

# Group Managing Director Report

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Group Managing Director | CEO

# Market outlook

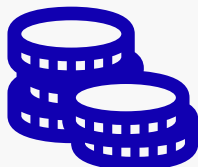
Hospitals are increasingly seeking seamless, digital solutions to manage clinical workflow

## Transition to digital



Shift towards digital within the healthcare sector accelerated by pandemic

## Increasing industry support & funding



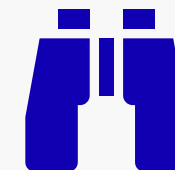
Increasing support and funding for digital solutions in the UK (through the NHS) and in Australia

## Increasing demand for seamless clinical solutions



Growing demand for modular and interoperable workflow solutions vs. rigid incumbent EPR solutions

## Increasing market interest & activity



Sector trends driving increased market activity and consolidation

**Need for improved healthcare workflow and digital solutions heightened as result of COVID**

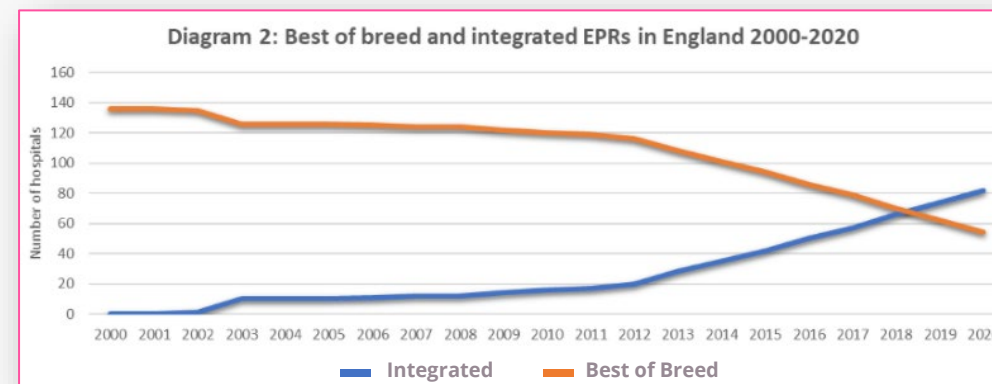
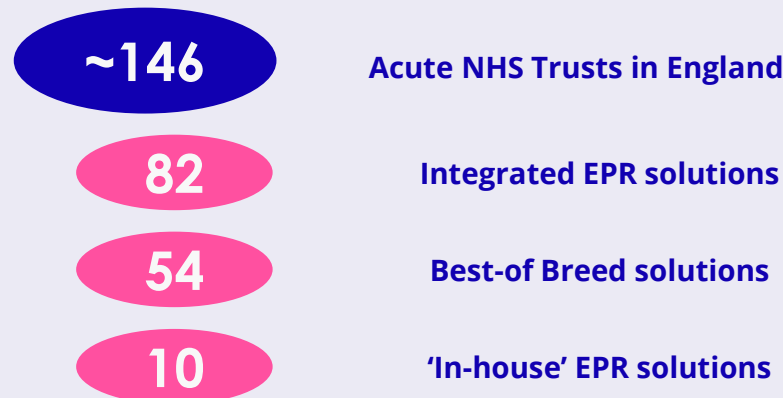
# Digital strategy provides potential to disrupt large EPR vendors

NHS + digital health market changing in UK, leading to growing adoption of larger integrated EPR contracts

- Concept of an EPR is maturing in the UK; market moving from standalone PAS to an integrated EPR given increasing demand for clinical capabilities  
– **A core competency of Alcidion!**
- EPR wins by major global vendors from larger hospitals has increased over recent years
- However, the adoption of 'Tier 2' vendors from mid/smaller hospitals has been slower driven by perception of higher impact (software only without support) & cost (minimal cost differential) leading buyers to large EPRs

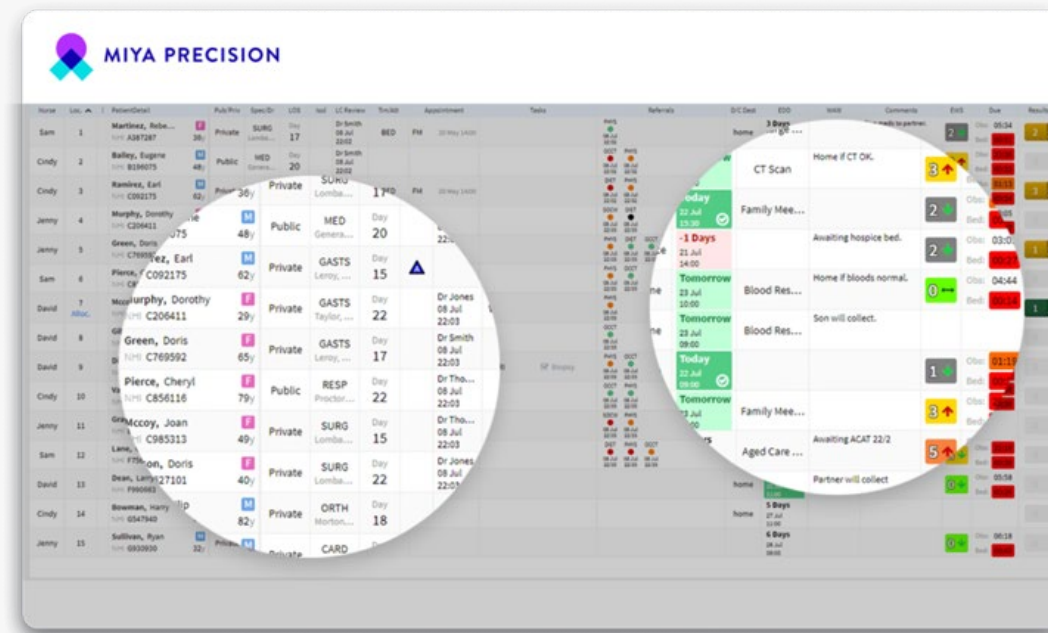
## Digital Strategy & Alcidion Opportunity

- As Trusts look for integrated EPRs, there is demand & market opportunity for new players with an open platform, modern & modular architecture, mobility & improved price point
- Using Miya Precision as the **core orchestration layer**, Alcidion can layer their own solutions (partnering with others (Better Meds) as required) to create a modular ecosystem EPR that is agnostic of the care setting



# Alcidion's flow solution: Miya Flow

- Foundation module of Miya Precision, Miya Flow addresses these challenges by
  - Providing clinicians with insight to all factors relevant to managing care of patient across entire stay
    - Real-time consolidated information
    - Efficient handover process
    - Improved discharge planning
    - Enterprise access to information
  - Displaying resource requirements & potential constraints to inform management & planning
    - Align capacity & demand
    - Effective patient allocation



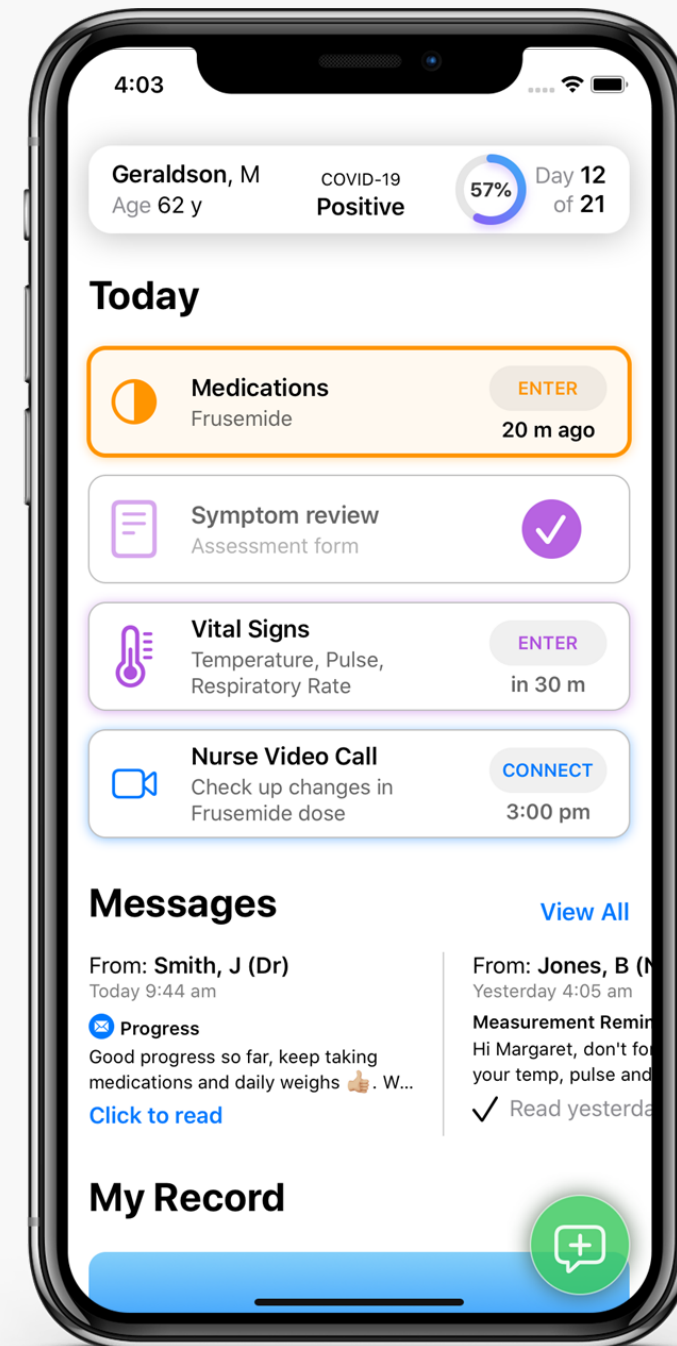


# Virtual Care: overview & positioning



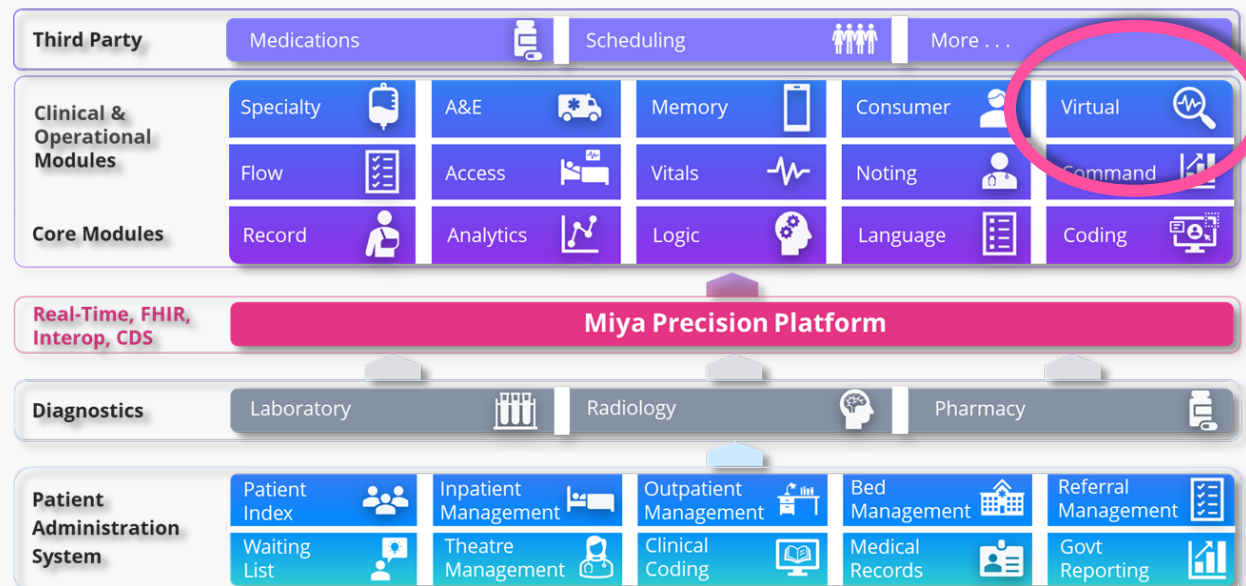
# What is Virtual Care?

- Long been recognised that patients recuperate better at home than in hospital
  - Also helps contain healthcare costs
- COVID accelerated digitally-enabled methods of care, demonstrating tech facilitates safer patient outcomes
- Virtual Care uses digital tech to monitor health data and transmit to providers for triage, assessment & care management
- Virtual care involves the patient in their care plan and gives them information and engagement in their care
- Gives patients better understanding of their condition, helping equip them to contribute to their recovery



# Alcidion at the forefront of Virtual Care delivery...

- Alcidion originally developed Virtual Care for monitoring of COVID patients
  - Focused on visualisations so information was immediately meaningful to clinicians
  - Critical was our integration capability to source relevant data from hospital / diagnostic systems through to wearable devices allocated to patients
- Given flexibility & scalability of Miya Precision, we had ability to pivot quickly to assisting with COVID
  - Several customers impressed with our adaptability; highlights strong underlying foundations of platform

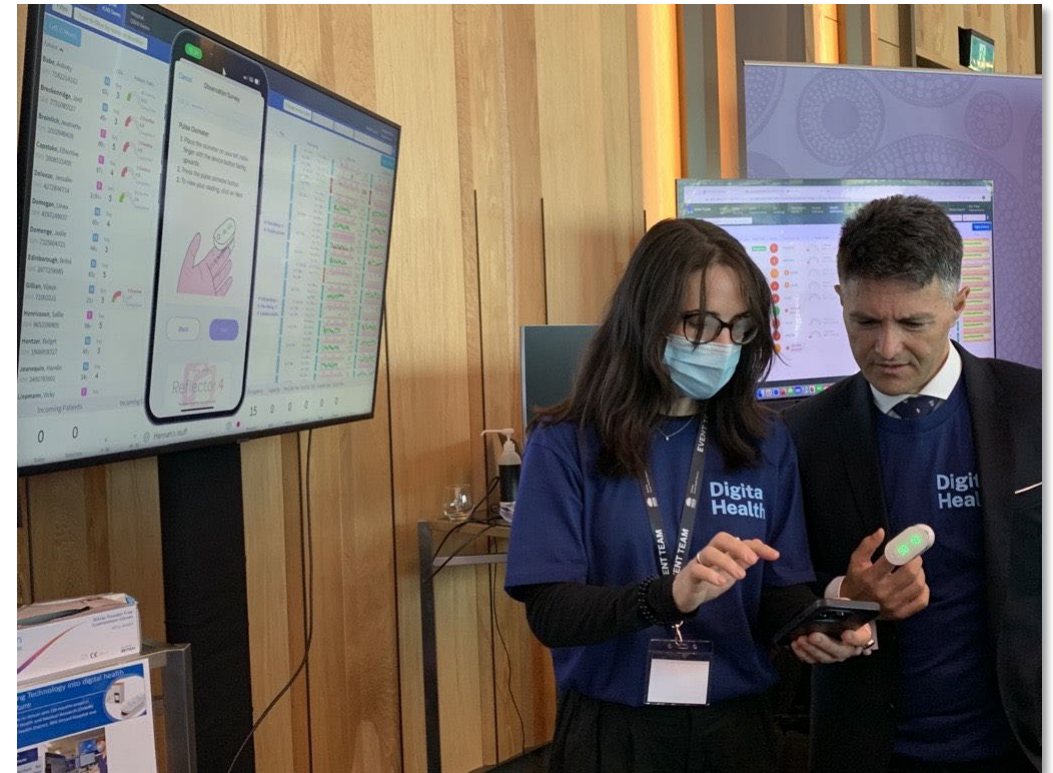

**MIYA PRECISION**


# Case Study: Virtual Care at Sydney LHD

**“ rpaVirtual has now delivered virtual care safely with great results to over 63,000 patients.**

**Alcidion’s Miya Platform provides our clinicians the tools they need to deliver great quality care virtually, with the best possible outcomes for patients.”**

Miranda Shaw, General Manager,  
RPA Virtual Hospital





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# Virtual Care in action: product demonstration

# Outlook

## Key Comments

- Ending FY23 Q1 with strong contracted revenue of \$29.0M to be recognised in FY23, 69% higher than at same time last year
- Further \$2.6M of scheduled renewal, expected to be converted to contracted revenue over FY23
- Very confident in pipeline of opportunities, several of which are well progressed

### Key Growth Drivers:



#### New Contract Wins

New contract wins build on long-term TCV while validating product offering



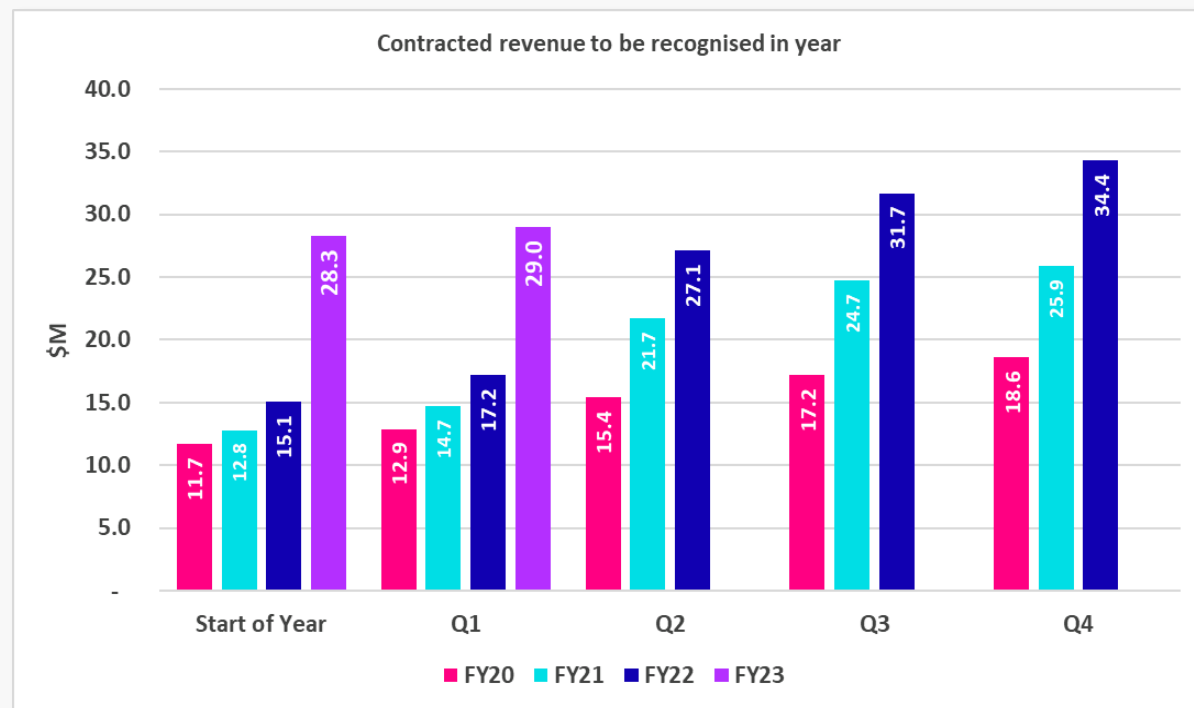
#### Contract Up-Sell

Adding new modules (services) to existing customers



#### Contract Renewals

Renewal of contracts at term end to continue recurring revenue streams



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# Risk management update





# Additional information with regard to Risk Management and Key Risks

There are various internal and external risks that may have a material impact on the Group's future financial performance and economic sustainability. The Group makes every effort to identify material risks and to manage these effectively.

The Board takes a proactive approach to risk management. The Board has oversight of the Audit & Risk Committee, which is responsible for ensuring that risks, and opportunities, are identified in a timely manner and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Audit & Risk Committee meets at least 4 times a year to review the risk register and receive updates on and provides feedback to the Senior Leadership Team on the identification of risks and the progress/effectiveness of risk mitigation strategies.

Material risks that could adversely impact the Group's financial prospects along with mitigating actions taken by Alcidion are outlined below. These risks do not represent an exhaustive list of the risks Alcidion is exposed to, nor are they in order of significance.

## **Inability to attract and retain appropriately skilled employees results in skill shortages impacting business operations**

Future financial and operational performance of the Group is significantly dependant on the performance and retention of key personnel. The unplanned or unexpected loss of key personnel, or the inability to attract and retain high performing individuals to the business may adversely impact the Group's ability to deliver on its customer commitments and its future financial performance.

**Mitigating actions:** Alcidion has introduced and developed initiatives to attract, develop and retain key people, including the implementation and constant review of an Employee Value Proposition (EVP) to remain an attractive employer; regular remuneration benchmarking; and collecting and responding to employees via an engagement platform. Alcidion allows time for graduates, interns and product engineers to focus on innovation. The company has mechanisms to allow open communication and visibility to the Senior Leadership Team to prioritise and consider innovative ideas.

Alcidion utilises multiple recruitment channels to attract the right employees and where appropriate uses staff augmentation services, to enhance and expand capabilities at short notice.



# Additional information with regard to Risk Management and Key Risks (cont.)

## Cyber security threat from Data breach, Targeted data theft and/or Operational disruption including Statutory Liability arising from Privacy and Data Breaches

A cyber security breach has the potential to disrupt the Group's information technology platform which is integral to the efficient operation of its business. A serious data breach could expose the business to statutory liability and reputational damage.

**Mitigating actions:** Alcidion has an ongoing Cyber security program of work in place. The Group maintains and regularly updates its suite of information technology security measures to restrict access to the Group's operating systems including multifactor authentication, firewalls, phishing identification software, offsite and cloud hosted solutions, and regular back up of data. The Group conducts regular penetration testing and training to educate its workforce and ensure its security measures remain at the forefront of available market solutions. Updated Privacy policies were released in 2022 in each of the jurisdictions we operate. The Group also maintains Cyber Enterprise Risk Management Insurance.

## Dependence on third party IT suppliers and partners

Alcidion uses third party suppliers to support its products and operations and re-sells supports third party software solutions to enhance its product offering. There is a risk of these suppliers performing poorly or terminating their contracts with Alcidion which could adversely impact Alcidion's reputation and/or financial performance. There is no guarantee that the company will be able to find suitable industry partners that it can negotiate attractive commercial terms in the future.

**Mitigating actions:** Alcidion partners with reputable suppliers and performs Due Diligence on key partners. External agreements are reviewed and signed off by Legal Counsel. Significant contracts have minimum service level agreements written into them. Where possible multiple partners are used, providing a level of redundancy.

## Failure to Deliver on contractual commitments with customer

Alcidion commits to programs of work with its customers, failure to deliver on this program in a timely fashion could lead to reputational damage, loss of contracts or Indemnities or damages payable in connection with key contracts

**Mitigating actions:** General Counsel reviews all customer contracts, and a risk analysis is performed on material bids. Alcidion has a rolling 12-month road map in place, which is made available to the product development, service delivery and sales teams. Changes to the roadmap are discussed with internal stakeholders and agreed prior to committing to changes. A Delegated Authority is in place to ensure the Board is comfortable with structural liabilities.

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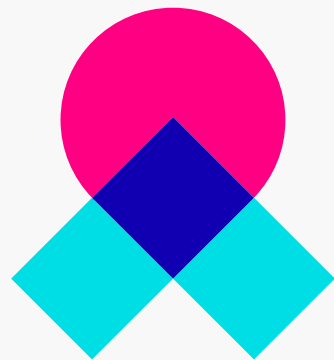
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