**2 May 2018**

Australian Securities Exchange
20 Bridge Street,
Sydney NSW 2000

# Alcidion – MKM Health and Patientrack Acqusition – Investor Presentation

**Adelaide, South Australia, 2 May 2018** - Alcidion Group Limited (ASX: **ALC**), today released an investor presentation which will be presented at an investor roadshow taking place in Melbourne, Sydney and Brisbane from 2 May – 4 May 2018.

Ray Blight, Chief Executive Officer and Kate Quirke, Chief Executive Officer of MKM Health will be jointly delivering the presentation, to provide investors with an overview of the recently announced acquisition of MKM Health and Patientrack.

### ENDS ###

For further information, please contact:
**Ray Blight,** Chief Executive Officer
Ph: +61 (08) 8208 4600
Alcidion Group Limited
ray.blight@alcidion.com

**Kyahn Williamson,** WEBuchan
Ph: 0401018828
kwilliamson@we-buchan.com

**About Alcidion**

Alcidion Group Limited (ASX:ALC) is a publicly listed, innovative health informatics company that specializes in clinical products that improve productivity, safety and efficiency. Alcidion's solutions target key problems for Emergency Rooms, Inpatient Services and Outpatient Departments and are built upon a next generation health informatics platform, which incorporates an intelligent EMR, Clinical Decision Support Engine, Data Integration Capability, Smartforms, Terminology Support and Standards Based Web Services.

Alcidion's focus is on delivering solutions that enable high performance healthcare and which assist clinicians by minimising key clinical risks, tracking patient progress through journeys and improving quality and safety of patient care.

www.alcidion.com

# Acquisition of MKM Health & Patientrack

May 2018

# Creating a new leader in health informatics

## Market-leading “next generation” decision intelligence technology

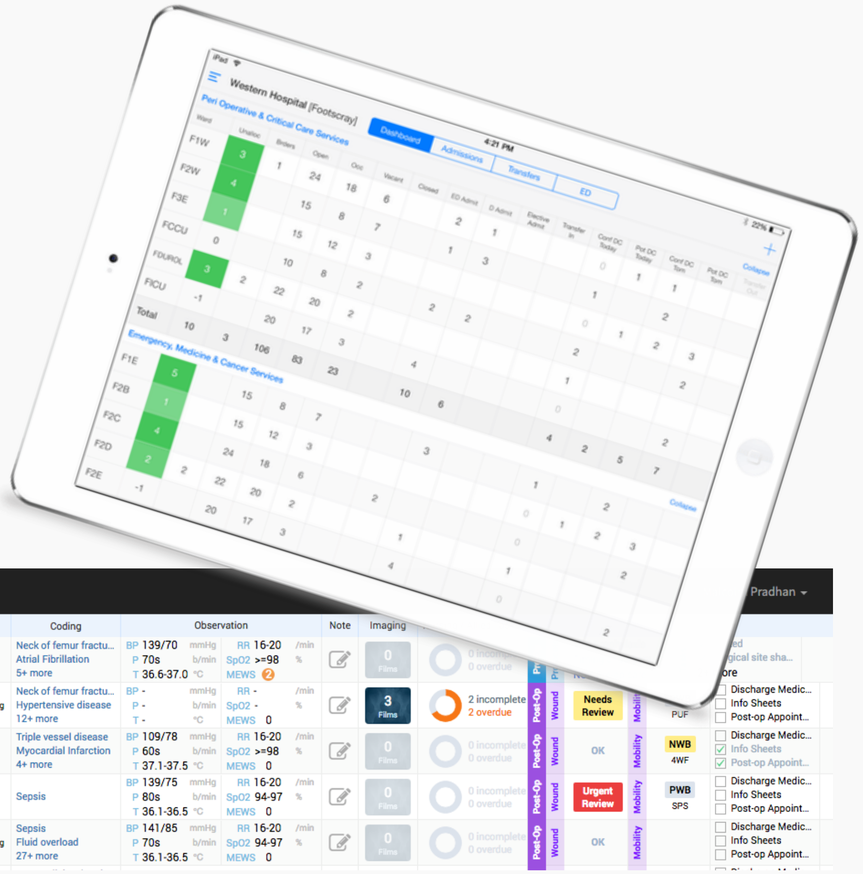
- Enlarged Alcidion Group has:
  - Diversified product platform with lead products including Miya (Alcidion) & Patientrack (MKM Health)
    - Cloud-enabled, mobility focused
    - Innovative technology that complements existing electronic medical record (EMR) vendor offerings
  - Extensive capabilities in healthcare system implementation, integration and data management, supporting product platforms
  - Proven sales and go-to market capabilities and strong customer relationships
  - Large, diversified customer base across Australia, UK and New Zealand
  - Combined revenue of approximately $13 million (on a FY2017 pro-forma basis)
- Highly experienced Board & Management team
  - MKM Health CEO Kate Quirke to be appointed CEO; Ray Blight to remain Executive Chairman

# Transformative acquisition

- Expanded Product Set: Highly complementary and aligned functionality and technology – a highly differentiated platform to take to market
- Strengthens Strategic Capabilities: Proven go-to-market capability, long term customer relationships & specialist health IT advisory, implementation and integration skills
- Global Reach & Expansion: Strong presence in three markets provides opportunity to accelerate Alcidion's presence in new geographies, that are fast growing markets
- Highly valuable "big data" play: Larger data set increases the value of AI. Learnings can be fed back into real-time clinical decisions
- Improved Financial Model: Adds profitable new business lines and diversifies revenue streams; doubles annuity revenue and smooths cash flow
- Builds Critical Mass: Three-fold business growth + lower risk expansion model via established customer base
- Ready to hit the ground running: Aligned cultures and positioning, minimises integration challenges

# Key Transaction Terms

- Initial acquisition consideration of $12m
  - Scrip component : $10m (ALC shares to be issued at 5.05c/share)
  - Cash component : $2m to be funded from existing cash reserves (subject to completion adjustments)
- Additional contingent payment of up to $4m (in ALC shares), payable in 12 months, based on two targets:
  - 50% based on a revenue target of $11m
  - 50% based on EBITDA target of $2m
- Customary conditions precedent
- Share Purchase Agreements executed
- Completion subject to shareholder vote
  - EGM scheduled for 14 June 2018



# Miya platform

## Miya is focused on BETTER, FASTER decisions that support improved patient care

- Decision intelligence software that consolidates real-time data from disparate healthcare IT systems
- Differentiated decision intelligence platform that :
  - PUSHES relevant decision intelligence to users rather than requiring user to PULL the information
  - Integrates with all major hospital IT systems to simplify extensive volumes of data for clinicians
  - Provides “higher value” cloud based analytics and decision support for healthcare providers
- Consolidates and extends customer’s existing data investment (based on other vendors information)
- Reduces and eliminates avoidable injury and death (clinical workflows)
- Improves business process improvement (cost, productivity and revenue) (business workflows)


# MKM Health & Patientrack

# MKM Health overview

Synergistic technology to Alcidion + sales and delivery capacity + long standing customer base = a turbo charged offering with near term growth opportunities

- Established provider of IT solutions and services – working exclusively in the health industry
- Multi-sector experience: Government departments, public / not for profit & private healthcare providers, research institutions and specialist health agencies
- Areas of expertise:
  - Data management & analytics: Providing meaningful data to support care delivery & research initiatives, identify clinical events & business efficiencies & deliver cost savings
  - Integration & interoperability: All aspects of system interoperability, across integration platforms & standards, healthcare solutions & applications in use across Australia
  - Solutions & services: Providing healthcare ICT solutions & expert services to address clinical & business needs, optimise existing investments & contribute to improved patient care
- A team with deep industry experience, blend of clinical and technical / IT expertise
- Operations and customers across Australia, New Zealand and the UK: 54 FTE

# Proven track record

- Health IT solutions & services firm with diversified revenue streams
  - Revenue from product sales, specialist healthcare IT implementation, integration and data management skills
  - Lead product is Patientrack which is focused on improving patient safety and the quality and efficiency of care in hospitals and healthcare
  - Highly experienced team, with proven capability in sales and marketing
  - Been in business 15 years, commenced in AU and expanded to NZ and UK
- Strong team and culture attracting some of the most sought after healthcare IT specialists
- Large and long standing customer base with more than 80 customers: NHS customers in the UK and public and private hospital and healthcare groups in Australia & NZ
- Revenues of approx. $9.5 million and NPAT of $0.7 million in FY17
  - MKM Health has delivered 2.5x revenue growth over past five years – at a compound annual growth rate of 29%
  - 28% of MKM Health / Patientrack revenue from recurring annual licence fees or annual support revenues in FY17
- Partner with several large software companies to deliver product

# Some of our client relationships

Alcidion

Mercy Health
Care first

Austin Health

CANBERRA HOSPITAL
AND HEALTH SERVICES

NSW GOVERNMENT Health
Hunter New England
Local Health District

Peter Mac
Peter MacCallum Cancer Centre
Victoria Australia

Western Health

easternhealth

Waitemata
District Health Board
Best Care for Everyone

COUNTIES
MANUKAU
HEALTH

PRIMARY
HEALTH CARE LIMITED

Peninsula
Health

Northern Health

Canterbury
District Health Board
Te Poari Hauora ō Waitaha

ACT Government
Health

VICTORIA
State Government
Health
and Human
Services

NSW GOVERNMENT eHealth

The Royal Children's
Hospital Melbourne

KOLLING
INSTITUTE

Royal
Adelaide
Hospital

MELBOURNE HEALTH

Epworth

Calvary

TE WAIORA
Nelson Marlborough
Health

Melbourne Genomics
Health Alliance

the women's
the royal women's hospital

Chris O'Brien
Lifehouse

AlfredHealth

Genesis
Care

Southern District
Health Board
Piki Te Ora

NSW GOVERNMENT Health
Central Coast
Local Health District

Australian Government
Australian Institute of
Health and Welfare

# Patientrack

## Leading digital healthcare solution, highly complementary to Alcidion's Miya product suite

- Best-in-class patient safety software product, developed with clinicians and evolved over eight years in market
- A complete digital and mobile bedside patient data collection solution which improves patient safety, quality and efficiency of care in one easy-to-use application
- Real time data to the right person, at the right time at the point of care
- Captures Early Warning Scores (EWS), clinical responses to EWS and assessment protocols

*"Any clinician can instantly see the profiles of the sickest patients in the hospital. Patientrack has helped us introduce some of the biggest and most immediate changes in clinical practice I have ever seen"* Dr Gavin Simpson, Critical Care Consultant, NHS Fife Scotland

**40** acute hospitals using Patientrack solution in proven deployments across UK & ANZ

**10,000** licenced beds served to date

**20,000** active users

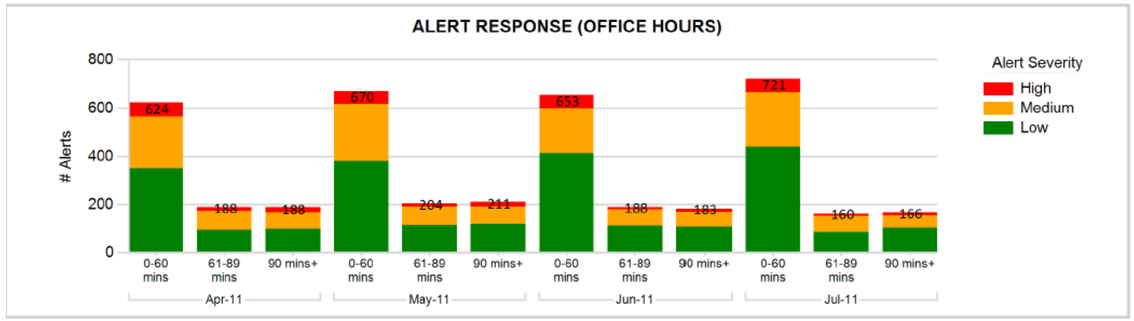
**500** Million vital signs analysed

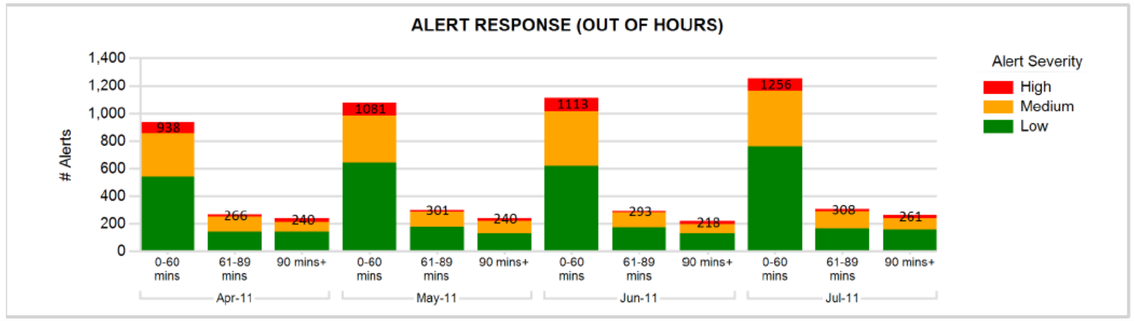
**25** Immediate and near-term opportunities

# Demonstrated ROI

## In multiple clinical trials Patientrack delivered dramatic results in improved patient outcomes & economic benefits

- Hospital length-of-stay reduced by 20%
- 80% reduction in cardiac arrests
- High risk admissions to ICU fell from over 10% to under 5%
- Saved thousands of hours after seeing a two-third reduction in time spent performing observations
- Early intervention in deteriorating patients improved significantly > reduces the wastage of care team time and resources
- Calls to the medical emergency team have fallen by one-fifth




*Jones S, Mullaly M, Ingleby S et al. Bedside electronic capture of clinical observations and automated clinical alerts to improve compliance with an Early Warning Score Protocol. *Crit Care Resusc* 2011;13(2):83-8

*Achieving Digital Excellence in the NHS. A Strategic Analysis of Digital Transformation Projects in the NHS. March 2017

# Patientrack customers

## United Kingdom

- Manchester University NHS Foundation Trust
- Western Sussex Hospitals NHS Foundation Trust
- George Eliot Hospital NHS Trust
- Harrogate and District NHS Foundation Trust
- Derby Teaching Hospitals NHS Foundation Trust
- Bolton NHS Foundation Trust
- Basildon and Thurrock Hospitals NHS Foundation Trust
- St Helens and Knowsley Teaching Hospitals NHS Trust
- Stockport NHS Foundation Trust
- Pennine Acute Hospitals NHS Trust
- NHS Fife Scotland
- Noble's Hospital, Isle of Man

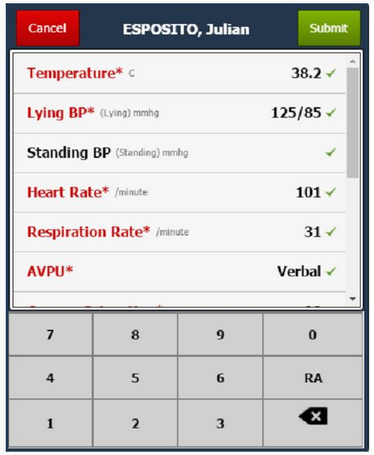
## Australia

- Hunter New England Health - 43 Hospitals
- ACT Health
- Australian Society of Head and Neck Surgeons

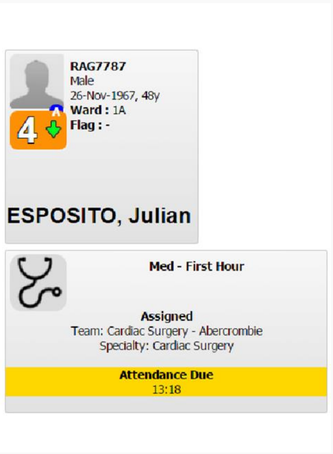
## New Zealand

- Canterbury and West Coast DHBs
- Waitemata DHB
- Counties Manukau DHB
- Nelson Marlborough DHB

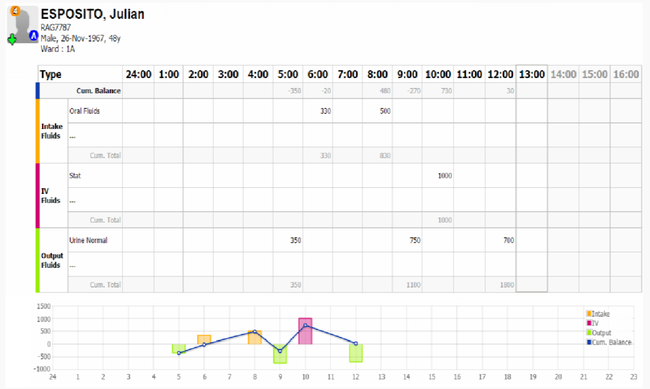
# Product visualisation: What a nurse sees

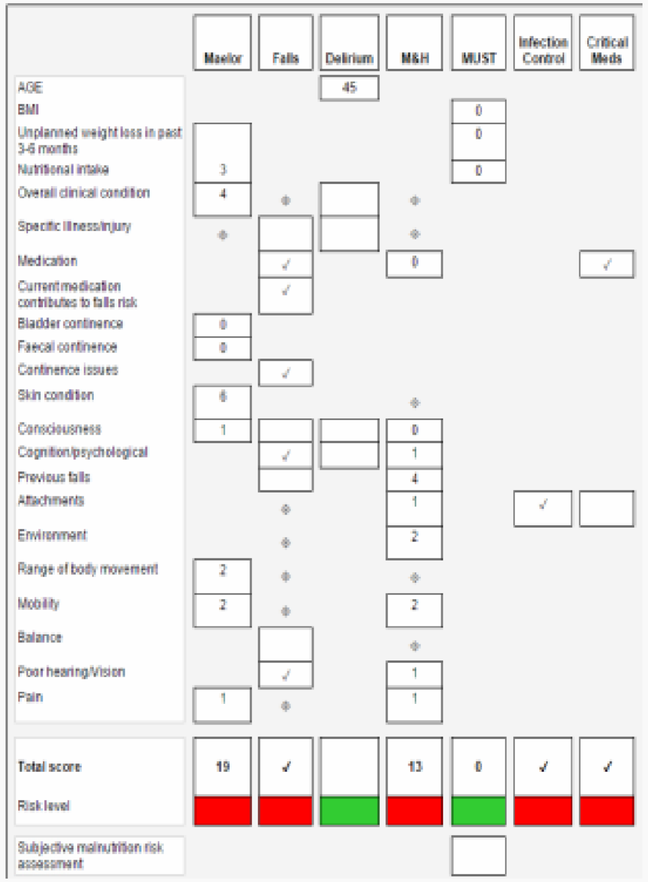




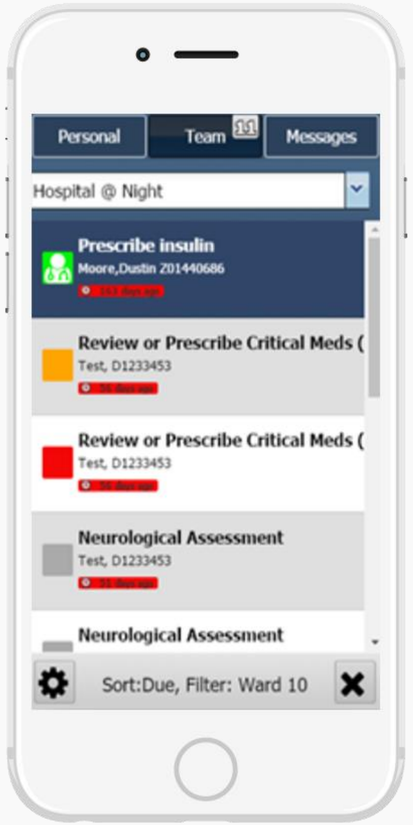


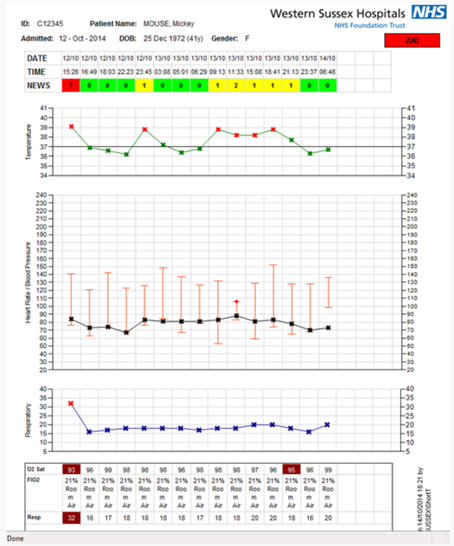


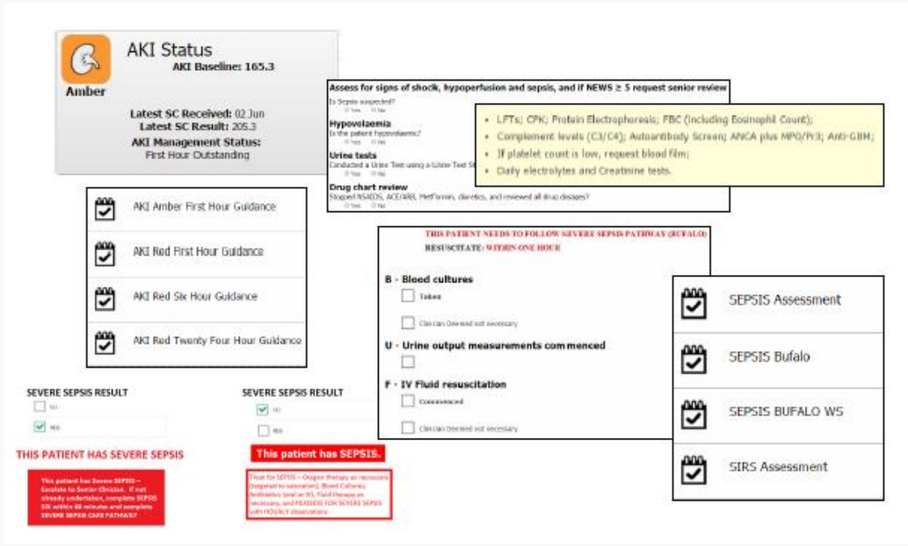


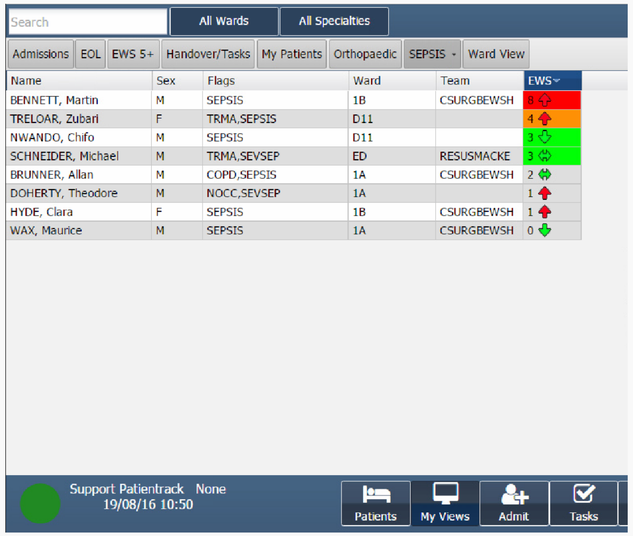



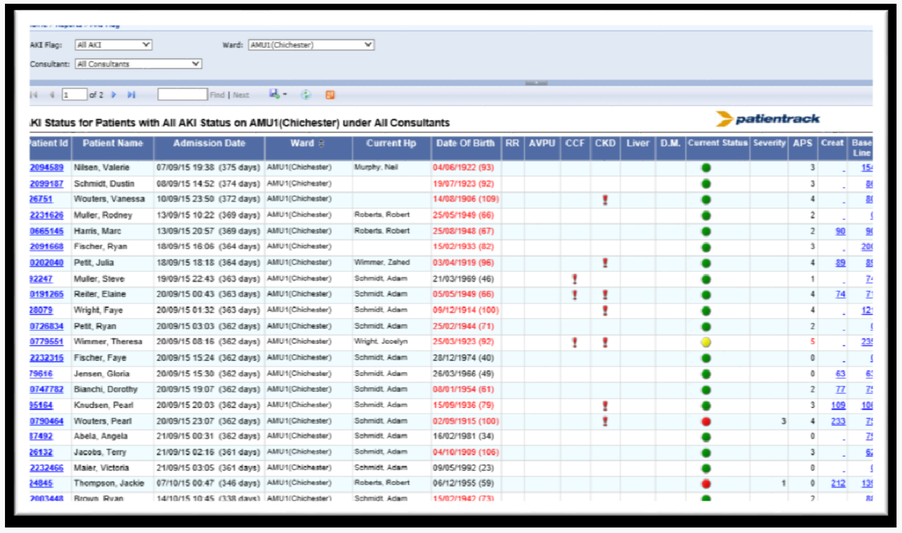
# Product visualisation: What a doctor sees



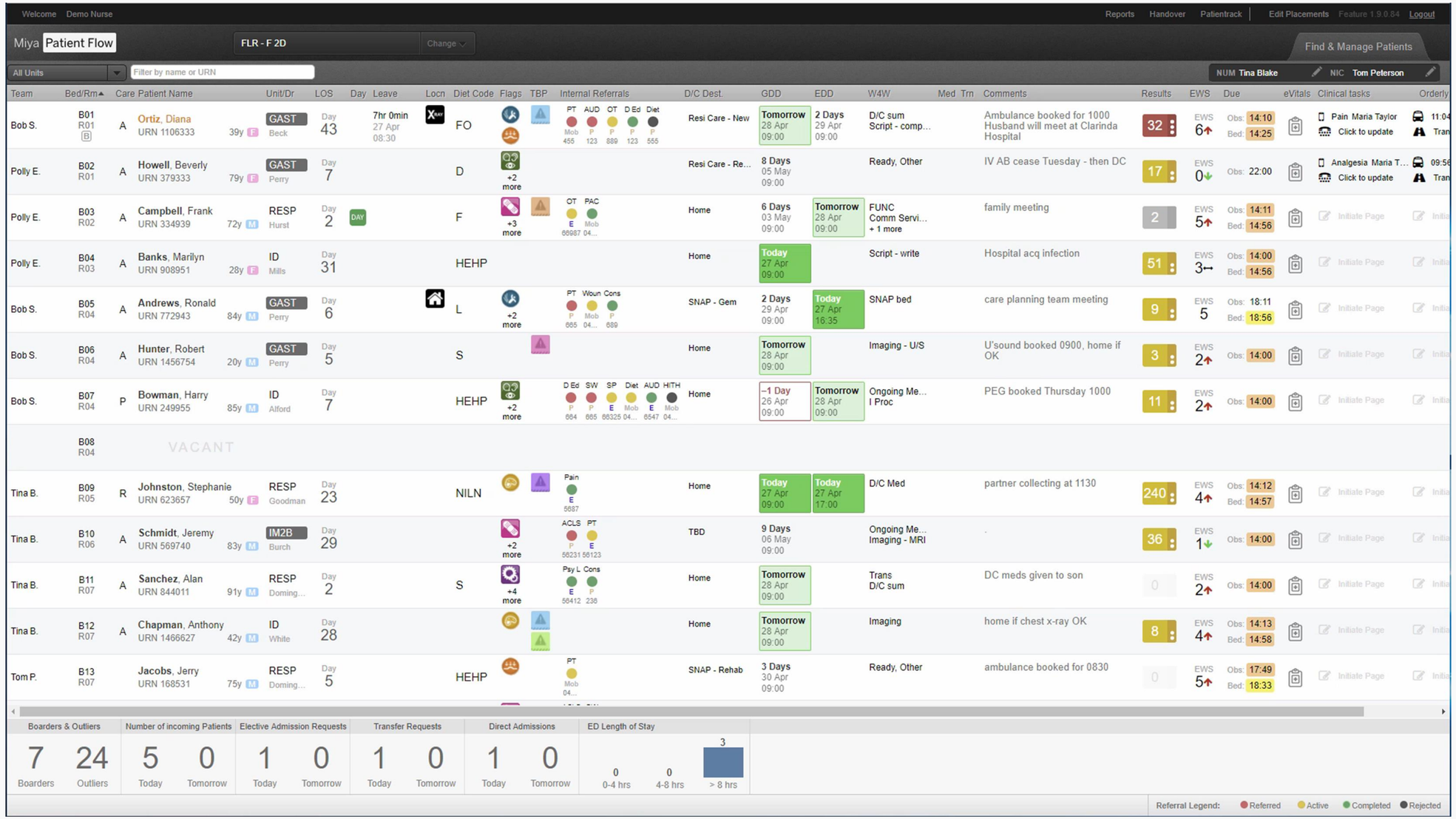



# Business integration & market opportunity

# Strong platform & product integration



Capitalising on the opportunity for ***cloud based predictive analytics*** and ***artificial intelligence*** for decision guidance to healthcare providers, in specialist points of care and across all health care settings

# Powerful, clinical decision intelligence

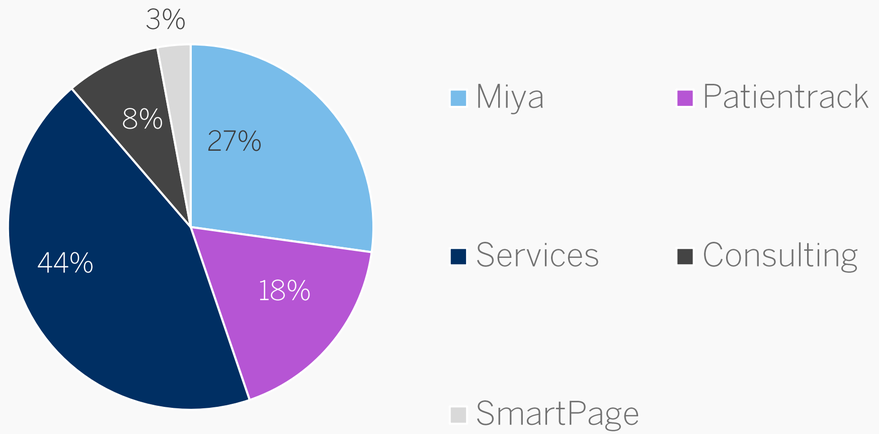
## A disruptive force in healthcare IT

- Unacceptable Truth: *Clinical risk & avoidable errors are a major healthcare issue – third largest killer in US behind heart disease and cancer* (Johns Hopkins University study, 2016)
- Current health IT requires care team to PULL data from repositories – this deluges care team with masses of data and masks the critical intelligence needed for fast quality decisions
- Patient data is going digital, driven globally by Government spending, creating a massive need for Alcidion type technology to reduce data to meaningful intelligence to help the care team make better, faster decisions
- ~$40 billion spent in US in digitising patient data via EHR and other systems, in accordance with the US Patient Protection & Affordable Care Act
- UK Government has allocated £4 billion to transition the National Health Service into a paperless environment
- Clinical Decision Support System Market to grow at 21.5%p.a between 2013-2018 (Source : IndustryARC)

# Corporate Overview & Growth Strategy

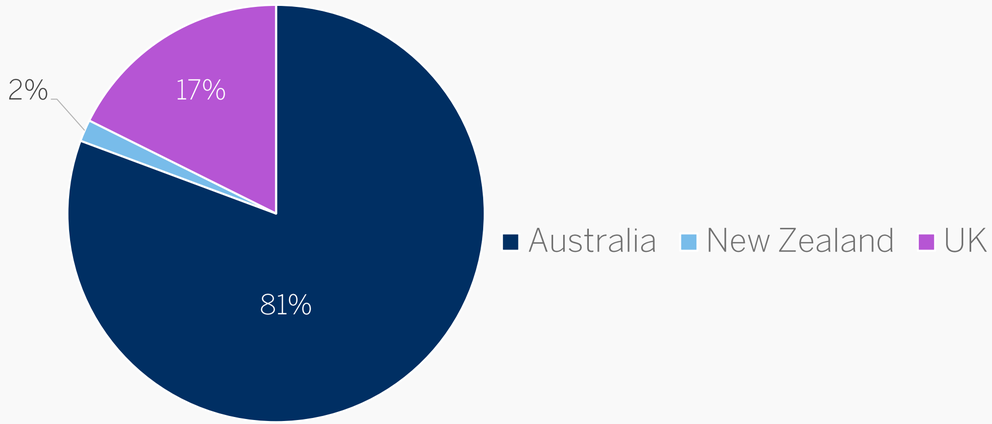
# Combined Group corporate profile

| Key financials (FY17) | $m |
|---|---|
| Revenue (pro-forma)[1] | 13.0 |
| Cash (as at 31 Mar 18, pro-forma) | 3.2 |




Notes :
1 Before additional contingent scrip payment to vendors if revenue and earnings targets are met
2 Based on closing ALC share price of $0.04 per share as at 9/4/18 and includes new shares issued to MKM shareholders as acquisition consideration

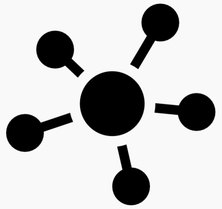
| Enlarged share capital[1] | Shares (m) | % |
|---|---|---|
| Existing Alcidion shareholders | 608 | 75% |
| Shares issue to vendors | 198 | 25% |
| Total shares post transactions | 806 | 100% |



# Growth strategy

Alcidion

## Focus on building long term contracts and annuity revenues



- Integrate key MKM Health sales & marketing personnel
- Leverage domestic MKM Health relationships
- Utilise success of key reference sites
- Launch integrated Patientrack and Miya PatientFlow product offering

- Business strategy for accelerated market entry in place
- Additional MKM Health product & services capability enhances customer proposition
- Valuable opportunities given much shorter procurement cycle

- New analytics & advanced metrics products to be launched in 2018
- Exploring additional point-of-care product offering
- Complementary cloud based product offering
- MKM track record of product innovation and new service offerings

- MKM provides a “beachhead” to begin cross-selling of Miya products into UK market
- Further investment in UK sales and marketing team post acquisition
- Leverage strong NHS relationships

# Summary

# Summary

## Alcidion's acquisition of MKM Health creates a group with:

- Innovative and proven sales team, with long-standing relationships
- Large and diversified customer base with demonstrated appetite to invest in IT innovation
- New international market opportunities
- Experienced management team with proven specialist health IT credentials and depth and breadth required to drive and manage continuing growth
- Positioned to disrupt and lead the fast growth digital health sector
- Revenue growth via additional long term contracted and annuity revenues
- Strategic partnerships with global health IT software suppliers
- Lean operation and cost base
- Unrivalled profile, reputation and contact network across our target markets