

**ASX Announcement**

**PKS Holdings Limited (ASX: PKS)**

**Sydney, 28 January 2021**

**PKS executes \$2.5m renewal agreement with Philips**

**Highlights:**

- Renewal Agreement continues Philips' use of PKS' RippleDown product, which is now an integral part of Philips' newly developed Laboratory Information System clinical platform replacing the current separate add-on software solution;
- Philips to offer its newly developed platform which includes PKS' RippleDown product to all of their 26 customers at no charge, thereby increasing the number of RippleDown customers.
- Strong interest in the platform has been shown by potential new customers in the Netherlands and Philips are planning to roll the new platform out to other parts of Europe.
- The commercial terms have been changed from fixed license fees to a per episode fee and the forecasted income for PKS over the 5-year period is in excess of €1.5m Euro (c\$2.34m AUD); and
- The term is extended to 30 August 2025 and includes automatic 1-year renewal periods.

PKS Holdings Limited (ASX: PKS) ("PKS" or the "Company"), an Australian pioneer of advanced data services in healthcare, is pleased to announce it has renewed and amended its ongoing Software License and Maintenance Agreement with Philips Nederland B.V. ("Philips") for the PKS RippleDown CDS Software. The Agreement extension is forecasted to be in excess of €1.5m Euro (c\$2.34m AUD) and has been signed with a backdated effective date of 1 September 2020.

The Renewal Agreement will see Philips offer the PKS' RippleDown product as an integral part of their newly developed clinical software platform.

Philips has now developed a new software clinical platform for their Labosys LIS of which RippleDown is now an integral part instead of a standalone addition software solution. This software upgrade will be offered to all of Philips' 26 customers at no charge and the expectation is that over 20 customers will take up this software upgrade. This will increase the number of RippleDown installations with existing Labosys customers in the Netherlands from 3 to over 20 in the next 3 years.

Philips will also market this newly developed software to other pathology customers in the Netherlands and initial interest has been strong. It is also Philips' intention to market its newly developed clinical platform, including RippleDown into other European customers which will be an additional revenue stream for PKS.

The commercial terms of the Agreement have also been altered from a fixed annual corporate license fee and a fixed annual end-user fee to a per episode fee. An annual corporate license fee continues to be applicable, however this will be reduced with every new installation of RippleDown until a total of 13 installations has been reached.

The Agreement commenced on the 1<sup>st</sup> of September 2020 and is for an initial period of 5 years. The value of the Agreement based on the customers in the Netherlands only is forecasted to be € 1.5 million (AUD 2.34 million).

As part of the Agreement PKS has also agreed to develop a microbiology module for RippleDown in conjunction with Philips. This module is already part of the RippleDown roadmap and will be beneficial for all PKS' customers.

**Tim Kelsey, CEO PKS Holdings Limited** said: "Our partnership with Philips, being one of the world-leading healthcare companies, opens up significant opportunities which can be better achieved through Philips' strong connections in the healthcare industry. With the amended terms, the close relationship between the two companies and the strong Philips' relationships we see a very strong, commercially successful future for the partnership".

**Daniëlla van den Corput, Business Marketing Manager Laboratory & Pathology Solutions, Philips Health Systems** said: "We are pleased to be working with PKS to sell this leading software that adds significant value to our newly developed software platform and will greatly benefit our customers."

Authorised for the release by the Board of Directors.

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For further information please contact:

Tim Kelsey  
CEO PKS Holdings  
Phone: 0476 835 311

Mike Hill  
Chairman, PKS Holdings  
Phone: 0421 056 691

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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.