

ASX Announcement

PKS Holdings Limited (ASX: PKS)

Sydney, 29 June 2021

Successful renewal of key contracts and new contract wins

Pacific Knowledge Systems (ASX: PKS, “PKS” or “the Company”) is pleased to announce successful renewal of key contracts and new client wins in Australia and internationally as it accelerates development of its growth pipeline.

As the close of the financial year approaches, PKS has seen a near complete contract renewal rate – retaining 99% of customers. This puts the company ahead of expectations of recurrent revenue exceeding 70% of total operating revenue.

“The Company’s retention rate underlines the importance of PKS’ services to supporting healthcare clients and confirms how our best-practice data and decision support technologies assist improvement in the quality and efficiency of clinical outcomes,” said PKS Chief Executive Officer Tim Kelsey.

“It is a privilege to serve health services in Australia and around the world as they continue to manage the impact of COVID-19 on their communities. The strength of renewals and new business in the final months of this financial year underscores the value that clients put on our data and decision support services. Our plans for growth are built on very strong foundations – our products have proven impact on supporting improved health outcomes.”

The impact of PKS services on improving health outcomes and the value of care was recently highlighted by St Vincent’s Health Australia (SVHA). SVHA recently renewed its license agreements based on a reported reduction in the number of hospital-acquired complications across its private health network by an average of 16% between FY2019-20, with the support of the RISQ™ portal¹.

Major Contract Renewals

Major contract renewals for PKS data products PICQ® and RISQ™ include Healthscope, St Vincent’s Private, Uniting Care, St John of God, and Cabrini, as well as state health departments (NSW, Victoria, South Australia, Northern Territory and Tasmania) and a number of major health services in Queensland.

In Victoria, RISQ™ was rolled out to all public health services as part of a state-wide agreement and illustrates the salience of RISQ in the improvement of Safety and Quality of large-scale healthcare operations.

Renewals for RippleDown®, the PKS decision support platform, include Australian Clinical Laboratories, the Asian Pacific Healthcare Group and Lancet (South Africa). Of particular note, the renewal with Phillips (The Netherlands) will see the expansion for use in microbiology and, in line with our channel strategy, scale growth in usage license revenue.

New Contracts

Key new contracts won over the second half of the financial year include new Ramsay hospitals (Joondalup, Hollywood Private, and Greenslopes) and in Queensland expansion of PICQ® and RISQ™ across the Mater

Group. Strong pipeline development moving into the next financial year includes a recent agreement with the Ministry of Health in Singapore to initiate a trial of PICQ® and RISQ™ ahead of potential national rollout in all public and private hospitals in Singapore.

PKS has also launched its strategic incubator program in which it is developing partnerships with major public and private health systems in Australia to develop innovation in the automation of clinical record classification, data analytics and decision support outside pathology.

Kingdom of Saudi Arabia

PKS's largest international advisory engagement in the Kingdom of Saudi Arabia (TCV \$2m) is delivering on agreed milestones, timing and cost budgets. The methods and tool employed are providing a data quality maturity map with strategies to take the Kingdom to best-in-class use of data for funding efficient and safe care. The Kingdom utilises the Australian modified classification system for acute care patients and will provide significant opportunities for the use of PKS's tools and methods during and after the project has completed. The current project is planned to finish in November 2021 with significant current activity in building the sales pipeline for the coming years in this important region.

Product Development

PKS has further focused on product development in H2 FY21, with a new release for RippleDown® version 8.2 going live with enhancements in speed, utility, and performance. Throughout the year we continued investment in development and software engineering capability as well as better data integration capability, agility and cyber resilience.

¹ *An innovative and collaborative approach to improving hospital acquired complications (HACs) including an automated HACs portal*
Abstract presented by Nicole Payne and Jo-Anne Thompson, St Vincent's Healthcare, to IHPA Activity Based Funding Conference 2021

Authorised for the release by the Chairman of the Board.

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About PKS

PKS is an Australian Healthcare company that works with health organisations around the world to better capture, manage and leverage their human expertise to improve the performance of their business and deliver better patient outcomes. PKS' products have a broad range of applications across the healthcare services industry. The key value propositions of the PKS' suite of software applications focus on and have the potential to:

- Clinical Decision Support, which enables better decision making, leading to improved patient outcomes and a reduction in medical errors;
- Improve operational efficiency, with opportunities for significant cost savings and revenue improvements;
- Improve the quality of data, which makes the billing processes in healthcare organisations more accurate and more efficient; and
- Leverage off data analytics and benchmarking, which provides insights into healthcare data and enables healthcare organisations to improve the quality of patient care.

With the recent acquisition of Pavilion Health, the suite of software products now consists of:

- RippleDown® enables any clinical domain expert – typically a pathologist or clinician – to automate their unique, human decision-making process at scale in order to provide real-time clinical analysis, interpretations and treatment recommendations. By aggregating and analysing all available patient information – including current and historical results – RippleDown® is able to provide a holistic view of patients to generate the most comprehensive and patient-specific interpretations and recommendations.
- RippleDown® is managed by domain experts, not IT, enabling rules to be built quickly and easily to ensure the system remains updated and relevant.
- PICQ® is an auditing tool used in hospitals that assesses every record clinically coded for data quality. It measures data accuracy against indicators and identifies records for correction and uses a set of pre-determined indicators created and maintained by PKS' subject-matter experts to identify records that may be incorrectly coded.
- RISQ™ Reviews records in datasets to assess the quality of Condition Onset Flags (COF) data and incidences of hospital-acquired complications (HACs). It provides a method to benchmark hospitals against statistical peers to provide industry benchmarks of HAC incidence and underlying data quality.
- Codexpert™ is a web-based eBook application providing the full health-data classification reference for clinical coding of patient episodes.