

Pacific
Knowledge
Systems



Better has no limit

A strategy for growth and Half Year results



Leadership: Introducing Tim Kelsey as CEO

“Our vision is to accelerate growth by integrating PKS services into a platform that offers best in class information and knowledge management in global healthcare.”

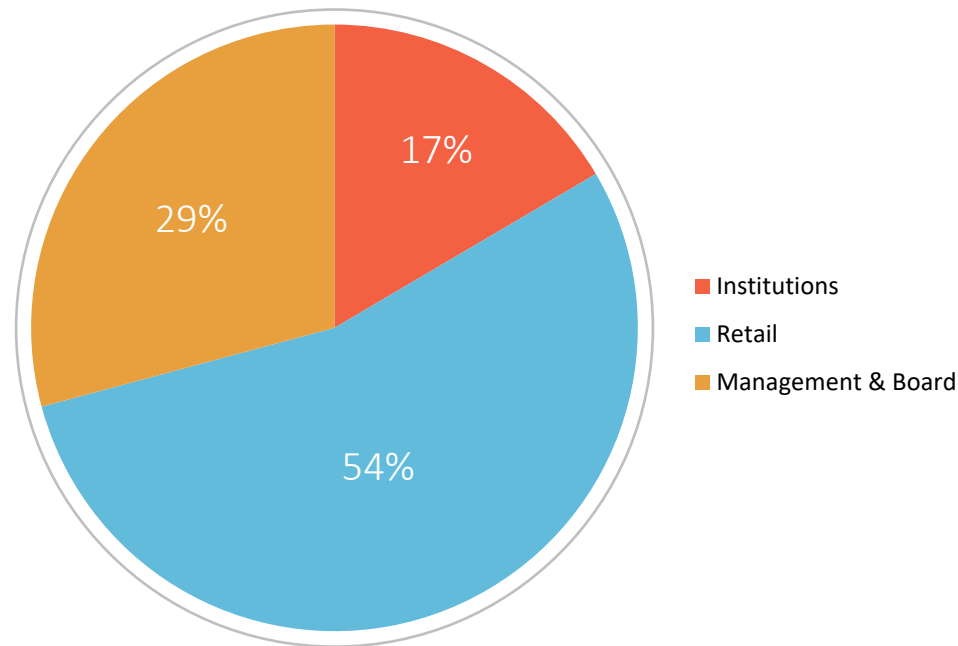


- International leader in digital health and former CEO of Australian Digital Health Agency (2016-20) and National Director for Patients and Information NHS England (2012-16).
- Clear global understanding of healthcare analytics (inaugural chair of the Global Digital Health Partnership which involves more than 30 countries and the World Health Organisation).
- Entrepreneurial experience in building analysis and publication of patient outcomes as founder and CEO of Dr Foster in the UK, named one of the country's top 10 fastest growing companies in 2006.
- Most recently serving as Senior Vice President of HIMSS Analytics International, an organisation which measures impact of digital health programs to improve clinical, social and economic outcomes in more than 50 countries.

PKS capital structure and share price

Key executives and directors of PKS are material equity holders ensuring strong alignment with all shareholders

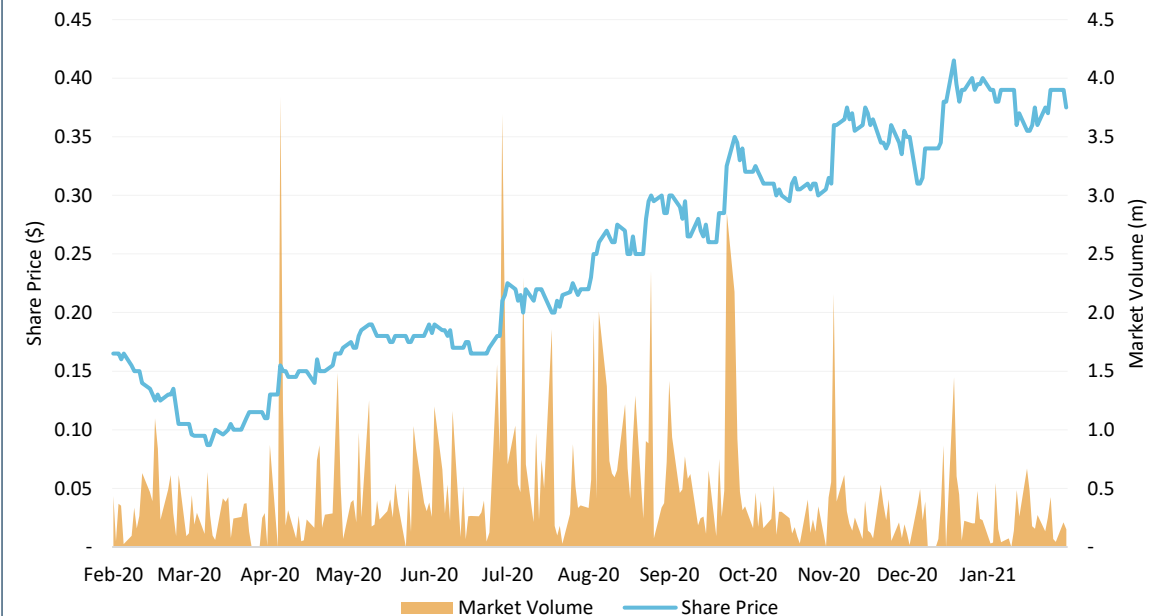
Broad ownership with an aligned Board & Management



Free float of 61%

¹ Includes parties under control or associate with senior managers and board members.

Strong 12 month share price performance





Who we are and what we do

“Intelligent systems for better health outcomes”

Pressures on Healthcare Organisations



Financial Pressures



Rising Demand



Quality of Clinical Outcomes



Patient Experience

PKS products and services have a broad range of applications across the healthcare industry:

- Improve the accuracy and timeliness of health data collected to:
 - Enable tracking and enhance quality of patient care to provide better health outcomes
 - Deliver cost efficiency through more efficient and effective use of data
- Providing peer-level benchmarking to enable healthcare organisations to improve quality of patient care.
- Providing clinical decision support, enabling better decision making, leading to improved patient outcomes



What problems are we solving?

Better information is better healthcare...



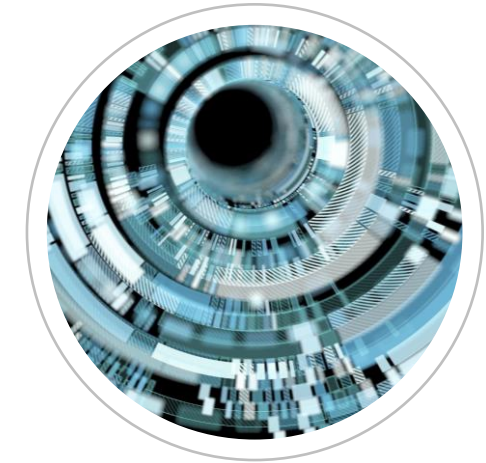
Quality

Regulators and payors require transparency of quality and patient outcomes



Viability

Errors and waste account for 15-30% of health spend



Sustainability

COVID-19 exposed vital gaps in management information



Our products support health services make the best decisions





Achieving tangible outcomes...

“RippleDown really enhances our service. We are now able to deliver a highly customised service to GPs with better quality information that they use to treat their patients more effectively.”

Lancet Laboratories, South Africa

“All these strategies deployed over a period of 21 months has reduced our debt to \$2.3 million (from \$7.1 million). Besides tremendous teamwork, I credit our success to PKS. I really consider PKS as our saviour.”

South East Area Laboratory Service, Australia

“The PKS solutions implemented by us have driven many improvements in health information, data management and the delivery of clinical care. The partnership is one of collaboration and innovation.”

St Vincent’s Private, Australia

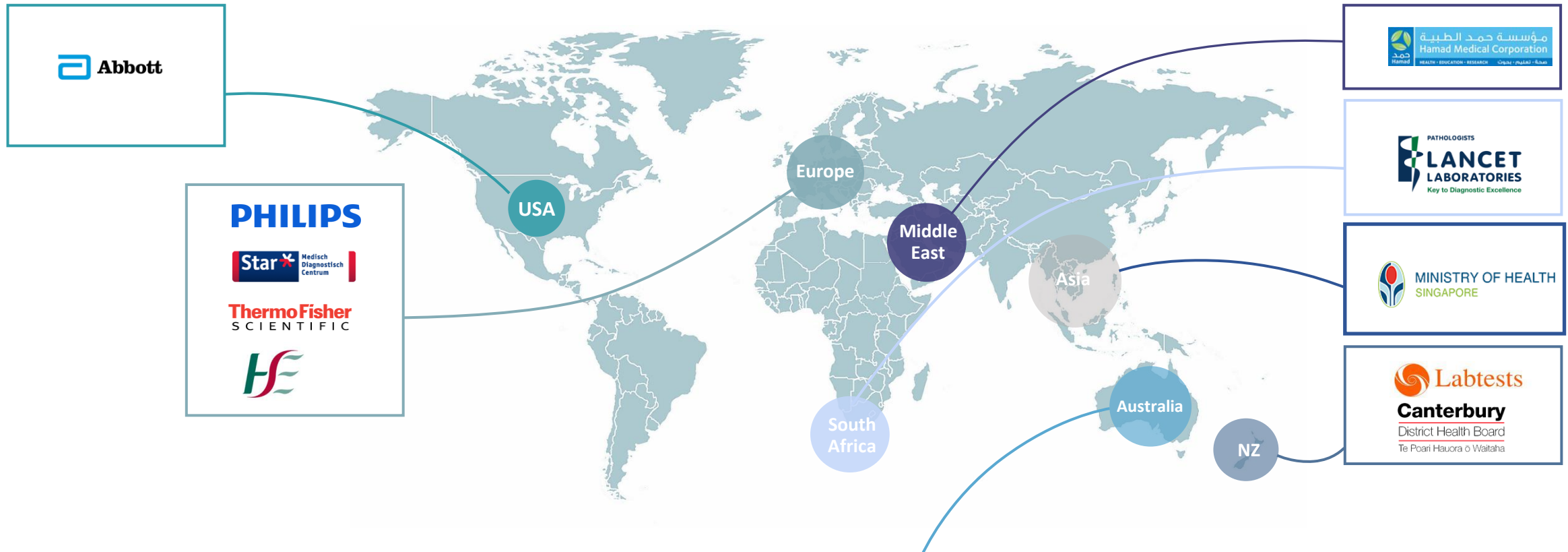
“Eliminating data issues so we can focus on real preventable harm and not just noise. Easy to understand, intuitive and with data that is timely.”

Healthscope, Australia



...with a global footprint

PKS has reinforced its Australian client base and expanded into Ireland, Singapore and the Middle East



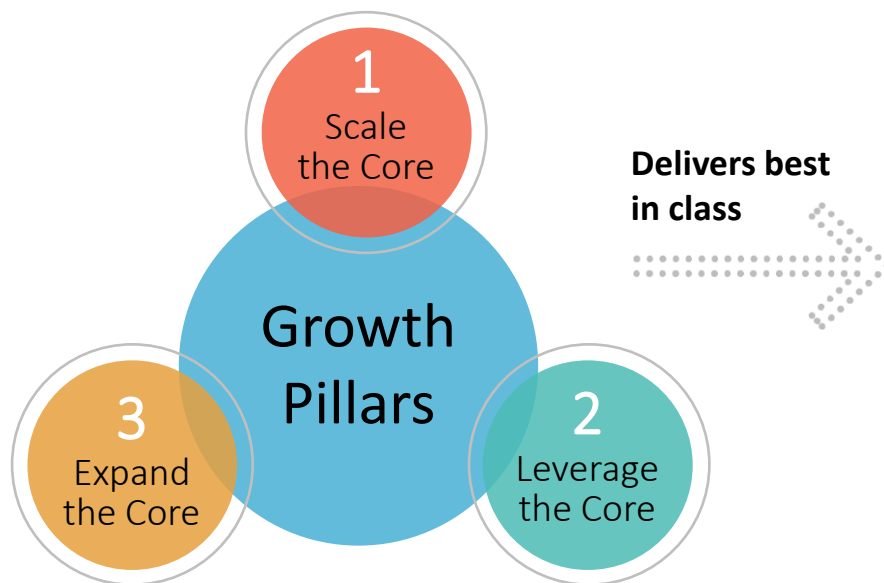


Three pillars of growth to build a \$50m ARR business...

"PKS has a unique opportunity to transform information and knowledge management building on our trusted global credentials in data quality, clinical informatics and the automation of human expertise."

Tim Kelsey – CEO

PKS is an information rich business, but historically as an unlisted entity has left growth opportunities on the table (access to funding, ability to execute). Now publicly listed we have undertaken a strategy refresh to capture this growth through three connected pillars.



INFORMATION AND KNOWLEDGE MANAGEMENT PLATFORM



Automated
coding of
clinical
records



Enhanced
quality
surveillance



Real time
management
information &
benchmarking



Real-time
decision
support for
clinicians
and patients
– that they
design



Improved
outcomes
for patients



The three pillars of growth

1

Scale
the Core

1. **Channel:** accelerate and advance new and existing channel partner relationships.
2. **International penetration:** leverage recent wins, expand Europe, Middle East to define our direct channel in these markets.
3. **New functionality:** PICQ, Qcoding, RISQ and upsell in Australia and internationally. New functionality for RippleDown® CDSS.

Key Outcomes

PICQ & RISQ multi-year product road map with major releases relevant for multiple markets.

Market Opportunity¹

AUS: TMV- \$98.4m;
International data services: AU\$1.42bn;
Pathology TMV US\$2.4bn

1. Market opportunity based on PKS Holdings management estimates. Australian market opportunity assumes addressable market based on products sold at hospital, health authority and state level



The three pillars of growth

2

Leverage
the Core

1. **New Value & Outcomes Dashboard:** providing near real time comparative data on outcomes and financial efficiency.
2. **Data Analytics & Visualisation:** data rich environment offers point-in-time display of hospital and pathology workflow. Integrate data sets
3. **Implement CDSS** in clinical practice beyond pathology with new services empowered by machine learning

Key Outcomes

Integration of information services with clinical decision support to create enterprise knowledge management platform

Market Opportunity¹

AUS: TMV- \$210.0m;
International: TMV AU\$6.3bn;
CDSS: TMV US\$631.0m

1. Market opportunity based on PKS Holdings management estimates. Australian market opportunity assumes addressable market based on products sold at hospital, health authority and state level



The three pillars of growth

3

Expand
the Core

1. **New automated coding technology:** reduces cost of clinical record administration and enable real-time data analytics and clinical decision support
2. **New platforms:** provides enterprise knowledge management service in aged, primary and community care
3. **New data and CDSS services** to support genomics and molecular diagnostics

Key Outcomes

Integrated knowledge management platform supporting outcomes and fiscal efficiency in real time and multi year roadmap for expansion into new markets. Maximise unit economics.

Market Opportunity¹

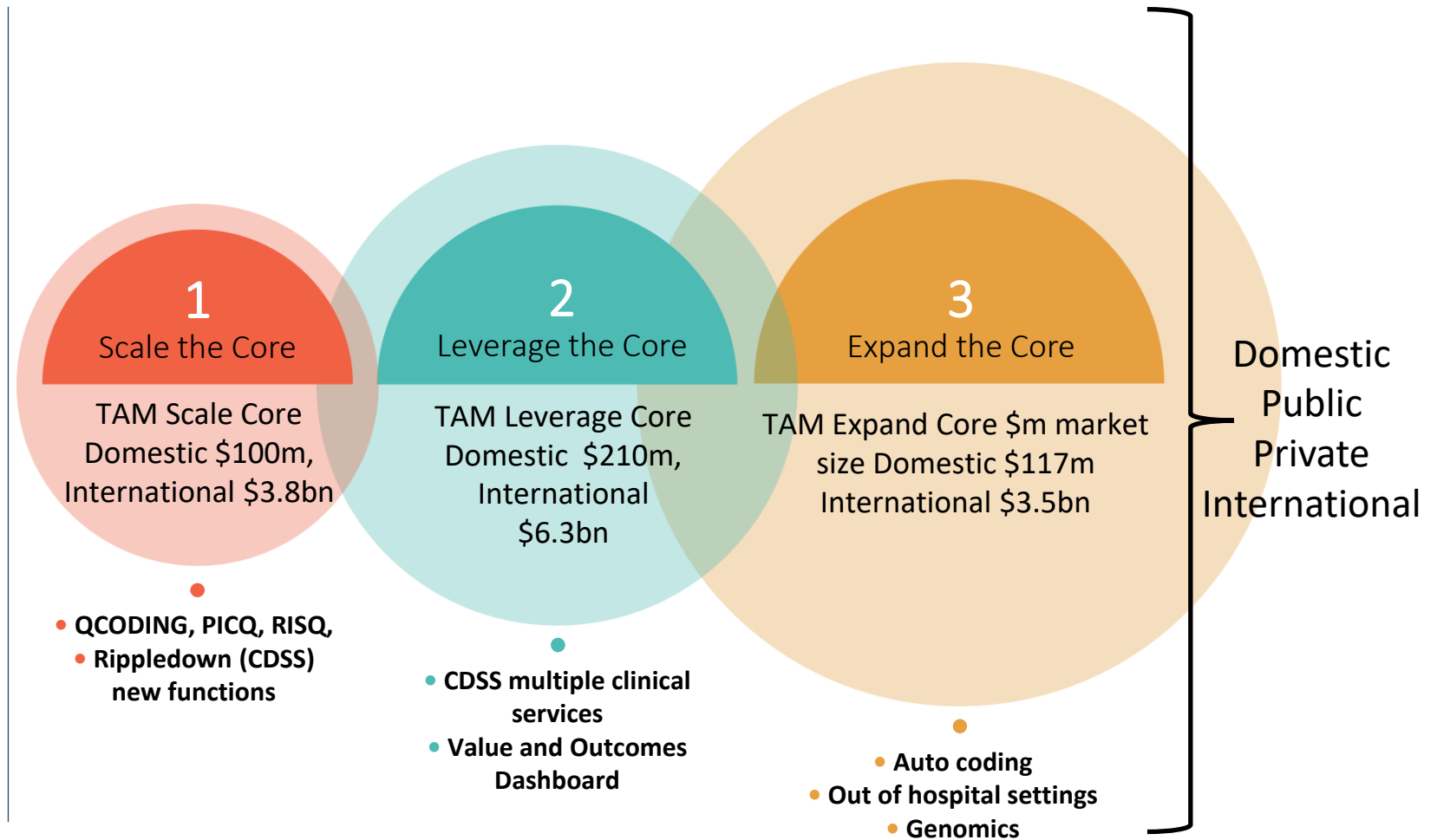
Automated Coding: TMV- \$117.0m
International: TMV AU\$3.5bn;

1. Market opportunity based on PKS Holdings management estimates. Australian market opportunity assumes addressable market based on products sold at hospital, health authority and state level



Delivering a \$50m ARR outcome

Accelerating growth across three horizons



Note: an horizon represents a phase in the development of the business in what we consider to be a 3-5 year plan



Built on world-class science and technology

A **next-generation user experience** for interacting with statistical health information, coupled with clinical intervention apps that deliver automation driven by human expertise, tailored to real-world clinical workflows



Experience

Ground-breaking innovation in the application of mathematics, data analytics, expert systems & knowledge engineering to deliver actionable insights which drive timely clinical interventions



Insights

A **secure, independently certified** data and communications infrastructure with world-class privacy and user security standards



Platform

A highly **scalable and performant** application platform that enables **seamless integration** with global health information systems

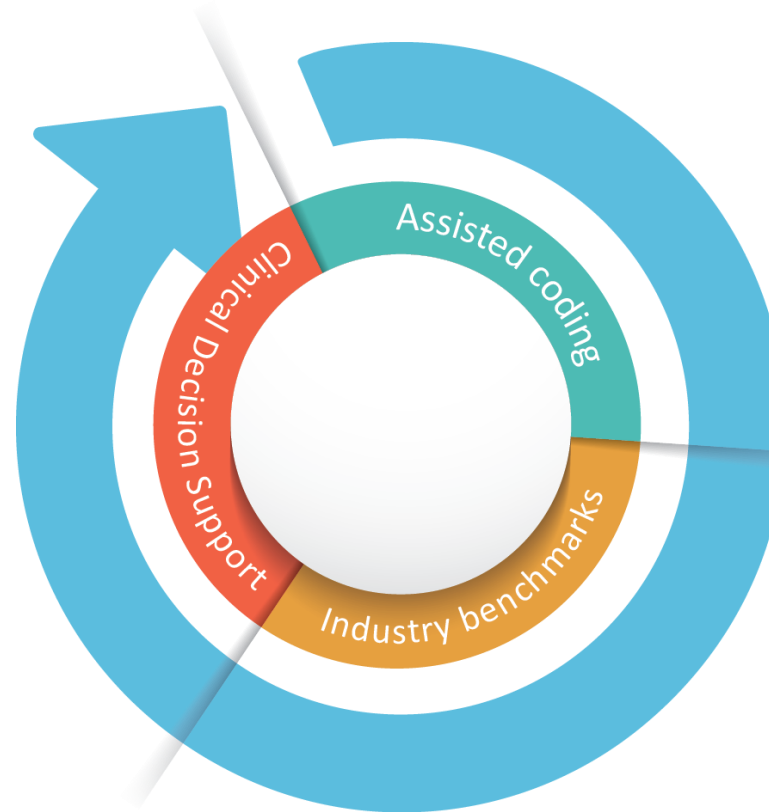


Empowering learning health systems

Continuous improvement driven by health information

Support clinicians
during intervention

Develop intelligent
rules



Encode in
standard formats

Monitor for quality

Mathematical and
statistical analysis

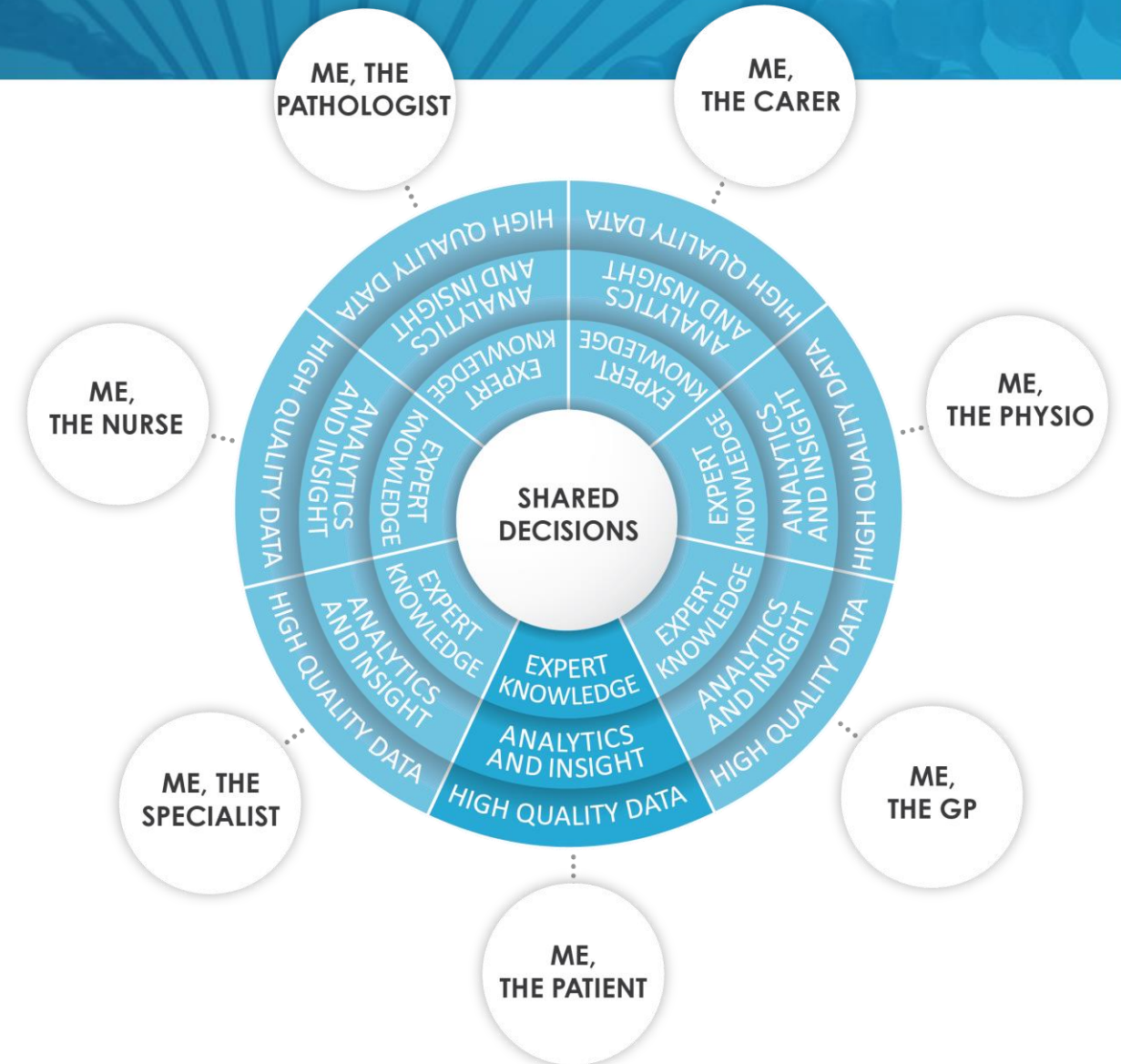


End Game: Quality, reliable, real time knowledge

Common data standards

Shared analytic insights

Shared expertise



1H FY2021 Financials





1H FY21 Highlights

“PKS has performed well in the first half of the year. Recurring revenues are ahead of expectations – confirming the importance of our services in global healthcare as it faces the unprecedented pressures of COVID. We continue to empower improved health outcomes through innovation and outstanding product design.”

Tim Kelsey – CEO

Strong revenue performance

\$3.73m

Growth of 97% comparing to 1H FY20 actuals

Continued Recurring Revenue growth of

21%

on 1H FY21 (pro-forma basis)

ARR (annual recurring revenue)

\$6.5m

+23% on pcip

Operational EBITDA

\$1.46m

39% EBITDA margin in-line with management targets

Strong Balance Sheet

\$3.4m cash

and \$0 debt

Global customers

170+

With continued growth in global markets to come



1H FY21 Operational Highlights



Healthscope module expansion



RippleDown contract renewals



National Health Data Audit win



Additional Executive level depth

- PKS' subsidiary, Pavilion Health, signed a strategic Software License renewal agreement with Healthscope for its RISQ™ product in July 2020
- Pavilion Health also signed a renewal agreement with Healthscope in September 2020, continuing the use of its SaaS application, PICQ®
- **Both the RISQ™ and PICQ® products will be utilised in Healthscope's ~700,000 admissions across their network of 43 hospital**
- PKS signed a new Software License and Support Agreement for RippleDown® Auditor and Expert with SA Pathology as its Clinical Decision Support Solution
- SA Pathology will use RippleDown® to assist in delivering better patient outcomes and efficiencies
- **ACT Pathology renewed its contract for an additional 10 months to 31 December 2022**
- PKS signed its largest ever single strategic consultancy agreement for a USD\$1.65 million (~AUD\$2.25 million) on 19 November 2020
- **The value of this agreement will be a material driver of revenue and earnings for PKS in FY21 and FY22**
- Agreement is expected to run over a 12-month period and will involve analysing the data of more than 270 hospitals

Key appointments include:

Tim Kelsey – Chief Executive Officer appointed in October 2020

Cassandra Chen – Finance Director appointed in September 2020

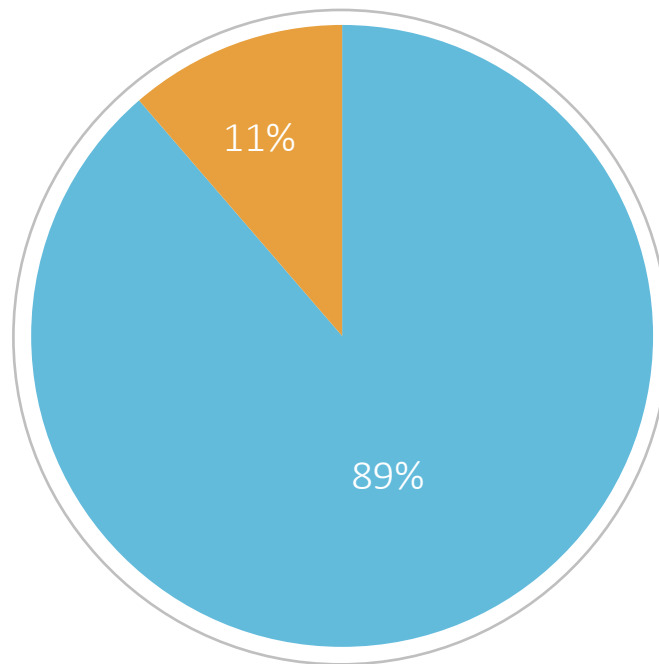
Jennifer Nobbs – Head of Advisory appointed in December 2020



1H FY21 Revenue Breakdown

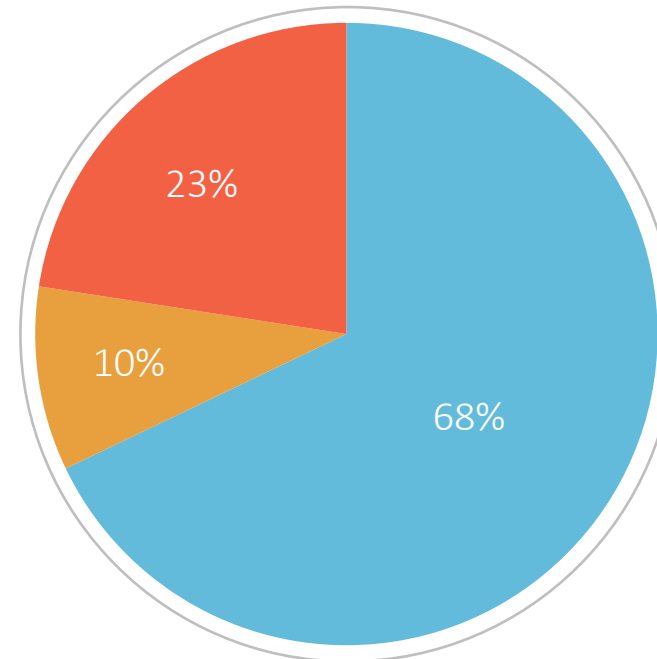
PKS is focused on increasing direct revenue and expanding its global customer base

Direct Vs Indirect Revenue



■ Direct customers ■ Global partners

Revenue by geography



■ Australia ■ Europe ■ Rest of the world

Revenue Highlights

- Recurring Revenue of 88%
- Growth in Recurring Revenue of 21%
- **Broad revenue spread with growing base outside of existing markets**
- **Continued Growth in RISQ of 113%**
- Direct Revenue 89% underlining the strength of our internal Sales capabilities



1H FY21 Group Financial Comparison

1H FY21 Profit & Loss

\$(,000)	1H FY21	1H FY20 Pro-forma
Subscription, License & Usage Revenue - recurring	3,058	2,500
Service Revenue - recurring	216	210
Consultancy & Initial license fee Revenue	455	970
Revenue	3,729	3,680
Staff costs	1,609	1,360
Sales and marketing costs	20	42
Technology infrastructure and Operations	296	137
General and administrative	345	410
Total Opex	2,270	1,949
Op EBITDA	1,460	1,731
% margin	39%	47%
Listing, one-off and acquisition expenses	744	576
Options & Performance Rights	326	93
Depreciation and amortisation	371	230
Finance cost	1	4
Profit before tax	17	828

1H FY21 Commentary

- **Recurring revenue represented 88% of total revenue in 1H 2021, up from 74% in 1H FY2020 on a pro-forma basis**
- Total recurring revenue increased 21% (\$0.56m) in 1H 2021 compared 1H 2020 on a pro-forma basis
- Organic revenue (RippleDown® license and subscriptions) grew at 8% despite the impact of COVID-19.
- **Strong margin with operational EBITDA at ~40% of revenue**
- Other one-off and listing expenses largely comprised of board and listing fees, one-off recruitment cost and transaction costs related to Pavilion acquisition
- **Total cash balance at the end of 1H FY2021 was \$3.4m; no debt**



1H FY21 Group Cash Flow

1H FY21 Cash Flow

(\$'000)	1H FY21	1H FY20
Receipts from customers (inclusive of GST)	3,541	2,114
Payments to suppliers and employees (inclusive of GST)	(3,656)	(1,530)
Other	266	(46)
Net cash from / (used in) operating activities	151	538
Investment in R&D	(925)	(438)
Other investing activities	(58)	(5)
Net cash from / (used in) investing activities	(984)	(443)
Net cash from / (used in) financing activities	56	(62)
Net cash movement	(777)	32
Opening Cash Balance	4,205	4,136
Closing Cash Balance	3,428	4,168

1H FY21 Commentary

- PKS continues to retain a strong cash balance of \$3.4 million with zero debt
- Cash movement during the period is due to 1H FY21 PICQ/RISQ renewals which are historically lower than 2H as anniversary dates are in 2H. Revenue is recognised evenly throughout the year
- PKS continues to invest in technology roles as part of future roadmap, as well as hosting and IT infrastructure that is in line with customer and revenue growth



Board of Directors

Mike Hill

Non-Executive Chairman

- Former partner of Ernst & Young
- Former Investment Director with the Ironbridge (2004-14)
- Former Chair of rhipe Ltd
- Served on boards across industries including technology, software services and healthcare (involved with Affinity Hospitals and Monash IVF)
- Founder and MD of the Bombora Special Investment Growth Fund
- Currently the Non-Executive Chair of AHAlife Holdings and Janison Education Group, and Non-Executive Director of Acrow

Ron van der Pluijm

Non-Executive Director

- Recognised as a highly adaptable and energetic commercial leader with a very successful track record in start-up, turnaround, multinational and ASX listed corporate environments focusing on the life science industry
- Ron has been CEO Australia and NZ of multinational healthcare companies such as *Actavis* (now *Allergan*), as well as several ASX listed companies, including *Viralytics*.
- Has extensive skills in developing and implementing commercialisation strategies, including successful management of partnerships

Andrew Gray

Non-Executive Director

- Managing Director of Potentia, a technology-focused investment firm
- Prior to founding Potentia, Andrew was a Managing Director at Archer Capital,
- While at Archer Capital, Andrew led the firm's successful investment into software business MYOB
- Prior to joining Archer Capital, Andrew was a partner with Francisco Partners, a technology-focused global PE firm with over US\$6 billion in capital under management

Paul Williams

Non-Executive Director

- Over 40 years' experience in information technology roles in healthcare and other industries
- Most recent executive experience was as Chief Information Officer at Healthscope Limited (2011 to 2016)
- Prior experience included IT roles at the National E-Health Transition Authority and various pathology businesses as well as being General Manager of IT for Mayne Nickless' Transport Services Group
- Bachelor of Business degree and senior member of the Australian Computer Society

Stephen Borness

Non-Executive Director

- Former Chairman and Finance Director of Pavilion Health Australia Pty Limited
- Founder/ Managing Director of several technology and health related private companies
- Led projects and has experience in implementation of digital technologies, health system analytics and cybersecurity
- Previously an Investment Banker working in Australian, European and U.S. markets
- Bachelor of Business (Accounting), MBA, CPA, FAICD

Brad Lancken

Non-Executive Director

- Managing Partner of Liverpool Partners, an Australian mid-market Private Equity Firm
- Previously a senior investment professional at Archer Capital and a Group Executive at Seven Group Holdings (SVW.ASX), an ASX 200 listed conglomerate with extensive media and industrial assets
- Since 2018, a NSW Government appointed director on the Board of the NSW Institute of Sport.

Capital raising overview





Overview

Description	Details
Offer Structure	\$12.0m Placement to professional and sophisticated investors under s.708 (8) and (11) of the Corporations Act 2001 (Cth) - To be followed by a Share Purchase Plan (SPP) at the Offer Price to eligible shareholders as at the Record Date. SPP to be capped at \$1.0m
Offer Price	\$0.3500 per new share representing a discount of: 5.4% to the last traded price of \$0.3700 5.4% to the 15-day VWAP of \$0.3701 7.4% to the 30-day VWAP of \$0.3779
Ranking	Pari passu with existing fully paid ordinary shares on issue
Director & Related Party Participation	Certain Director(s) and a Related Party of a Director have confirmed their intention to participate in the Offer. Any allocation to a Director or their Related Party will be subject to shareholder approval at an Extraordinary General Meeting (EGM)
Sole Lead Manager	PAC Partners Securities Pty Ltd

Description	Details
Existing Shares on Issue	187,518,543
Existing Options & Consideration Rights on Issue	24,450,000
Fully Diluted Market Capitalisation pre Offer¹	\$78,428,361
New Shares to be Issued under the Placement	34,285,716
Fully Diluted Shares on Issue following the Placement²	246,254,259
Fully Diluted Indicative Market Capitalisation post Offer³	\$86,188,991

1. Includes 10,150,000 options and 14,300,000 performance rights (18 February 2021). Appendix 3G to be issued for 5,000,000 performance rights. At last traded price on 18 February 2021.
2. Excluding any shares that may be issued under the SPP
3. Illustrative Fully Diluted Market Capitalisation post Offer at the Offer Price. Excluding SPP



Indicative Timetable

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 of 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

Note: SPP timetable and Timetable for any EGM required to approve Director and/ or Related Party allocation(s) will be released on announcement of the Offer



Use of Funds

Source of Funds	Max. (A\$m)	Use of Funds	Max. (A\$m)
Capital Raising	12.0	Research & Product Development	5.0
		Sales & Marketing	2.0
		Data Science & Clinical Informatics	2.0
		Automated Coding	2.5
		Costs of the Offer	0.5
Total	12.0	Total	12.0

- Does not include the gross proceeds of the proposed SPP which is capped at \$1.0m. The SPP is not underwritten and no guarantee can be made that funds will be raised from the SPP. Any funds raised from the SPP will be applied to working capital.



Post Offer Pro-Forma Balance Sheet

Balance Sheet (\$)	31-Dec-20	Impact of the Offer	Pro Forma 31 December 2020
Assets			
Current assets	4,871,788	12,000,000	16,871,788
Non-current assets	27,317,609	-	27,317,609
Total assets	32,189,397	12,000,000	44,189,397
Liabilities			
Current liabilities	2,232,084	-	2,232,084
Non-current liabilities	199,381	-	199,381
Total liabilities	2,431,465	-	2,431,465
Net assets	29,757,932	12,000,000	41,757,932
Equity			
Issued capital	29,484,725	12,000,000	41,484,725
Reserves	730,787	-	730,787
Accumulated losses	(457,580)	-	(457,580)
Total equity	29,757,932	12,000,000	41,757,932

1. Based on Placement only. Does not include any proceeds from proposed SPP.

For further information

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Mike Hill

Chairman PKS Holdings
Phone: 0421 056 691



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