

ASX Announcement

PKS Holdings Limited (ASX: PKS)

Sydney, 19 November 2020

PKS signs USD\$1.65 million agreement for national health data audit

The Board of PKS Holdings Limited (ASX: PKS) (“**PKS**” or the “**Company**”), is pleased to advise that PKS has entered into a new material contract to provide health data audit services to more than 270 hospitals in the Middle East. This underpins the international expansion strategy to provide further health data audit services as a precursor towards the provision of its wholly owned SaaS-based products including PICQ® and RISQ™.

- PKS signs its largest ever single agreement for a USD\$1.65 million (~AUD\$2.25 million) strategic consultancy engagement to audit health data in public hospitals in the Kingdom of Saudi Arabia
- The value of this agreement will be a material driver of revenue and earnings for PKS in FY21 and FY22 and is equivalent to approximately 30% of total PKS FY20 pro-forma revenue
- The engagement is expected to run over a 12-month period and will involve analysing the data of more than 270 hospitals and generate similar or better gross margins as per other data audit contracts it has conducted in the past
- PKS’ core software products PICQ® and RISQ™ will be integral in the delivery of the health data audit consulting services
- Following the completion of these audits, customers often license PKS software products such as PICQ® and RISQ™ on an ongoing basis which drives ongoing software recurring revenues
 - Pavilion Health, a wholly owned subsidiary of PKS, has previously completed similar contracts with the Irish and Singapore Governments covering the data audits of a large number of hospitals

Pavilion Health, a wholly owned subsidiary of the Company, has signed a significant strategic advisory services engagement worth AUD\$2.25 million (USD\$1.65 million), to conduct a nation-wide audit of health data throughout the Kingdom of Saudi Arabia’s Ministry of Health hospitals.

Following the recent agreement between the Australian Government’s Independent Hospital Pricing Authority (IHPA) and the Kingdom of Saudi Arabia to licence the 10th Edition of the Australian Health Classification, ICD-10-AM/ACHI/ACS and AR-DRG, this agreement continues PKS/Pavilion Health’s successful expansion into the Middle East region with our range of SaaS-based products and advisory services. Currently, there are 18 countries globally who licence the Australian Government’s health data classification.

As part of the Ministry of Health’s Visualisation Realisation Office 2030 program to assess the readiness of hospitals for the introduction of the Australian Government’s classification of health data, this engagement is estimated to take 12 months to complete and will involve Pavilion Health analysing the data from more than 270 Ministry of Health hospitals.

Pavilion Health will assess the overall quality of health data and establish an implementation roadmap to achieve best practice. Pavilion Health will utilise their products, PICQ® and RISQ™ throughout this

engagement to provide expanded quality audit capability and more granular data analytics insights, and will employ their industry best practice process methodology for conducting national-level health data assessments.

Pavilion Health has established itself as a market leader of health data services and SaaS-based products catering to the Australian health data classification having successfully completed recent national-level health data assessments through engagements with the Irish and Singaporean Ministries of Health. Pavilion Health is poised to scale their health data services and SaaS-based products throughout the other global markets utilising the Australian Government's health data classification, as engagements of this nature are a precursor to the adoption of our SaaS-based products as an integral part of the internal service delivery for the customer and a secure source of recurring revenues for PKS.

Pavilion Health will work with the Dubai-based team from IQVIA (NYSE: IQV), who will act as the regional representative for this engagement.

PKS' Managing Director Ron van der Pluijm said, "PKS is extremely pleased to sign its largest single deal worth more than AUD\$2 million to audit the health data of public hospitals in the Kingdom of Saudi Arabia and to work closely with the Kingdom of Saudi Arabia's Ministry of Health to contribute to their efforts in achieving their goals of the Visualisation Realisation Office 2030 program. We see this engagement as an excellent opportunity to further expand our presence throughout the GCC region".

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This release has been authorised by 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 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 hospital 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 method to benchmark hospitals against statistical peers to provide industry benchmark 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.