expects revenue growth to continue into FY23. The business starts the year with $28.3M of contracted revenue (up 96% on the prior corresponding period) with a further $2.9m of scheduled renewal revenue.

Following a successful Placement and entitlement offer in December 2021, raising a net $51.9M to fund the acquisition of Silverlink, Alcidion finished FY22 well capitalised with $17.3M of cash, no debt and a strong balance sheet.

Alcidion will continue to pursue its growth strategy in FY23 which includes continuing to invest in scaling the business to support growth in existing markets with a view to entering new markets in the future.

Environmental Regulation and Performance

The Group's activities are not subject to any particular and significant environmental regulation under laws of either the Commonwealth of Australia or a State or Territory of Australia.

We remain committed to acting in a manner that is sensitive to our impact on the environment and that remains compliant with the environmental policies in each jurisdiction, that our public sector customers require us to comply with.

Insurance of Directors and Officers

During or since the financial year, the Company has paid premiums insuring all the directors of Alcidion Group Limited against costs incurred in defending conduct involving:

a) A breach of duty; and

b) A contravention of sections 182 or 183 of the *Corporations Act 2001,* as permitted by section 199B of the *Corporations Act 2001.*

Alcidion has agreed to indemnify all directors and executive officers of the Company against liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of Alcidion, except where the liability has arisen as a result of a wilful breach of duty in relation to the Company. The agreement stipulates that Alcidion will meet the full amount of any such liabilities, including costs and expenses. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Dividends

No dividends were paid or declared during the financial year and no recommendation for payment of dividends has been made.

Non-Audit Services

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of audit and non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that any non-audit services provided by the auditors during the year did not compromise the external auditor's independence. All services provided by the external auditor or associates are reviewed and approved by the Audit and Risk Committee and/or the Board to ensure they do not adversely affect the integrity an objectivity of the auditor.

The fees paid or payable to William Buck and its associates for audit services provided during the year ended 30 June 2022 have been disclosed at Note 9 of this financial report.

No non-audit services were provided by the Auditor during the current or previous financial years.

Compliance

Corporate Governance Statement

The Board of Directors is responsible for the corporate governance of the Company. The Board guides and monitors the business affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Corporate Governance policies and practices of the Company are reviewed annually in accordance with the standards required of the Company by the Directors, the ASX, ASIC and other relevant stakeholders, to ensure that the highest appropriate governance standards are maintained, commensurate with the size and operations of the Company.

The ASX Corporate Governance Council released the fourth edition of its Corporate Governance Principles and Recommendations in February 2019 to take effect for the first full financial year commencing on or after 1 July 2020. The Company has early adopted the 4th edition of the Corporate Governance Principles and Recommendations and complies as far as possible with the spirit and intentions of these Recommendations as appropriate, having regard to the size of the Company and the nature of its enterprise. The Corporate Governance Statement can be found on the Company's web site www.alcidion.com.

Rounding

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instruments 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in this directors' report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on the next page.

This directors' report is signed in accordance with a resolution of the directors made pursuant to s.298(2) of the *Corporations Act 2001*.

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

Rebecca Wilson
Non-Executive Chair
Melbourne, Victoria this 30th day of August 2022

Auditor's Independence Declaration

William Buck
ACCOUNTANTS & ADVISORS

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 year ended 30 June 2022 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck (SA)
ABN: 38 280 203 274

G.W. Martinella
Partner

Dated this 30th day of August, 2022 in Adelaide, South Australia.

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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 financial statements and notes thereto for the year ended 30 June 2022 are in accordance with the *Corporations Act 2001*, including compliance with the Corporations Regulations 2001, Australian Accounting Standards and International Financial Reporting Standards as disclosed in Note 2 and giving a true and fair view of the financial position and performance of the Group for the year ended on that date, and

c) the Directors have been given the declarations required by s.295A of the Corporations Act 2001 for the year ended 30 June 2022.

Signed in accordance with a resolution of the Board of Directors made pursuant to s.295(5) of the Corporations Act 2001.

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

Rebecca Wilson
Non-Executive Chair
Melbourne, Victoria this 30th day of August 2022

Independent Auditor's Report

WilliamBuck
ACCOUNTANTS & ADVISORS

Alcidion Group Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Alcidion Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:
(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

IMPAIRMENT ASSESSMENT OF INTANGIBLE ASSETS	
Area of focus **Refer also to notes 2.6, 2.13.1 and 13**	**How our audit addressed it**
As at 30 June 2022, the Group's statement of financial position included goodwill and indefinite life intangible assets of $67.8 million. The Group is required to, at least annually, perform impairment assessments of goodwill and intangible assets that have an indefinite useful life. For intangible assets with useful lives, the Group is required to review these for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable, and at least annually, review whether there is any change in their expected useful lives. The balance of intangible assets is significant compared to total assets and there is significant judgement used in determining their recoverable amount. Management have used the fair value of the Group less costs of disposal to support the continued carrying value of intangible assets. Management have also performed an alternative impairment test, based on a revenue multiple, to confirm the reasonableness of the result achieved. We focused on this area in light of the amounts involved and the level of judgement required, thus we considered this area to be a key audit matter.	We evaluated management's process around testing for impairment of intangible assets including goodwill and performed the following procedures: - we understood, evaluated and validated management's key controls over the impairment assessment process; - we evaluated management's assessment on whether any events or change in circumstances indicate there may be a change in the expected useful lives of intangible assets; - agreed the daily trade prices for the Group's shares at year end to Australian Securities Exchange Ltd's trading data; - we reviewed and tested management's reconciliation of the valuation, used for impairment testing purposes, to the entity's market capitalisation, noting that the Group has one single cash generating unit; - we have compared the carrying value of the CGU to the recoverable amount determined by the impairment test to identify if there are any impairment losses; - we also considered the appropriateness and reviewed the disclosures in the consolidated financial statements;

Independent Auditor's Report

	- we reviewed the alternative impairment test prepared by management, including key assumptions, for the purpose of cross checking the result obtained in the primary impairment test. We found the Group's impairment assessment of intangible assets to be supported by the available evidence.

REVENUE RECOGNITION	
Area of focus **Refer also to notes 2.11**	**How our audit addressed it**
The Group derives income from the following: - Sale of software - Implementation fees - Support and maintenance Each revenue stream requires a bespoke revenue recognition model to ensure that revenue is only recognised — When a performance milestone is achieved; and — It can be reliably measured; Or, in the case of implementation fees and support and maintenance revenue, over the contracted term of the services. The application of AASB 15 Revenue from Contracts with Customers can require judgement, thus we considered this area to be a key audit matter.	Our audit procedures included: — determining whether revenue recognised is in accordance with the Group's accounting policies; — identifying and verifying the achievement of performance milestones and recognition of revenue relative to that achievement; — examining the existence of revenue by testing both the contract and subsequent receipt of invoicing of the revenue to the customer; — substantively testing revenue cut-off and the income in advance balance to ensure revenue has been recognised in the correct period. We also assessed the appropriateness of disclosures attached to revenues as required by Australian Accounting Standard AASB 15.

Independent Auditor's Report

BUSINESS COMBINATION - Silverlink	
Area of focus **Refer also to notes 2.13.3 and 12**	**How our audit addressed it**
Alcidion acquired 100% of the share capital of Silverlink PCS Software Ltd on 15 December 2021 for £33.4m (AU$ 62.9m). AASB 3 Business Combinations requires the Group to recognise the identified assets and liabilities at fair value at the date of acquisition, with the excess of the fair value of the consideration over the identified fair value of recognised assets and liabilities being recorded as goodwill. The assets acquired and liabilities assumed were measured at their fair values, determined provisionally, at the acquisition date and subsequently adjusted for measurement period adjustments. Judgement is applied in the identification of any intangible assets acquired in the transaction. Management has engaged an independent expert to assist with the valuation of the intangible assets at the respective acquisition date and reporting date. As a result of the acquisition accounting, the Group recognised goodwill, amounting to $43.1m and intangible assets of $27.7m (refer to Note 12). The identification of such assets and liabilities, including intangible assets and their measurement at fair value is inherently judgemental, thus we considered this area to be a key audit matter.	Our audit procedures included: — understanding the methodology adopted by management and the Directors to recognise the acquisition; — obtaining a detailed understanding of the terms and conditions of the purchase contract to evaluate the accounting treatment; — evaluating the acquisition date, date of control and assessing the treatment of costs incurred; evaluating the competence, capabilities and objectivity of management's independent expert, understanding the scope of work performed by the expert and evaluating the appropriateness of the expert's work as audit evidence for the relevant assertions; — assessing and evaluating management's key assumptions applied in arriving at the fair values of the assets acquired including intangible assets recognised upon acquisition and liabilities assumed; — assessing the appropriateness of the fair value of the net identifiable assets acquired including intangible assets recognised upon acquisition and liabilities assumed; — assessing and evaluating the adequacy and appropriateness of any contingent consideration. We have assessed the adequacy of the Group's disclosures in respect of the transaction. The Group's disclosures of the business combination accounting applied to the acquisition of Silverlink PCS Software Ltd during the financial year is included in Note 12 to the financial statements.

Independent Auditor's Report

BUSINESS COMBINATION - Extramed	
Area of focus **Refer also to notes 2.13.3 and 12**	**How our audit addressed it**
Alcidion acquired 100% of the share capital of ExtraMed Limited on 15 April 2021 for cash consideration of £5.4m (AUD $9.7m). AASB 3 Business Combinations requires the Group to recognise the identified assets and liabilities at fair value at the date of acquisition, with the excess of the fair value of the consideration over the identified fair value of recognised assets and liabilities as goodwill. Given the timing of the acquisition, management have elected to apply the provisional accounting exemption as permitted under AASB 3 for the financial year ended 30 June 2021. Management has since engaged an independent expert to assist with the valuation of the intangible asset at the respective acquisition date and reporting date. As a result of the valuation, the Group recognised goodwill, amounting to $7.4m and intangible assets of $4.3m (refer to Note 12). The identification of such assets and liabilities, including intangible assets and their measurement at fair value is inherently judgemental, thus we considered this area to be a key audit matter.	Our audit procedures included: — understanding the methodology adopted by management and the Directors to recognise the acquisition; — obtaining a detailed understanding of the terms and conditions of the purchase contract to evaluate the accounting treatment; — evaluating the acquisition date, date of control and assessing the treatment of costs incurred; — evaluating the competence, capabilities and objectivity of management's independent expert, understanding the scope of work performed by the expert and evaluating the appropriateness of the expert's work as audit evidence for the relevant assertions; — assessing and evaluating management's key assumptions applied in arriving at the fair values of the assets acquired including intangible assets recognised upon acquisition and liabilities assumed; — assessing the appropriateness of the fair value of the net identifiable assets acquired including intangible assets recognised upon acquisition and liabilities assumed; — assessing and evaluating the adequacy and appropriateness of any contingent consideration. We assessed the adequacy of the Group's disclosures in respect of the transaction. The Group's disclosures of the business combination accounting applied to the acquisition of ExtraMed Ltd during the financial year is included in Note 12 to the financial statements.

Independent Auditor's Report

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Independent Auditor's Report

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24-31 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Alcidion Group Limited., for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck (SA)
ABN: 38 280 203 274

G.W. Martinella
Partner

Dated this 30th day of August, 2022 in Adelaide, South Australia.

Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June

CONSOLIDATED	Note	2022 $000	2021 $000
Revenue	3	34,355	25,882
Direct costs		(4,862)	(3,018)
Gross profit		**29,493**	**22,864**
Interest income		24	12
Other income	3	-	275
Employee benefits expense	4	(23,942)	(18,886)
Professional fees		(1,100)	(938)
Marketing expenses		(577)	(573)
Costs related to acquisitions		(2,136)	(769)
Other expenses		(3,346)	(2,459)
Depreciation and amortisation	5	(2,256)	(457)
Finance costs		(68)	(3)
Loss before income tax expense		**(3,908)**	**(934)**
Income tax (expense)	6	(504)	(1,310)
Loss after tax attributable to the owners of the Company		**(4,412)**	**(2,244)**
Other comprehensive income/(loss) net of tax			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		875	-
Total comprehensive loss for the year attributable to the owners of the Company		**(3,537)**	**(2,244)**
(Loss) per share			
Basic loss per share (cents)	23	(0.38)	(0.22)
Diluted loss per share (cents)		(0.38)	(0.22)

The notes following the financial statements form part of the financial report.

Statement of Financial Position

As at 30 June

CONSOLIDATED	Note	2022 $000	2021 $000
Assets			
Current assets			
Cash and cash equivalents	28	17,339	25,027
Trade and other receivables	10	7,251	4,114
Other assets - prepayments		1,672	1,206
Total current assets		**26,262**	**30,347**
Non-current assets			
Plant and equipment	15	638	371
Intangible assets	13	98,824	27,489
Right of use assets	17	2,630	178
Total non-current assets		**102,092**	**28,038**
Total assets		**128,354**	**58,385**
Liabilities			
Current liabilities			
Trade and other payables	11	5,227	2,919
Employee provisions	19	2,516	2,774
Lease liabilities	18	616	163
Income tax payable		488	36
Unearned revenue	16	12,906	7,107
Contingent consideration	14	2,638	-
Total current liabilities		**24,391**	**12,999**
Non-current liabilities			
Employee provisions	19	141	135
Deferred tax liabilities	6	7,999	11
Lease liabilities	18	1,868	18
Total non-current liabilities		**10,008**	**164**
Total liabilities		**34,399**	**13,163**
Net assets		**93,955**	**45,222**
Equity			
Issued capital	20	110,511	58,569
Share based payment reserve	20	555	227
Foreign currency translation reserve		875	-
Accumulated losses	21	(17,986)	(13,574)
Total equity		**93,955**	**45,222**

The notes following the financial statements form part of the financial report.

Statement of Changes in Equity

For the year ended 30 June

CONSOLIDATED	Issued capital $000	Share based payment reserves $000	Foreign currency translation reserve $000	Accumulated losses $000	Total equity $000
Balance as at 1 July 2020	**41,067**	**-**	**-**	**(11,330)**	**29,737**
Total comprehensive loss for the period	-	-	-	(2,244)	(2,244)
Transactions with owners in their capacity as owners:					
Shares issued - Placement	15,360	-	-	-	15,360
Shares issued - SPP	3,000	-	-	-	3,000
Share issue costs	(858)	-	-	-	(858)
Share-based payments	-	227	-	-	227
Balance as at 30 June 2021	**58,569**	**227**	**-**	**(13,574)**	**45,222**
Balance as at 1 July 2021	**58,569**	**227**	**-**	**(13,574)**	**45,222**
Loss for the period	-	-	-	(4,412)	(4,412)
Other comprehensive income net of tax	-	-	875	-	875
Total comprehensive income	-	-	**875**	**(4,412)**	**(3,537)**
Transactions with owners in their capacity as owners:					
Shares issued - Placement	55,000	-	-	-	55,000
Share issue costs	(3,058)	-	-	-	(3,058)
Share-based payments	-	328	-	-	328
Balance as at 30 June 2022	**110,511**	**555**	**875**	**(17,986)**	**93,955**

The notes following the financial statements form part of the financial report.

Statement of Cash Flows

For the year ended 30 June

CONSOLIDATED	Note	2022 $000	2021 $000
Cash flows from operating activities			
Receipts from customers		41,449	32,046
Payments to suppliers and employees		(40,275)	(30,510)
Interest received		24	12
Finance costs		(68)	(3)
Income tax paid		(134)	-
Net cash from operating activities	28	**996**	**1,545**
Cash flows from investing activities			
Payments for plant and equipment		(311)	(313)
Acquisition of business, net of cash acquired	12	(59,432)	(9,530)
Net cash (used) for investing activities		**(59,743)**	**(9,843)**
Cash flows from financing activities			
Net proceeds from issues of equity securities		51,942	17,502
Payment for principal portion of lease liabilities		(609)	(270)
Net cash from financing activities		**51,333**	**17,232**
Net (decrease)/increase in cash and cash equivalents		**(7,414)**	**8,934**
Effects of exchange rate changes on cash and cash equivalents		(274)	145
Cash and cash equivalents at the beginning of the year		25,027	15,948
Cash and cash equivalents at the end of the year	28	**17,339**	**25,027**

The notes following the financial statements form part of the financial report.

Notes to the Financial Statements

For the financial year ended 30 June 2022

1. General information

Alcidion Group Limited ("Alcidion" or the "Group" or, the "Company") is a limited company incorporated in Australia. The core of Alcidion's business model is to create 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, hosts and supports solutions for health care provider organisations in Australia, New Zealand and the United Kingdom.

2. Statement of Significant Accounting Policies

The financial statements comprise the consolidated financial statements of the Company and its controlled entities (collectively the Group).

The financial statements were authorised for issue by the directors on 30 August 2022.

2.1 Basis of preparation

The Company is a for profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

2.1.1 Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) and in compliance with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**), and the *Corporations Act 2001* (Cth).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

The consolidated financial statements have been prepared on an accrual basis, except for cashflow information and are based on historical costs. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

2.1.2 Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

2.1.3 Reclassification of expenses

For reporting of results from 1 July 2020, a number of expenses presented in the Statement of Profit and Loss and Other Comprehensive Income were reclassified. This most notably changes the reported cost of sales and gross profit figures. The reclassification was done to better align our reporting with the reporting of other listed software companies, present results in a more relevant manner and improve the consistency and comparability of the Group's reported results with those of its peers. The changes are detailed below.

From 1 July 2020, staff costs related to product management and development have been reclassified out of Cost of Sales and into Employee benefits expense.

From 1 July 2020, staff costs related to service delivery and sales (excluding commissions) have been reclassified out of Cost of Sales and into Employee benefits expense.

Also, from 1 July 2020, all staff costs are disclosed in Employee benefits expense.

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

The Group has adopted all 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 year.

2.3 Principles of consolidation

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has then ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between the entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

2.4 Taxation

2.4.1 Income tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss or arising from a business combination.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

2.4.2 Goods and Services Tax (GST) / Value Added Tax (VAT)

Revenues, expenses, and assets are recognised net of the amount of GST (in the case of Australian and New Zealand business operations) and VAT (in the case of UK business operations), except where the amount of GST/VAT incurred is not recoverable from the taxation authority. In these circumstances, the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST/VAT.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST/VAT component of investing and financing activities, which are disclosed as operating cash flows included in receipts from customers received or payments to suppliers and employees.

2.5 Plant and Equipment

2.5.1 Recognition and measurement

Items of plant and equipment are measured on the cost basis and carried at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 2.6 Impairment of non-financial assets). In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not more than the recoverable amount from these assets. The recoverable amount is assessed based on the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

2.5.2 Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Any costs of the day-to-day servicing of plant and equipment are recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

2.5.3 Depreciation

Depreciation is charged to the statement of profit or loss and other comprehensive income on a diminishing value or straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use.

Depreciation rates and methods are reviewed annually for appropriateness. The depreciation rates used for the current and comparative period are:

Class of fixed asset	Computer equipment	Furniture and fittings
Depreciation rate (%)	25 - 66.67	10 - 25

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within “other income” in the Statement of profit or loss and other comprehensive income.

2.6 Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see accounting policy 2.4) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of profit or loss and other comprehensive income, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the statement of profit or loss and other comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

2.7 Financial Instruments

2.7.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied.

2.7.2 Classification and subsequent measurement

Financial Liabilities

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Financial Assets

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, if any, are shown within short-term borrowings in current liabilities on the Statement of financial position.

Trade and other receivables

Receivables are usually settled within 60 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30-day terms.

2.7.3 Impairment of financial assets

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults. Impairment of trade receivables is determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected losses.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by considering the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

2.7.4 Finance income and expenses

Finance income comprises interest income on funds invested, gains on the disposal of financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

2.8 Employee Benefits

2.8.1 Short-term employee benefits

Provision for employee benefits for wages, salaries and annual leave that are expected to be settled wholly within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related payroll on-costs, such as worker's compensation insurance and payroll tax.

2.8.2 Other long-term employee benefits

The Group's obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value. The discount rate applied is determined by reference to market yields on high quality corporate bonds at the report date that have maturity dates approximating the terms of the Group's obligations.

2.8.3 Retirement benefit obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the statement of profit or loss and other comprehensive income as incurred.

2.8.4 Equity-settled compensation

The Group operates an employee performance rights plan and in the prior year a share option plan. The fair value of performance rights granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the rights.

The fair value of the performance rights granted is measured using a Geometric Brownian Motion model followed by a Monte Carlo Simulation and a Black-Scholes pricing model, considering the terms and conditions upon which the rights were granted. The amount recognised is adjusted to reflect the actual number of performance rights that vest.

2.9 Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

2.10 Earnings per Share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the parent company as the numerator i.e. no adjustments to profits were necessary in respect of the reported figures.

2.11 Revenue and Other Income

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:

Revenue from software licencing

The performance obligation for the Group's licensed software is satisfied when the software has been installed and is available for use by the customer. In accordance with AASB 15 Software licence revenue is recognised on delivery of the product to the customer rather than evenly over the term of the software licence which typically ranges from 12 to 60 months.

Implementation fee revenue

Implementation fee revenue is recognised over the implementation period (generally 3 to 12 months) as services are rendered.

Support and maintenance revenue

Ongoing revenue from support and maintenance services provided by Alcidion in respect of its licenced software is recognised as it is consumed (month by month) over the contracted term for these services, which is typically from 12 to 60 months, as aligned with licence term.

All revenue is stated net of the amount of GST or VAT.

2.12 Segment Reporting

The Group operates as a single operating segment as there is only one primary line of business, which is the development, delivery under licence, implementation, support and maintenance of the Group's integrated suite of software products to its customers across the UK, Australia and New Zealand. All product management, software development, support and maintenance as well as corporate management and shared services, are provided centrally to all Group operations. Group Directors and management monitor and manage the Group using consolidated Group financial information. Discrete financial accounts are not used to manage any part of the business and there are no intra-Group financial transactions between different parts of the business.

2.13 Intangible Assets

2.13.1 Goodwill and intellectual property

Goodwill and intellectual property are intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The Directors consider that intangible assets, other than patents & trademarks, acquired software and acquired customer contracts have indefinite useful lives because they expect that they will continue to generate cash inflows indefinitely.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when the asset is derecognised.

Goodwill and intellectual property arising on an acquisition of a business are carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill and intellectual property are allocated to each of the Group's cash-generating units (or Groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill and intellectual property have been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and intellectual property allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill or intellectual property is recognised directly in profit or loss in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. An impairment loss recognised for goodwill or intellectual property is not reversed in subsequent periods.

2.13.2 Intangible assets other than goodwill

Trademarks and patents

Patents and trademarks are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful lives ranging from 5 to 10 years.

Acquired software

Software acquired as part of an acquisition is amortised over the expected useful life ranging from 9 to 12.5 years.

Customer contracts

Customer contracts acquired as part of an acquisition have been placed into six groups with amortisation periods ranging from 1 to 46 years. On average, acquired customers contracts are amortised over a period of 20 years.

2.13.3 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed to variable returns from another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquisition; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree.

less

- the net recognised amount of the identifiable assets acquired, and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

2.14 Critical Accounting Estimates and Judgements

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key judgements

Performance obligations relating to revenue recognition under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods and services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

Impairment of intangible assets

The assessment of whether the value of intangible assets requires impairment is based on the choice of an appropriate valuation method for determining the recoverable amount of the single CGU in accordance with AASB 136. Two possible valuation methods can be used, either a value-in-use calculation using a discounted cash flow model, or a valuation based upon an assessed fair value less costs to sell. Due to the current investment for growth phase that the company is in, management has determined that a valuation based on fair value less costs to sell is the most appropriate valuation method to use. Of the potential valuation approaches that comply with the requirements of AASB 136 and the preference for those based on observable market data, management has chosen market capitalisation as the most appropriate primary measure of recoverable value. Impairment is assessed in Note 13.

Deferred tax asset from carried forward tax losses

Judgements and estimates are required when determining the recognition and measurement of deferred tax asset. The Group has recognised a deferred tax asset in relation to unused tax losses and deductible temporary differences only to the extent that this offsets deferred tax liabilities due to the inherent uncertainty surrounding forecasting taxable income in primary industries, and therefore the Group's ability to fully utilise tax losses.

The utilisation/recognition of tax losses in future periods will be recognised as a tax benefit in those future periods.

Performance rights

Judgements and estimates are made when calculating the cost of Performance Rights. The fair value of the performance rights granted is measured using a Geometric Brownian Motion model followed by Monte Carlo Simulation or a Black-Scholes probability weighted model. Key judgements include: the estimated weighted average probability that employees will be employed on the vesting date and the time period over which to calculate share price volatility. Performance rights are discussed in more detail in notes 2.8.4 and 8.

2.15 Functional and Presentation Currency

The functional currency of each of the Group's entities is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian Dollars (AUD), which is the Parent Entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in profit or loss, except exchange differences that arise from net investment hedges.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows. Assets and liabilities are translated at exchange rates prevailing at the end of the reporting period; income and expenses are translated at average exchange rates for the reporting period; and all resulting exchange differences are recognised in other comprehensive income.

2.16 Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets are recognised at an amount equal to the lease liability at the initial date of application, adjusted for previously recognised prepaid or accrued lease payments. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

3. Revenue

	2022 $000	2021 $000
Recurring revenue	23,274	16,343
Non-recurring revenue	11,081	9,539
	34,355	**25,882**
Other income		
Other revenue	-	275

Recurring revenue relates to the sale of products and on-going services such as product support and maintenance. Non-recurring revenue relates to discrete project work and product implementation.

4. Employee benefits expense

	2022 $000	2021 $000
Wages and salaries	20,097	15,408
Superannuation/pension	1,556	1,526
Leave provisions	392	291
Other employee benefits expense	1,569	1,434
Share-based payment expense	328	227
Total Employee benefits expense	**23,942**	**18,886**

5. Depreciation and Amortisation

	2022 $000	2021 $000
Depreciation of plant and equipment	213	182
Depreciation of right of use assets	795	273
Amortisation of intangible assets	1,248	2
Total Depreciation and amortisation	**2,256**	**457**

6. Income tax

	2022 $000	2021 $000
Income tax recognised in loss		
Tax expense comprises:		
Current tax (benefit) / expense	515	752
Derecognition of AUD deferred tax asset	-	558
Deferred tax liability	(11)	-
Total tax expense / (benefit)	**504**	**1,310**

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	2022 $000	2021 $000
(Loss) from operations	**(3,908)**	**(934)**
Income tax (benefit) calculated at 26% (2021: 26%)	(1,016)	(243)
Effect of different tax rates of group entities operating in different tax jurisdictions	(196)	(272)
Effect of non-assessable income	-	(39)
Effect of non-deductible expenses	879	237
Effect of current year tax losses and temporary differences not brought to account	726	1,075
Effect of temporary differences de-recognised/(recognised) as deferred tax assets/deferred tax liabilities	(11)	552
Prior year adjustments	122	-
Income tax expense / (benefit)	**504**	**1,310**

The tax rate used in the above reconciliation in respect to the income of group entities domiciled in Australia is the corporate tax rate of 26.0% (2021: 26%) payable by Australian corporate entities on taxable profits under Australian tax law.

The tax rate used in the above reconciliation in respect to the income of group entities domiciled in New Zealand is the corporate tax rate of 28% (2021: 28%) payable by New Zealand corporate entities on taxable profits under New Zealand tax law.

The tax rate used in the above reconciliation in respect to the income of group entities domiciled in the UK is the corporate tax rate of 19% (2021: 19%) payable by UK corporate entities on taxable profits under England & Wales tax law.

In 2019, the Australian Taxation Office introduced legislation under which the corporate tax rate for Companies satisfying the requirements to be assessed as a 'Small Business' was reduced to 27.5% in 2020 and reduced to 26.0% in 2021. To satisfy the requirements of a 'Small Business' in the 2022 financial year, a Company must have annual turnover of less than $50,000,000 (2021: $50,000,000). Alcidion Group Ltd has satisfied this requirement and is therefore eligible to apply the reduced income tax rate of 26.0% (2021: 26%).

Recognised deferred tax balances

Deferred Tax Liability	**2022 $000**	**2021 $000**
Accelerated capital deductions	-	11
Deferred tax liability recognised on recognition of intangible assets in the acquisition accounting (refer note 12)	7,999	-
	7,999	**11**

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

No deferred tax asset has been recognised in Australia in respect of temporary differences as the realisation of a benefit is regarded as improbable in the next twelve months.

The total tax losses carried forward amount to $12,411,000 (2021: $9,733,000).

The Australian and New Zealand operations carried forward tax losses are $12,411,000 (2021: $9,733,000) and have not been recognised as a deferred tax asset.

Franking account deficit: $5,293,206 (2021: $5,293,206)

The Company's franking account is in debit by the amount of $5,293,206. The debit balance has arisen due to the accumulation of Research & Development Tax Incentive Refunds totalling $5,978,248 since the year ended 30 June 2005. In accordance with section 205 of the Income Tax Assessment Act (ITAA) 1997, the Company is not subject to franking deficits tax on this balance.

7. Key Management Personnel disclosures

Details of key management personnel

The directors and key management personnel of Alcidion Group Limited during the financial year were:

Non-Executive Directors
Ms Rebecca Wilson (Chair)
Mr Simon Chamberlain
Ms Victoria Weekes (appointed 1 September 2021)
Mr Daniel Sharp (appointed 1 September 2021)
Mr Nicholas Dignam (resigned 17 November 2021)

Executive Directors
Ms Kate Quirke
Professor Malcolm Pradhan

Executives
Mr Matthew Gepp

Key management personnel compensation

The aggregate compensation made to key management personnel of the Company is set out below:

	2022 $000	2021 $000
Short-term employee benefits	1,387	1,461
Long Service Leave	16	25
Post-employment benefits	86	82
Share-based payments	165	110
	1,654	**1,678**

The compensation of each member of the key management personnel of the Company is set out in the Remuneration Report.

8. Share-Based Payments: Share options and performance rights

The Company established an employee share option and rights plan (Equity Incentive Plan) in 2018 which was approved at the Company's 2018 Shareholder Meeting.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments at grant date and amortised over the vesting periods. The corresponding amounts are recognised in the performance rights reserve and the statement of profit and loss respectively. The number of shares and options and performance rights expected to vest is reviewed and adjusted at the end of each reporting period if any holders have forfeited options or rights or if any options or rights have lapsed due to the holder leaving the company. The Company has one performance rights scheme currently in place under the Equity Incentive Plan (EIP) which is described below.

Employee performance rights scheme - 1 July 2020

On 1 July 2020 the Company launched the long-term incentive scheme to recognise talent, encourage retention of key employees and motivate those employees to optimise Company performance. Employees performing management are entitled to participate in this performance rights scheme.

Rights are issued for no consideration, are not transferable and carry no entitlements to voting rights or dividends of the Group. The number available to be granted is determined by the Board as is the performance criteria to be met for granted rights to vest.

The rights vest subject to the employee having complied with all obligations and restrictions relating to the rights:

- the Company's Total Shareholder Return (TSR) outperforming the S&P/200 All Industrials Index over vesting period
- the TSR being positive over the vesting period; and
- the employee being continuously being employed by the Alcidion Group company up until the vesting date

All vested rights shall be automatically exercised on vesting date.

Performance Rights granted to nominated employees is as follows:

Grant Date	Vesting date	Expiry date	Exercise price	Number 2022	Number 2021
Tranche A - 16 October 2020	30 June 2023	31 Oct 2023	$Nil	-	6,537,314
Tranche B - 19 November 2020 (i)	30 June 2023	31 Oct 2023	$Nil	-	3,110,820
Tranche A - 10 November 2021	30 June 2024	31 Oct 2024	$Nil	1,513,719	-
Tranche B - 14 January 2022	30 June 2024	31 Oct 2024	$Nil	126,428	-
				1,640,147	**9,648,134**

(i) At the 19 November 2020 AGM shareholders approved the granting of 3,110,820 performance rights to executive directors Kate Quirke and Malcolm Pradhan

The rights lapse when a holder ceases their employment with the Group unless the Board exercises discretion it has under provisions of the Alcidion Group Equity Incentive Plan.

A summary of the movements of all rights issued is as follows:

	2022		2021	
	Number of performance rights/options	Weighted average exercise price $	Number of performance rights/options	Weighted average exercise price $
Options outstanding as at 1 July	8,667,793	-	-	-
Rights granted	1,640,147	-	9,648,134	-
Rights forfeited	(828,528)	-	(980,341)	-
Rights outstanding as at 30 June	**9,479,412**		**8,667,793**	**-**

The exercise price of outstanding rights at the end of the reporting period was $Nil.

The fair value of the rights granted to employees is considered to represent the value of the employee benefit received over the vesting period.

The fair value of rights granted during the reporting period is shown below. These values were calculated using a Black-Scholes probability weighted model with the following inputs:

	Tranche A Rights granted 10 November 2021	Tranche B Rights granted 14 January 2022
Exercise price:	$Nil	$Nil
Life of the right at issue date:	3.0 years	2.8 years
Expected share price volatility:	84.6%	84.6%
Risk-free interest rate:	0.95%	0.95%
Fair value of rights granted	$127,455	$10,645

Dividend yield and weighted average share price have also been used as inputs into the Black-Scholes model to determine the above fair values of rights granted.

Historical share price volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility.

The life of the rights is based on the approximate number of years from when the rights were granted to vesting date.

Included in the statement of profit or loss is $328,000, which represents the expensed pro rata portion of the total fair value of all rights granted relevant to the reporting period (2021: $227,000).

9. Remuneration of auditors

	2022 $	2021 $
Audit and review of the financial report for the Group		
William Buck	72,000	60,000
DSG UK	55,586	25,000
Non-audit services - William Buck	-	-
	127,586	**85,000**

The auditor of Alcidion Group Limited is William Buck (2021: William Buck)
The auditor of the UK incorporated subsidiaries is DSG UK (2021: DSG UK)

10. Trade and other receivables

	2022 $000	2021 $000
Trade receivables	7,251	4,114
	7,251	**4,114**

Trade receivables are non-interest bearing and generally on terms of 14-60 days. The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An allowance for credit loss is included for any receivable where the entire balance is not considered collectible. No allowance for credit loss is required as of 30 June 2022 (2021: Nil).

Additional Information in relation to financial risks concerning or with a potential impact on financial assets and liabilities is disclosed in Note 29 - Financial Instruments.

11. Trade and other payables

	2022 $000	2021 $000
Trade payables	1,648	766
Goods and services tax / value added tax	2,456	1,361
Other payables	1,123	792
	5,227	**2,919**

The average credit period on purchases of goods and services is 30 days. No interest is charged on the trade payables for the first 30 to 60 days from the date of the invoice. Thereafter, interest may be charged at various penalty rates by some creditors. The group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

12. Business combinations

Silverlink PCS Software Limited (Silverlink) - Final Purchase Price Allocation accounting

On 7 December 2021 Alcidion announced that it had entered into a Share Purchase Agreement to acquire Silverlink PCS Software Limited (Silverlink) for £30.0M ($56.5M), with a further £3.0M ($5.6M) payable subject to earn-out conditions being met. Alcidion acquired 100% of the share capital of Silverlink on 15 December 2021.

Silverlink is one of the largest and few remaining specialist Patient Administration System (PAS) providers servicing the UK NHS market. The acquisition provides Alcidion with the core PAS capability, which expands the overall product offering and positions Alcidion to become a cloud-native, modern, and modular Electronic Patient Record (EPR/EMR) provider to rival major global vendors.

In April 2022 following successful re-signing of two NHS trusts the first tranche of contingent consideration of £1,500,000 was remitted to the vendor.

Post-Acquisition Silverlink has contributed $4,300,000 revenue and $1,171,000 net profit after tax to the Group consolidated results. The net profit does not include $876,000 of amortisation related to the acquired intangible assets.

Provisional accounting was applied to the acquisition of Silverlink in the 2022 half-year financial statements. The fair value of Silverlink's intangible assets (customer base and software assets) have since been valued by an external independent valuer, with the final acquisition accounting presented below.

Goodwill arising from the acquisition has been recognised as follows:

	2022 Final $000	31 Dec 2021 Provisional $000
Silverlink completion payment	**56,522**	**56,522**
Contingent consideration (i)	5,646	5,646
Working capital adjustments and other hold backs	780	920
Silverlink purchase price	**62,948**	**63,088**
Less fair value of identifiable net assets/(liabilities)	19,839	(668)
Goodwill	**43,109**	**63,756**
Identifiable net assets acquired:		
Cash and cash equivalents	59	59
Trade receivables	1,835	1,835
Software	14,679	-
Customer contracts	12,985	-
Deferred tax liability	(6,916)	-
Other current assets	208	293
Trade creditors	(632)	(545)
Provisions	(17)	(17)
Income tax payable	(70)	-
Fixed assets	165	164
Unearned revenue	(2,457)	(2,457)
Fair value of identifiable net assets / (net liabilities)	**19,839**	**(668)**

(i) *Payment of the contingent consideration is subject to the successful renewal of selected customer contracts prior to 31 March 2024 – refer to note 14 for additional information on contingent consideration*

12. Business combinations (continued)

ExtraMed Limited (ExtraMed) - Final Purchase Price Allocation accounting

On 15 April 2021 Alcidion Group Limited announced the purchase of ExtraMed Limited for £5.3m ($9.5m).

Alcidion acquired 100% of the share capital of ExtraMed on 14 April 2021. The purchase price was settled fully in cash.

ExtraMed is a leading UK provider of patient flow management software, servicing nine NHS Trusts, six of which were new customers for Alcidion.

Since 30 June 2021, the fair value of ExtraMed's intangible assets (customer base and software assets) have been valued by an independent valuer. The final goodwill arising from the acquisition has been recognised as follows:

	2022 Final $000	2021 Provisional $000
Purchase consideration paid	9,530	9,530
Working capital adjustments	145	-
Net cash paid for ExtraMed	**9,675**	9,530
Less fair value of identifiable net assets/(liabilities)	2,253	(412)
Goodwill	**7,422**	**9,942**
Identifiable net assets acquired:		
Trade receivables	907	1,316
Software	1,720	-
Customer contracts	2,610	-
Deferred tax liability	(1,083)	-
Other current assets	4	(97)
Trade creditors	(47)	(47)
Income tax payable	(67)	-
Provisions	(630)	(386)
Other liabilities	(1,161)	(1,198)
Fair value of identifiable net assets / (liabilities)	**2,253**	**(412)**

13. Intangible Assets

	Goodwill $000	Intellectual property $000	Customer contracts $000	Acquired Software $000	Patents & Trademarks $000	Total $000
Cost						
At 1 July 2020	15,371	1,714	-	-	341	17,426
Additions - ExtraMed	9,942	-	-	-	-	9,942
Additions	147	-	-	-	-	147
At 30 June 2021	**25,460**	**1,714**	**-**	**-**	**341**	**27,515**
At 1 July 2021	25,460	1,714	-	-	341	27,515
Additions – Silverlink (i)	43,109	-	12,985	14,679	-	70,773
Additions – Extramed (ii)	(2,520)	-	2,610	1,720	-	1,810
Re-allocation (iii)	1,714	(1,714)	-	-	-	-
At 30 June 2022	**67,763**	**-**	**15,595**	**16,399**	**341**	**100,098**
Accumulated amortisation						
At 1 July 2020	-	-	-	-	24	24
Amortisation expense	-	-	-	-	2	2
At 30 June 2021	**-**	**-**	**-**	**-**	**26**	**26**
At 1 July 2021	-	-	-	-	26	26
Amortisation expense	-	-	859	378	11	1,248
At 30 June 2022	**-**	**-**	**859**	**378**	**37**	**1,274**
Carrying value						
At 30 June 2021	25,460	1,714	-	-	315	27,489
At 30 June 2022	**67,763**	**-**	**14,736**	**16,021**	**304**	**98,824**

(i) Additions in 2022 relate to the finalisation of the Silverlink PCS Software Limited acquisition accounting (refer to note 12)
(ii) Additions in 2022 relate to the finalisation of the ExtraMed acquisition accounting (refer to note 12)
(iii) Intellectual Property assets recognised on the acquisition of MKM Health Group in 2019 have the same attributes as Goodwill and are subject to annual fair value testing – as such these assets have been re-classified to goodwill in the year

Key Estimates and Assumptions: Intangible Assets

Intangible assets, other than goodwill and intellectual property, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense as per the statement of profit and loss and other comprehensive income.

Goodwill and intellectual property are tested for impairment at each reporting period in accordance with AASB136 Impairment of Assets. Management have determined that there is one CGU, being the single integrated business operation that develops, licences, implements, sometime hosts and supports the one integrated suite of software products for health care provider organisations in Australia, the UK and New Zealand. To assess whether goodwill and intellectual property is impaired, the carrying amount of the CGU is compared to the recoverable amount, determined based on the greater of its value in use and its recoverable value less costs of disposal.

Due to the current investment for growth phase that the company is in, management has determined that a valuation based on comparable revenue multiples is the most appropriate method to use. Of the potential valuation approaches that comply with the requirements of AASB 136 and the preference for those based on observable market data, management has chosen the revenue multiple as the most appropriate primary measure of recoverable value and has used the market capitalisation as a secondary check.

The median revenue multiple was selected as the most appropriate measure, as it was significantly lower than the average multiple. A wide selection of companies in identical and similar sectors was used to allow for differences in size and profitability. The table below provides a summary of this analysis:

Company type	**Median revenue multiple**	**Value $000**
Australian listed healthcare software companies	8.8x	302,324
Australian listed healthcare companies	3.7x	127,114
Australian software companies	4.9x	168,340
Assessed Fair Value (average)		**199,259**
Carrying value of intangible assets being assessed for impairment		98,824
Carrying value of non-cash assets being assessed for impairment (i)		10,500
Headroom/(Impairment)		**89,935**

(i) Non-cash assets include trade receivables, property, plant & equipment and right of use assets

Although the most appropriate comparison would be Australian listed healthcare companies, to increase the robustness of the testing and to include a greater sample size, Australian listed healthcare companies and Australian listed software companies were also used. The average of the multiples was used to determine the fair value of the CGU. Management used the market capitalisation as an alternative valuation methodology as a secondary check on the primary assessment of fair value. This calculation also showed no impairment to the carrying value of assets being assessed for impairment and given the liquidity of Alcidion share trading, Alcidion's selection as only one of five health IT companies to be included in the ASX All Technologies Index in February 2020, and the successful $55.0m capital raising in December 2021 when institutions and shareholders subscribed for 220m new shares at $0.25 per share, this is considered a strong secondary validation of the fair value testing.

The above analysis shows that the Assessed Fair Value of the single Alcidion CGU is substantially higher than the carrying value of the CGU assets. Accordingly, management and the Directors are of the opinion that no impairment of the carrying value of intangible assets is necessary as at 30 June 2022 (2021: Nil).

14. Contingent Consideration

	2022 $000	**2021 $000**
Contingent consideration - current liability	2,638	-
Contingent consideration - non-current liability	-	-

Contingent consideration relates to the acquisition of Silverlink Software PCS Limited. Payment of the contingent consideration is subject to the successful renewal of selected customer contracts prior to 31 March 2024.

The contingent consideration was split into two equal tranches. The first tranche was subject to the successful renewal of selected customer contracts. As this was achieved in the year the first tranche has been remitted to the Silverlink vendor in this financial year.

The second tranche is subject to the successful renewal of selected customer contracts, these renewals are expected to take place on or before 31 March 2023 (but no later than 31 March 2024) and as such the second tranche of the contingent consideration is accounted for as a current liability in these accounts.

The basis of the contingent payment is estimated fair value and determined by taking into account the high probability that Silverlink will renew the selected customer contracts that trigger the full payment of the contingent consideration. This liability is considered a Level 3 financial liability that is remeasured each reporting date based on probability factors. Any changes to the fair value measurement of the contingent consideration will be recognised in Profit or Loss.

15. Plant and Equipment

	Computer equipment $000	Furniture and fittings $000	Total $000
Cost			
At 1 July 2020	418	257	675
Additions	190	123	313
Disposals	(39)	(78)	(117)
At 30 June 2021	**569**	**302**	**871**
At 1 July 2021	569	302	871
Additions	265	46	311
Acquired assets	168	-	168
Disposals	(190)	(134)	(324)
At 30 June 2022	**812**	**214**	**1,026**
Accumulated depreciation and impairment			
At 1 July 2020	286	149	435
Depreciation expense	99	83	182
Disposals	(39)	(78)	(117)
At 30 June 2021	**346**	**154**	**500**
At 1 July 2021	**346**	**154**	**500**
Depreciation expense	167	46	213
Acquired accumulated depreciation	3	-	3
Disposals	(192)	(136)	(326)
At 30 June 2022	**322**	**64**	**388**
Net book value			
At 30 June 2021	223	148	371
At 30 June 2022	**490**	**148**	**638**

16. Unearned Revenue

	2022 $000	2021 $000
Unearned revenue	**12,906**	**7,107**

Unearned revenue relates to invoices issued to customers, or physical cash received from customers for licencing, maintenance and support services and other professional services to be carried out in future periods. The movement in unearned revenue is attributable to invoices issued to customers in advance of services to be provided less the recognition of revenue for licencing and services provided during the year.

17. Right of Use Assets

The Group's lease portfolio includes lease of buildings. Leases have an average term of 3.7 years (2021: 2.0 years).

Options to extend or terminate

Options to extend or terminate are contained in some of the property leases of the Group. These clauses provide the Group opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Group. The extension options or termination options which management were reasonably certain to be exercised have been included in the calculation of the lease liability.

AASB 16 related amounts recognised in the statement of financial position:

Right-of-use assets	**2022 $000**	**2021 $000**
Leased buildings	3,236	633
Accumulated depreciation	(606)	(455)
	2,630	**178**
Movement in carrying amounts:		
Opening balance Leased buildings:	**178**	**309**
Additions	3,247	142
Depreciation expense	(795)	(273)
Net carrying amount	**2,630**	**178**

AASB 16 related amounts recognised in the statement of profit or loss:

	2022 $000	**2021 $000**
Depreciation charge related to right-of-use assets	795	273
Interest expense on lease liabilities	68	3
Low-value asset lease expense	48	63

18. Lease liabilities

	2022 $000	**2021 $000**
Lease liability (current)	616	163
Lease liability (non-current)	1,868	18
	2,484	**181**

19. Employee provisions

	2022 $000	**2021 $000**
Current		
Annual leave	1,198	1,015
Long service leave	642	715
Other - bonus and commissions payable	676	1,044
	2,516	**2,774**
Non-current		
Long service leave	141	135
Total employee provisions	**2,657**	**2,909**

20. Issued Capital

(a) Issued capital

	2022		2021	
	Number of shares	$000	Number of shares	$000
Balance at 1 July	1,048,069,052	58,569	990,694,052	41,067
Shares issued during the year	220,000,001	51,942	57,375,000	17,502
Balance at 30 June	**1,268,069,053**	**110,511**	**1,048,069,052**	**58,569**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund strategic investments and its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

(b) Reserves (Share-based payment reserves)

	2022	2021
	$000	$000
Balance at beginning of financial year	227	-
Rights forfeited	(46)	-
Share based payments expense	374	227
Balance at end of financial year	**555**	**227**

(c) Movements in performance rights on issue

	2022	2021
	Number of rights	Number of rights
Beginning of the financial year	8,667,793	-
Rights granted	1,640,147	9,648,134
Rights forfeited	(828,528)	(980,341)
Options exercised	-	-
End of the financial year	**9,479,412**	**8,667,793**

21. Accumulated Losses

	2022	2021
	$000	$000
Balance at beginning of financial year	(13,574)	(11,330)
(Loss) attributable to members of the Company	(4,412)	(2,244)
Balance at end of financial year	**(17,986)**	**(13,574)**

22. Dividends

There were no dividends paid or proposed during the year.

23. Loss per Share

	2022 Cents per share	2021 Cents per share
Basic earnings (loss) per share (cents):	(0.38)	(0.22)
Diluted earnings (loss) per share (cents):	(0.38)	(0.22)
	$000	**$000**
Loss after tax used in calculating basic and diluted earnings per share	(4,412)	(2,244)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	1,164,271,633	1,000,920,764
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,173,751,045	1,009,588,557

24. Related Party Disclosures

(a) Key management personnel remuneration

Details of key management personnel remuneration are disclosed in Note 7 to the financial statements.

(b) Loans to key management personnel and their related parties

There have been no loans to key management personnel during the year.

(c) Other transactions with key management personnel

WE Communications was paid $82,236 (2021: $275,616) for Investor Relation services, a company in which non-executive director Rebecca Wilson has an interest. Balance payable as at 30 June 2022 is $3,960 (2021: $15,730).

In relation to Directors' remuneration, amounts are payable at 30 June 2022 to DJMB Corporate (Daniel Sharp) of $20,625.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

25. Contingencies

With the exception of the contingent consideration disclosed in note 14 in relation to the Silverlink acquistion, in the opinion of the Directors, the Group did not have any contingent liabilites or contingent assets as at 30 June 2022 (2021: $Nil).

At 30 June 2022, credit card balance used is $NIL (2021: $Nil) (Unused: $10,000 (2021: $10,000)).

26. Segment Reporting

The Group operates in the healthcare industry in Australia, New Zealand and the UK. For management purposes, the Group is organised into one operating segment which involves the provision of healthcare software solutions and services in these territories. All the Group's activities are inter-related 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.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

Intersegment transactions

There were no intersegment sales during 2022 (2021: $Nil).

Segment information

Group Performance - No separate Group performance has been presented in this report as the Board receives only a consolidated Group performance report which is the equivalent to the statement of Profit or Loss and Other Comprehensive Income of the Group as a whole.

Group assets and liabilities - No separate Group asset and liabilities have been presented in this report as the Board only receives a consolidated asset and liabilities report which is the equivalent to the statement of financial position of the Group as a whole.

Revenue by geographical region	**2022 $000**	**2021 $000**
Australia / New Zealand	18,079	14,491
United Kingdom	16,276	11,391
Total revenue	**34,355**	**25,882**

Major customers

In 2022 the Group had one customer that accounts for more than 10% of total revenue: Leidos $4,066,000 (11.8%) (2021: $Nil)

Timing of revenue recognition	**2022 $000**			**2021 $000**		
	Goods transferred at a point in time	**Services transferred over time**	**Total**	**Goods transferred at a point in time**	**Services transferred over time**	**Total**
Australia / New Zealand	10,215	7,864	18,079	7,548	6,943	14,491
United Kingdom	13,059	3,217	16,276	8,576	2,815	11,391
Total revenue	**23,274**	**11,081**	**34,355**	**16,124**	**9,758**	**25,882**

27. Subsequent Events

The Company has had no subsequent events post 30 June 2022.

28. Notes to the Statement of Cash Flows

Reconciliation of cash and cash equivalents

	2022 $000	2021 $000
Cash and cash at bank	**17,339**	**25,027**

Reconciliation of loss for the year to net cash flows from operating activities:

	2022	2021
(Loss) for the year after income tax	**(4,412)**	**(2,244)**
Add back non-cash items:		
Depreciation and amortisation	2,256	457
Share based payments	328	227
Changes in assets and liabilities, net of effects from business combinations		
(Increase)/decrease in assets:		
Trade and other receivables	(1,302)	1,035
Other Assets	(259)	(858)
Deferred Tax Assets	-	1,256
Increase/(decrease) in liabilities:		
Trade and other payables	942	483
Provisions	(269)	3
Current tax liabilities	381	-
Deferred Tax Liabilities	(11)	11
Income in advance	3,342	1,175
Net cash flow from operating activities	**996**	**1,545**

29. Financial Instruments

(a) Financial risk management objectives

The Group's financial instruments consist mainly of deposits with banks, accounts receivables and payables. The totals for each category of financial instruments is shown at Note 29(f).

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

(c) Foreign currency risk management

The Company is exposed to foreign currency risk to the extent that the fair value or future cash flows of a financal instrument fluctuates due to movement in foreign exchange rates of currenices in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

While the Group's overseas operations hold financial assets and liabilities in NZD and GBP, there is very little foreign currency risk associated with intercompany transactions or the required conversion of these financial assets or liabilities to AUD as each overseas operation generates and holds sufficient financial assets in local currency to meet local liabilities and there are no intercompany transactions or movement of financial assets within the group that would create any significant foreign currency risk from currency conversion. Hedging is therefore not required to manage foreign currency risk arising from currency conversion. The only foreign currency risk arises from potential fluctuations in exchange rates used when converting financial asset and liability instruments denominated in currencies other than AUD, when consolidating Group financials.

(d) Interest rate risk management

In the prevailing low interest environment, the Company is exposed to minimal interest rate risk arising from decisions to place funds at either fixed or floating interest rates. What risk does exist is managed by maintaining an appropriate mix between fixed and floating rate products.

(e) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The quality of debtors is best monitored by the ageing of open invoices in accounts receivable.

Trade receivables are analysed as follows:

Not impaired:	**2022 $000**	**2021 $000**
Within trade terms	6,356	3,302
Past due but not impaired	895	812
Total trade receivables	**7,251**	**4,114**

Receivables that are neither past due nor impaired comprise customers with a long-term record of timely payments and/or no recent history of default arising from financial difficulty.

Receivables that are past due but not impaired comprise customers which do not have any objective evidence that the receivable may be impaired. Alcidion has actively engaged these customers and reasons for the invoices remaining outstanding are being actively resolved.

An allowance for doubtful debts is recognised where Alcidion has identified objective evidence that an amount owing may not be recoverable, mainly arising from observed financial difficulty of a customer.

Analysis of age of trade receivables:

	Not past due $000	**60-90days $000**	**>90 days $000**	**Total $000**
2022	**6,356**	**681**	**214**	**7,251**
2021	**3,302**	**812**	**-**	**4,114**

The Group measures the allowance for credit losses for trade receivables consistent with AASB 9. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date.

As at 30 June 2021, there were no expenses recognised during the financial year then ended for the write-off of receivables or provision for doubtful debts (2020: Nil).

(f) Liquidity risk management

Liquidity risk arises from the possibility that the Group may encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. It is a policy of the Group that creditors are paid within 30 days.

Maturity profile of financial instruments

The following table details the Company's exposure to liquity risk.

	Funds available on demand	Expected maturity dates			Total
		< 1 year	1-5 years	5+ years	
	$000	$000	$000	$000	$000
2022					
Financial assets:					
Cash and cash equivalents	17,035	304	-	-	17,339
Trade and other receivables	-	7,251	-	-	7,251
	17,035	**7,555**	**-**	**-**	**24,590**
Financial liabilities:					
Trade and other payables	-	5,227	-	-	5,227
Lease liabilities	-	616	1,868	-	2,484
	-	**5,843**	1,868	-	**7,711**
2021					
Financial assets:					
Cash and cash equivalents	24,750	277	-	-	25,027
Trade and other receivables	-	4,114	-	-	4,114
	24,750	**4,391**	**-**	**-**	**29,141**
Financial liabilities:					
Trade and other payables	-	2,919	-	-	2,919
Lease liabilities	-	163	18	-	181
	-	**3,082**	**18**	**-**	**3,100**

The amounts listed above equate to fair value. The cashflows in the maturity analysis above are not expected to occur significantly earlier than disclosed.

30. Information relating to Alcidion Group Limited (the Parent)

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

All assets listed below equate to fair value.

Statement of Financial Position

	2022 $000	2021 $000
Assets		
Current assets	4,982	17,006
Non-current assets	110,215	46,628
Total assets	**115,197**	**63,634**
Liabilities		
Current liabilities	746	685
Non-current liabilities	24	15
Total liabilities	**770**	**700**
Net assets	**114,427**	**62,934**
Equity		
Issued capital	136,010	84,068
Reserves	555	227
Accumulated losses	(22,138)	(21,361)
Total equity	**114,427**	**62,934**

Statement of Profit or Loss & Other Comprehensive Income

Total (Loss) for the year	(777)	(5,240)
Total comprehensive (Loss) for the year	(777)	(5,240)

31. Interests in Controlled Entities

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries:

Name of Entity	Country of Incorporation	Percentage Owned (%) 2022	Percentage Owned (%) 2021
Alcidion Corporation Pty Ltd	Australia	100	100
Oncall Systems Ltd	New Zealand	100	100
Alcidion Aus Pty Ltd	Australia	100	100
Patientrack Pty Ltd	Australia	100	100
Alcidion UK Limited	England & Wales	100	100
Patientrack (UK) Limited	England & Wales	100	100
Alcidion NZ Limited	New Zealand	100	100
ExtraMed Limited	England & Wales	100	100
Silverlink PCS Software Limited	England & Wales	100	-

32. Guarantees

Alcidion Group Limited has not entered into guarantees.

33. Capital Commitments

As at 30 June 2022, the Group had no contracted capital commitments for capital purchases (2021: NIL)

Additional Shareholders' Information

The information in this report is current as at 4 August 2022.

Additional information required by the ASX Limited for Alcidion Group Limited is as follows:

Ordinary Fully Paid Shares

At the date of this report the following number of Ordinary fully paid shares on issue are:

	Number of shares
Balance at the beginning of the year	1,048,069,052
Movement of share capital during the year and to the date of this report	220,000,001
Total number of shares at the date of this report	**1,268,069,053**

Performance Rights

At the date of this report the following number of unlisted Performance Rights are on issue:

	Number of rights
Balance at the beginning of the year	8,667,793
Unlisted Performance rights issued during the year	1,640,147
Unlisted Performance rights forfeited during the year	(828,528)
Movements of performance rights during the year and to the date of this report	811,619
Total number of performance rights outstanding at the date of this report	**9,479,412**

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

Substantial Shareholders

Alcidion Group Limited has the following substantial shareholders (including related parties) as at 4 August 2022:

Name	Number of shares	Percentage of issued capital
Professor Malcolm Pradhan	134,582,403	10.61
AustralianSuper Pty Ltd	110,991,042	8.75
Mr Raymond Blight	93,028,781	7.34

Range of Shares as at 4 August 2022

Range	Total Holders	Units	% Issued Capital
1 - 1,000	183	28,163	0.00
1,001 - 5,000	2,385	7,295,744	0.58
5,001 - 10,000	1,892	14,807,441	1.17
10,001 - 100,000	5,026	174,771,311	13.78
> 100,001	1,165	1,071,166,394	84.47
Total	**10,651**	**1,268,069,053**	**100.00**

Unmarketable Parcels as at 4 August 2022

	Minimum parcel size	Holders	Units
Minimum $500 parcel at $ 0.17 per unit	3,031	1,497	2,856,729

Top 20 Holders of Ordinary Shares as at 4 August 2022

	Name	Units	%
1	J P Morgan Nominees Australia Pty Limited	137,602,132	10.85
2	Prof Malcolm Pradhan	134,582,403	10.61
3	Mr Raymond Howard Blight	93,028,781	7.34
4	Sandhurst Trustees Ltd <JMFG Consol A/C>	35,467,224	2.80
5	Isle Of Wight Pty Limited <MacKinnon Family A/C>	30,429,984	2.40
6	Mrs Katrina Elizabeth Doyle	27,793,199	2.19
7	Citicorp Nominees Pty Limited	27,681,779	2.18
8	Rewmicman Pty Ltd <Smallman Family A/C>	26,026,606	2.05
9	Caledonia Nominees Pty Ltd <Caledonia A/C>	19,976,377	1.58
10	MNMD Pty Ltd <Quirke Super Fund A/C>	18,668,086	1.47
11	HSBC Custody Nominees (Australia) Limited	12,321,378	0.97
12	Rangiora-London Pty Limited <Rangiora-London A/C>	10,000,000	0.79
13	Sandhurst Trustees Ltd <Cyan C3G Fund A/C>	9,469,114	0.75
14	Mr Colin Bruce MacKinnon + Mrs Maree Anne MacKinnon <MacKinnon Super Fund A/C>	8,823,723	0.70
15	Rewmicman Pty Ltd <Smallman Family A/C>	7,533,835	0.59
16	BNP Paribas Noms Pty Ltd <DRP>	7,121,804	0.56
17	Emerald Shares Pty Limited <Emerald Unit A/C>	6,800,000	0.54
18	Mr Vivek Ramakrishnan + Miss Nisha Srinivasan	6,033,121	0.48
19	Hudson Retirement Pty Ltd <Seagulls Super A/C>	5,525,344	0.44
20	Beale & Co Pty Ltd	5,066,134	0.40
Total of Top 20 holders of ORDINARY FULLY PAID SHARES		**629,951,024**	**49.68**

* *The holdings presented in the above table represent individual holdings as registered with the Company (reflecting how these would be presented to shareholders requesting such a Top 20 report). Multiple holdings held by individual shareholders and holdings of related parties to each director or KMP have not been grouped in the table. The Shares and Options held By Directors tables in the Remuneration Report shows the consolidated equity interest that each director and KMP has in the Company.*

Voting Rights

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Other securities

Other classes of securities issued by the Company do not carry voting rights.

Annual General Meeting

Alcidion Limited advises that its Annual General Meeting will be held on or about Tuesday 25 October 2022. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all Shareholders and released to ASX immediately upon despatch.

The Closing date for receipt of nomination for the position of Director is Tuesday 13 September. Any nominations must be received in writing no later than **5.00pm (Melbourne time) on** Tuesday 13 September **at the Company's Registered Office.**

The Company notes that the deadline for nominations for the position of Director is separate to voting on Director elections. Details of the Director's to be elected will be provided in the Company's Notice of Annual General Meeting in due course.

Corporate Governance Statement

The Company's 2022 Corporate Governance Statement has been released to ASX and is available on the Company's website at: https://alcidion.com/investor-center/corporate-governance

Corporate Directory

Current Directors (Alcidion Group Limited)

Name	Position	Date of Appointment
Ms Rebecca Wilson	Non-Executive Chair	01/08/2017
Ms Kate Quirke	Managing Director	03/07/2018
Prof Malcolm Pradhan	Executive Director	22/02/2016
Mr Simon Chamberlain	Non-Executive Director	22/02/2016
Ms Victoria Weekes	Non-Executive Director	01/09/2021
Mr Danny Sharp	Non-Executive Director	01/09/2021
Ms Melanie Leydin	Company Secretary	04/03/2019

Registered office
Level 4
100 Albert Road
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Principal place of business
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Website
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