

ASX Announcement

PKS Holdings Limited (ASX: PKS)

Sydney, 23 February 2021

PKS receives \$12 million in firm commitments to drive growth strategy

Highlights

- **PKS receives firm commitments to raise \$12 million through strongly supported placement**
- **New institutions welcomed to the Company along with continued support from existing investors**
- **Funds raised will be used to accelerate research & product development, sales & marketing activities, data science & informatics work as well as automated coding and enhance global sales support**
- **Share Purchase Plan to eligible, existing investors to raise an additional \$1 million to follow**
- **1H FY2021 Highlights:**
 - **Total revenue \$3.73 million grew by 97% comparing to 1H FY20 actuals**
 - **ARR of \$6.5 million is up by 23% comparing to 1H FY20 on pro forma basis**
 - **Growth in recurring revenue 21% comparing to 1H FY20 on pro forma basis**
 - **Operation EBITDA remains strong at 40%**
 - **Proforma cash on hand post raise is \$15 million**

The Board of PKS Holdings Limited (ASX: PKS) ("PKS" or the "Company"), an Australian pioneer of advanced data services in healthcare, is pleased to announce that it has received firm commitments for \$12 million through an oversubscribed Placement ("**Placement**") from new and existing institutional and sophisticated investors of 34,285,716 fully paid ordinary shares ("**Shares**") in the Company at \$0.35 per share.

The Placement was well supported by new and existing institutional and sophisticated investors with funds to be used to drive strategic growth plans under new CEO, Tim Kelsey.

CEO Tim Kelsey commented: "I'd like to thank all those who participated in the capital raise. PKS has a unique opportunity to transform information and knowledge management in global health care building on our trusted credentials in data quality, clinical informatics and the automation of human expertise."

Director Participation

The Board is pleased to announce that Non-Executive Directors' Andrew Gray and Stephen Borness received an allocation in the Placement.

New Shares allocated to these parties, totalling 6,342,857 will only be issued subject to receiving shareholder approval at an Extraordinary General Meeting ("**EGM**"). The EGM is expected to be held on, or around, mid April 2021, subject to regulatory approval.

PAC Partners Securities Pty Limited acted as Lead Manager to the Placement.

Share Purchase Plan

The Board would also like to advise that it is intending to complete a Share Purchase Plan ("SPP") for Shareholders to raise up to an additional \$1 million.

PKS will conduct a SPP to existing and eligible shareholders in the Company with a registered address in Australia and New Zealand as at 7:00pm (AEDT) on Monday, 22 February 2021.

The SPP will provide each eligible shareholder with the opportunity to apply for up to A\$30,000 worth of new fully paid ordinary shares at the same price as the Placement Price. Further details on the SPP will be distributed to shareholders in the coming days.

| Description | Date (2021) |
|---------------------------------------|---|
| Trading Halt | 9am Friday, 19 February |
| Bookbuild conducted for the Placement | Friday, 19 February - Monday, 22 February |
| Record Date for SPP | Monday, 22 February |
| Announcement of Placement and SPP | Tuesday, 23 February |
| SPP Offer opens | Friday, 26 February |
| Settlement if Placement Shares | Friday, 26 February |
| Allotment of Placement Shares | Monday, 1 March |
| SPP Offer closes | Friday, 19 March |
| Allotment of SPP shares | Monday, 29 March |
| Dispatch of holding statements | Monday, 29 March |

Use of Funds

Proceeds from the Placement offer will be used for the following items:

- Research & Product Development - \$5.0m
- Sales & Marketing - \$2.0m
- Data Science & Informatics - \$2.0m
- Automated Coding - \$2.5m
- Costs of the Offer - \$0.5m

Any funds raised from the SPP will be applied to working capital.

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

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.