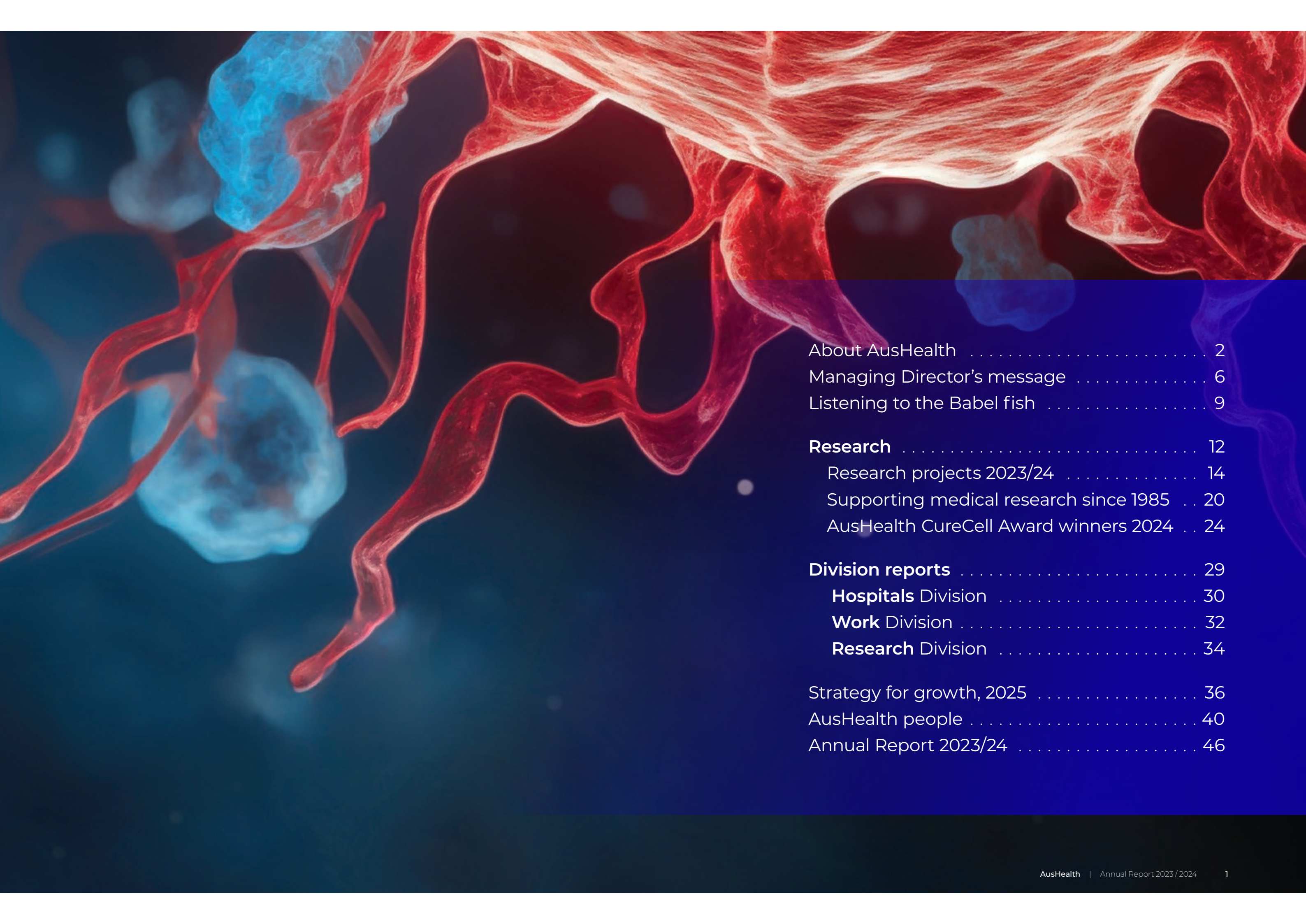


*Working
today for a
healthier
tomorrow*

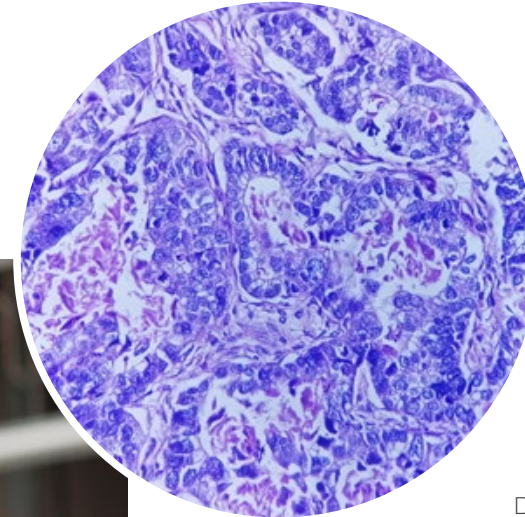
AusHealth®

Incorporating Annual Report
2023 / 2024



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ABOUT AUSHEALTH



AusHealth is a self-funded medical research charity that generates annual revenues of more than **\$22 million**.

Despite having a low public profile, it's large enough to rank among South Australia's top 100 companies and is often described as a 'unicorn'.

AusHealth's income is generated by two commercial arms: **AusHealth Hospitals** (providing financial management services to the healthcare sector); and **AusHealth Work** (providing workplace services to government and private sector industry).

All profits are invested in medical research principally focussed on anticancer treatments, immune system health, drug resistant infections and diabetes. Since its inception in 1985, AusHealth has generated **more than \$50 million** of charitable funding.

This research funding has led to world-first discoveries and the development of leading-edge medical technologies; it has also led to the formation of three major entities, **collectively valued at \$1.7 billion**.

AusHealth is headquartered in Adelaide and **employs more than 300 people** across Australia.

In July 2023, the organisation became a **registered charity**. It now accepts donations and bequests from people who want to support important research into diseases that affect all of us.

Credit: All photographs of AusHealth staff by James Field

Inset: Photomicrographic image of stomach cancer

Main image left to right: Greg Krauss (Warehouse Coordinator), Sherill Wood (Collections Officer QLD), Penny Kyriakopoulos (Collections Officer SA)



Serving hospitals and workplaces across Australia

ADELAIDE

65 Hardys Rd, Underdale SA 5032

People employed: 90+ permanents and 30+ casuals

Principal functions: Corporate headquarters; administration of AusHealth Hospitals, AusHealth Work and AusHealth Research; location of The Accelerator research hub and new AI clinical coding team

MELBOURNE

Level 1, 35 Elizabeth St, Richmond VIC 3121

People employed: 18+ permanents and 35+ casuals

Principal functions: Servicing Victorian customers; base for senior AusHealth clinical coding team

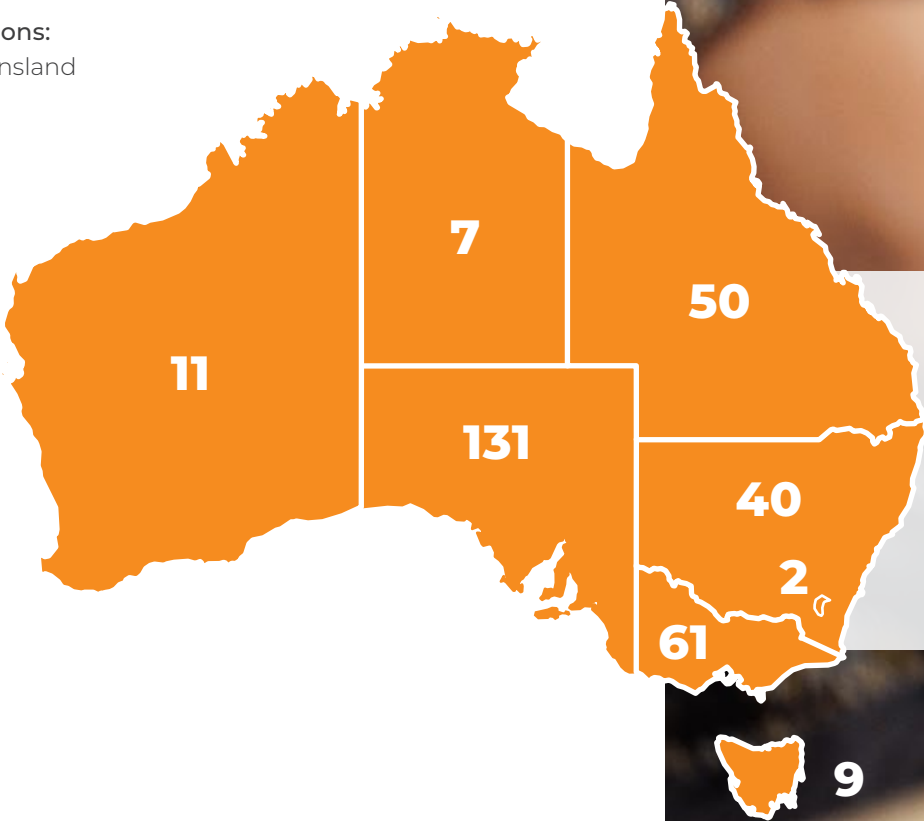
BRISBANE

3/39 Jeays Street, Bowen Hills QLD 4006

People employed: 20+ permanents and 25+ casuals

Principal functions: Servicing Queensland customers

EMPLOYEES BY STATE AND TERRITORY



7,000+ WORKPLACE CUSTOMERS
200+ HOSPITALS & CLINICS

Tharushi De Fonseka (Finance Manager) and Pujya DeSilva (Financial Accountant)



MANAGING DIRECTOR'S MESSAGE

Our first full annual report since becoming a charity represents something of an evolution for AusHealth.

It's fair to say, this organisation has always kept its head down, indeed most people have never heard of AusHealth. Since our inception in 1985 we've worked quietly and diligently, generating income through the services we provide to hospitals and workplaces, and steadfastly supporting Australian researchers.

Those who do know us, call us 'a unicorn' – and justifiably so. In our 39 years, we've given more than \$50 million to medical research and supported new health tech companies, including our three biggest, collectively worth more than \$1.7 billion.

I'm delighted to report financial year 2023/24 was a record in terms of revenues, profits and monies earmarked for research. We turned over **\$22,710,935 million**, up from \$17,395,966 last year. In turn, we were able to earmark around **\$5.1 million for research**, including more than a dozen research projects dedicated to anti-cancer treatments, immune health and diabetes.

The year was also significant because it was the first full financial year when AusHealth operated as a charity.

What does this mean in reality? It means our future is secured so we can continue supporting medical research; we're at greater liberty to establish new partnerships across Australia; and our revenues are being boosted by individual philanthropists who wish to support research projects that matter to them.

It all amounts to a substantive shift that ensures we're turbocharging our efforts to grow new health tech companies in Australia throughout 2024/25. Indeed, the new financial year has already seen the advent of The Accelerator (a bricks and mortar research hub), and The Wellspring Consortium, our new funding group.

Thank you to all our partners and our incredible team at AusHealth for your continued support, hard work and valuable research.

Greg Johansen
Managing Director and CEO, AusHealth

*“It's all
about the
research.”*



Dr Natalia Andriguetti, Toxicologist

LISTENING TO THE BABEL FISH

AusHealth underwent major changes during 2023/24. In a plain-speaking interview, CEO Greg Johansen explains what those changes mean for an organisation with ambitions to become Australia's equivalent of The Wellcome Trust. He also explains why AusHealth is sometimes compared to a fish that sits in your ear...

Greg, make it easy for us – what is AusHealth?

AusHealth is a charity that self-funds translational medical research. We're very focused on commercialising Australian health tech, which is about supporting good ideas and getting them to market. These new businesses are supported by our intellectual property, and when they take off, they generate income.

Are there any other institutions in Australia doing what you do?

Not really! And that commercialisation aspect differentiates us a lot. We're probably similar to The Wellcome Trust or The Texas Medical Research Centre in the United States. We're nowhere near their scale, but practically speaking we're doing the same thing.

The Wellcome Trust? That's a big claim...

Yes, it is – but Australia really needs its own Wellcome Trust. Broadly speaking, our universities, hospitals and research

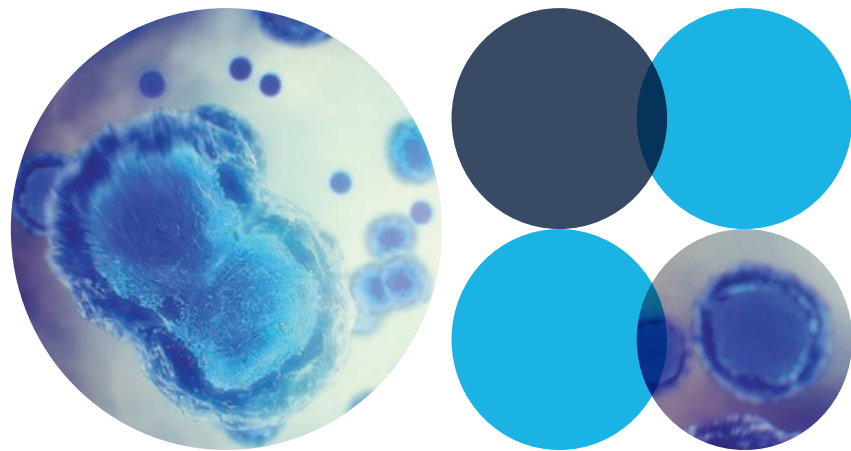
institutions haven't been great at commercialising – or 'translating' – their ideas.

Our hospitals are very good at inventing things. Our universities and research institutes are very good at training PhD students in early technologies. But there's no-one helping them take the next step, which is to translate ideas and findings into businesses. Of course, there have been Australian success stories like Cochlear and CSL; but in Australia, the great majority of our ideas get developed up to a point and then they're sold overseas. Those overseas companies take 96 per cent of the value and leave us with just four per cent.

At AusHealth, we're changing that.

At present, most of your funding is generated through services AusHealth provides to hospitals and workplaces – so people tend to think of you as a business rather than a research charity...

None of the research can happen unless we generate our own revenue. The simple fact is the government doesn't give us any money, so we've always operated like a



business – in our case, by providing services to hospitals and workplaces since 1985. And yes, it's profitable.

But increasingly, we're supplementing our revenues through the research we fund. The idea behind AusHealth has always been to fund research, develop technologies and get them into the marketplace. And we've proven it can be done in the past ten years. Look at Telix, look at Mesoblast – if you put the right technology with the right research team and the right funding, you will have success.

Now we're getting more serious about it, especially with The Accelerator, our new research and development hub.

The Accelerator is an incubator for start-ups. Is it exclusively for the researchers you fund?

No, not at all. The Accelerator is about giving innovators – any innovators – the space and resources to collaborate and grow health tech.

They don't even have to be research scientists. We're open to anyone with an idea or a marketing plan or a skill set. We've already got an AI team who've taken up residence and a new consortium dedicated to investing in health tech. They're not only developing their businesses within

The Accelerator, they're contributing to it. All ideas developed in The Accelerator contribute in some way to the research environment.

Is the bar going to be too high for these new 'innovators'?

Their ideas have to stand up to scrutiny and they have to be commercially focussed. But failure is definitely an option – science has to fail to go forward. And look, it could be that a start-up company only gets 50% towards the market. But that would still increase the value of the asset significantly. And along the way it creates new research opportunities for our hospitals and universities and creates other new entrepreneurial opportunities.

AusHealth has been around since 1985 when it was effectively owned by the South Australian government. In July 2023, you became a charity. What did that mean for the organisation?

A charity cannot be sold – only gifted to another charity. So, today, we're a long-term proposition. We could be around for the next 100 years. We're also in the perfect position to set up a virtuous circle: as we develop valuable technologies, those technologies will inject more money into a



Collectors' training session at head office. Left to right: Haylea Franklin (DNA Collector, Townsville); Shanne Gomez (Operations and Internal); Irma Ferro (DNA Collector; Port Lincoln)

private organisation and continue the cycle of growth in South Australia.

So you're funding research and spinning companies out of that research – which in turn will help supercharge more funding...

Exactly. Being an independent charity also means we're able to cast our net more widely. So, while we're still affiliated with CALHN [Central Adelaide Local Health Network], we're increasingly working with hospitals right across the country.

How does that benefit you?

It means we've got a broader network of partners to work with. If we were a for profit company, we'd have to pay for things like clinical trials and we'd have to employ researchers. AusHealth can achieve translation with a lot less money because we're working with partners and members of the charity, not contracting research.

You've described AusHealth as a 'Babel fish' – the fish from *The Hitchhiker's Guide to the Galaxy* which sits in your ear and translates alien languages. Why is that?

It's because we sit between large organisations like hospitals and universities, which aren't always great at talking to each other! They speak different languages. We get them communicating with each other as part of translating their technologies.

Being in the middle also means we're in the best place to see opportunities other people can't see. Part of our skillset is actually coming up with ideas. While some people say, 'That's never going to work...!', we'll say, 'I reckon if you take this idea and put it together with this research team and trial it at this hospital, we could take it somewhere impactful...'

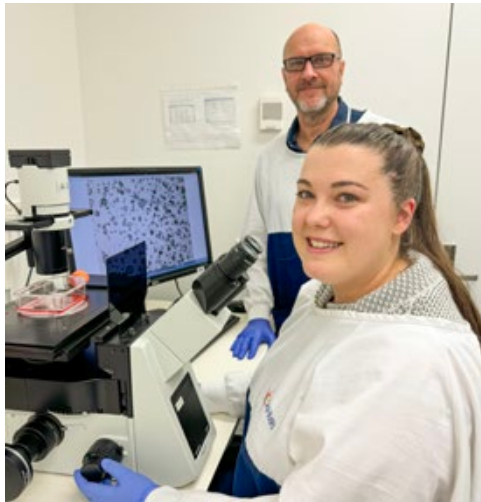
Of course, we're also in the position to say, 'Oh, and we'll give you the money to do it.'



RESEARCH

Platypep researchers, 2017. Left to right:
Professor Briony Forbes, Professor Frank
Grutzner and Natasha Bradley

RESEARCH PROJECTS 2023/24



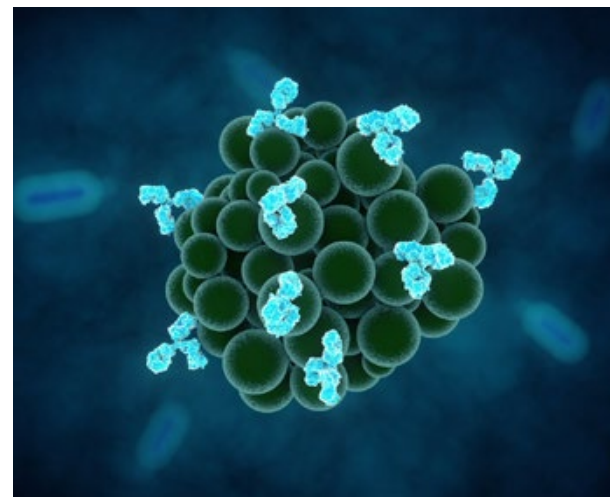
Platypep

Essentially: Researchers have found a hormone in the venom of platypuses and echidnas that could form the basis of novel compounds to treat obesity and type 2 diabetes, with reduced side effects.

Funded since: 2017

AusHealth partners:
University of Adelaide, SAHMRI

Status (June 2024): Multiple peptides identified; pre-clinical dose finding and duration studies underway.



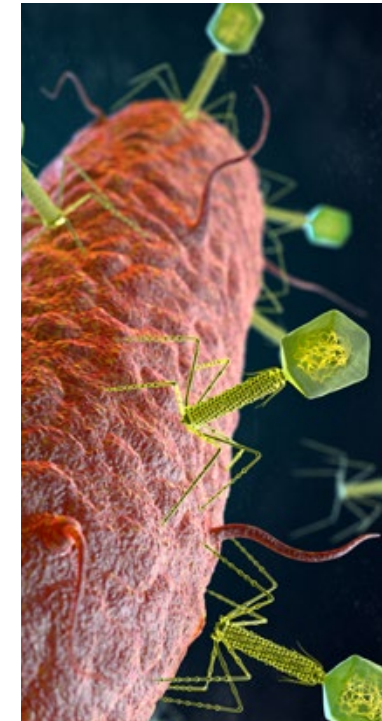
APOMAB

Essentially: APOMAB is a ground-breaking cancer treatment and diagnostics tool ('theranostic') that could enhance the effectiveness of other cancer therapies.

Funded since: 2011

AusHealth partners: CALHN, Telix Pharmaceuticals, UniSA

Status (June 2024): APOMAB licensed to Telix Pharmaceuticals; clinical trials underway.



The Adelaide Phage Therapy Centre

Essentially: The Centre oversees multiple research projects using phages (viruses) to destroy drug-resistant bacteria.

Treatments are being sought to treat a range of bacterial infections including stomach ulcers, diabetic foot ulcers and chronic sinusitis.

Funded since: 2020;
Centre established in 2021

AusHealth partners: CALHN, University of Adelaide

Status (June 2024): The Centre is currently running a human clinical trial (funded by the Medical Research Future Fund) to evaluate the safety and effectiveness of phages to treat infections of the airways; new funding will be used to investigate the use of phage in a diverse range of indications and also rebrand the centre as the AusHealth Phage Therapy Centre.

AUSHEALTH'S RESEARCH FUNDING MODEL

AusHealth partners with researchers to translate medically important technologies from proof of concept through to commercialisation.

This has three key advantages:

1. It ensures funding, resources and production can remain in Australia;
2. It avoids losing control of valuable IP too early or too cheaply; and
3. It guides projects through the infamous 'valley of death', an expensive and time-consuming process that is often unsuccessful and which leads to many important medical technologies never being translated for the benefit of the community.

AusHealth carefully selects projects for funding based on their merit, technical feasibility and potential for clinical impact.

If it considers a project worthy of funding, it develops a technology development strategy for commercial translation, ultimately shortening the time-to-market, maximising returns to the community and protecting intellectual property.



CODEXA

Essentially: An AI-powered assistant for clinical coders to enhance their productivity and accuracy.

Funded since: 2024

AusHealth partners: HeartAI, CALHN

Status (June 2024): New project initiated and trialled.

Hugh Carpenter, Systems Developer, HeartAI



Spider Venom

Essentially: The treatment of chronic gut pain (including irritable bowel syndrome) using peptides derived from spider venom.

Funded since: 2019

AusHealth partners: SAHMRI, University of Queensland

Status (June 2024): Pre-clinical studies of structure-optimised peptides underway.



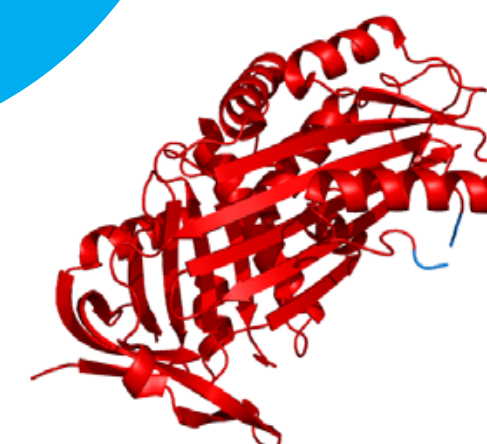
CALRmut

Essentially: An antibody therapy for patients with a form of bone marrow disease (myelofibrosis) caused by mutated calreticulin.

Funded since: 2023

AusHealth partners: CALHN, UniSA, University of Adelaide, SAHMRI

Status (June 2024): Pre-clinical studies underway across therapeutic antibodies and CAR-T cells.



CBG

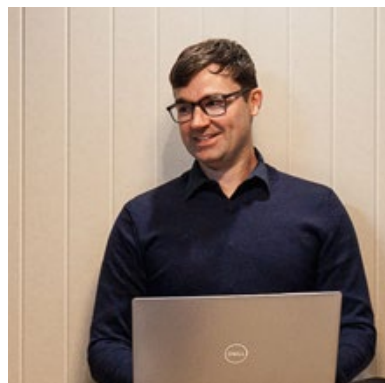
Essentially: Developing CBG (corticosteroid-binding globulin) for therapeutic use in septic shock.

Funded since: 2023

AusHealth partners: CALHN

Status (June 2024): Pre-clinical studies underway.

Crystal structure of corticosteroid-binding globulin
Credit: Mattyjenjen / Wikimedia Commons



CALHN Critical Care Information System

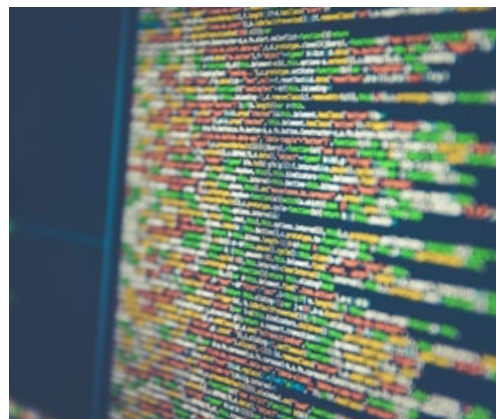
Essentially: Using AI to draw together a patient's multiple hospital events/notes/stays etc into a single information screen. Designed for use within an ICU setting, it will allow intensivists/nurses to easily review a patient's medical history.

Funded since: 2023

AusHealth partners: CALHN, HeartAI

Status (June 2024): Prototype platform demonstrated at RAH ICU.

Lukah Dykes, Managing Director, HeartAI



CITADEL

Essentially: Developing a new AI assistant to automate and streamline clinical notes within hospitals.

Funded since: 2023

AusHealth partners: CALHN

Status (June 2024): Software in development.



PanAscea

Essentially: Creating a pH-balanced formulation of mega-dose vitamin C to treat sepsis.

Funded since: 2024

AusHealth partners: CALHN, Florey Institute, Austin Hospital

Status: New company to be incorporated in 2024 to develop this technology.

SPONSOR A PROJECT!

Since becoming a registered charity, AusHealth has enjoyed the generosity of benefactors large and small to help researchers seek a healthier future for all of us.

Business and corporate benefactors are invited to sponsor individual projects being funded by AusHealth. Donors can remain anonymous, however benefactors can also request naming rights as part of their sponsorship. Donations are of course tax deductible. Arrangements can be discussed with the AusHealth Research team – please email jcoombs@aushealth.com.au.

Donations are also gratefully received from individuals. Cash donations can be made via the donations portal on the AusHealth website (aushealth.com.au); the site also outlines how to leave bequests in wills.

The AusHealth Hospital Research Fund Ltd is registered with the Australian Charities and Not-for-Profits Commission (ACNC) under ABN 85 657 333 858.

Thankyou for supporting AusHealth to continue its important work.



1985

AusHealth begins as a private company called 'Medvet'; its shareholders are the Royal Adelaide Hospital and the Institute of Medical and Veterinary Science (IMVS), which means it's owned by the state government. The company will commercialise the existing services of both institutions – including industry health and safety testing – with all profits going to support the development of medical technologies invented by doctors, researchers and staff of the Central Adelaide Local Health Network (CALHN).

1986-96

AusHealth's earliest projects include: the manufacture of agar plates for use in microbiology; the manufacture of diagnostic products for use in testing; commercial pathology services for industry (including lead testing, food testing and drug testing); international aero medical retrievals to the RAH using two Learjets ('Mediflight'); and a billing services division called 'AusHealth'.



2005

Board member Greg Johansen is appointed to CEO. He develops a new strategic direction and returns the company to profitability within a year.

1998

Plate and diagnostic manufacturing is relocated to a purpose-built facility in Thebarton, Adelaide.

2006

The drug testing operation is expanded; new clients include QANTAS and the Australian Federal Police.

2003

Medvet becomes unprofitable. The manufacturing arm is sold to Thermo Fisher; the drug testing, Mediflight and AusHealth Division are retained and moved to Stepney.

2008

Ownership of Medvet changes from the IMVS to SA Pathology. The headquarters are moved to 115 Sherriff Street, Underdale, Adelaide.

2013

Medvet moves to 65 Hardys Road, Underdale and rebadges as 'Medvet Science'. The new company returns a one-million-dollar profit for research.

2015

Intellectual property (IP) research has grown to the extent that it requires the equivalent of a full-time worker to manage it; within two, years this expands to three full-time workers.

2012

Medvet shares are transferred to CALHN and restructuring takes place. A three-year contract is signed with the RAH and TQEH for hospital debt recovery, which becomes the responsibility of the newly formed 'AusHealth Hospitals Division'.

2014

Vaccination services are introduced. The year also sees the formation of Mesoblast Ltd – which goes on to be one of the world's largest regenerative medicine companies.

2016

The sale of Medvet Science is considered but rejected after an external review.

SUPPORTING MEDICAL RESEARCH SINCE 1985



Above: Mediflight team, mid-80s





2018

The organisation undergoes a complete rebrand, with 'AusHealth' sitting over three business units – AusHealth Hospitals, AusHealth Work and AusHealth Research.

2021-22

AusHealth Work is instrumental in safeguarding Australian workplaces during the COVID pandemic, carrying out more than 2.6 million rapid antigen tests nationally.



2023

CureCell is welcomed into the AusHealth family. The charity is afforded cost-savings and efficiencies by coming into the fold, which means it can continue its work funding the next generation of researchers in cell and biological therapy.

2019

AusHealth enters into partnership with Telix to fund a first-in-human trial of APOMAB, a 'theranostic' administered to lung and ovarian cancer patients for detection of tumours before and after chemotherapy-induced tumour cell death.



2022

On February 15, The AusHealth Hospital Research Fund Ltd is incorporated – the foundation stone of AusHealth becoming a charity. It registers with the Australian Charities and Not-for-Profits Commission; the charity structure secures the future of AusHealth so medical researchers can be assured of its continued support.

2024

The inaugural AusHealth CureCell Awards are launched in June; the awards attracts 38 applications from PhD students across Australia hoping to secure five living-expenses grants worth \$10,000 each.



Looking forward

In late 2024, AusHealth's new commercialisation hub, **The Accelerator**, will be officially opened. Residencies are being welcomed in Q2 of the 2024 Financial Year.

The Accelerator's **first resident innovator is HeartAI**. The seven-person team creates high-performance digital systems for healthcare. It is currently collaborating with AusHealth to develop an AI-powered system called CODEXA; the world-first platform will enable faster and more accurate clinical coding.

AusHealth's new **Clinical Coding** service began in July 2024, with the first client signed up in August; operations are being ramped up over the next six months; a new Adelaide-based coding team is anticipated in mid-2025.

AusHealth's new funding group, The Wellspring Consortium, opened for business in September 2024. The consortium comprises AusHealth, The South Australian Department of State Development and the Artesian investment management firm.

Following the success of 2024, PhD students will continue to compete for the **AusHealth Curecell Awards** in 2025.

AUSHEALTH CURECELL AWARD WINNERS 2024



July 2024 saw the launch of the AusHealth CureCell Awards. Thirty-eight PhD students from across Australia submitted single-page synopses, vying to win one of five \$10,000 awards to go towards their living expenses.

Judging took place in September, when 14 finalists were invited to do a live presentation. The calibre of applicants was so high that a further two prizes were awarded. Dr Tina Lavranos, AusHealth's biotech commercialisation specialist, reveals what made this year's winners stand out...



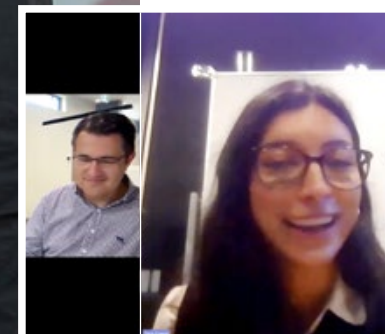
Alanah Bradey

Institution: University of Adelaide

Project: The development of novel GLP-1RAs for obesity management and the treatment of type 2 diabetes mellitus

Essentially: Undertaking a screening process to triage potentially valuable novel peptides for clinical development to help with obesity management.

Judge's verdict: "Alanah's abstract was compelling, her messaging was on point and there was no doubting the commercial potential of her research. When she presented, she won us over with her focus and dedication to the project."



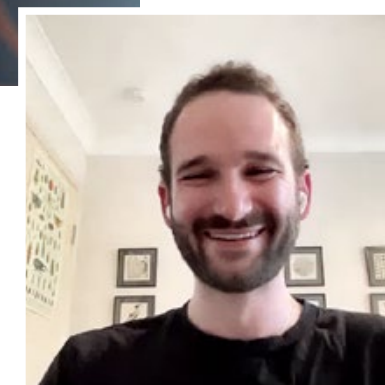
Tyra Fraser

Institution: Florey Institute/University of Melbourne

Project: An improved cell replacement therapy for Parkinson's disease

Essentially: Proposing a dual stem cell transplantation strategy to achieve a more complete reconstruction of dopamine circuitry in the brains of Parkinson's sufferers. The grafts will utilise spectrally distinct fluorescent reporters to observe patterns of connectivity from each graft and correlate this with recovery of motor function.

Judge's verdict: "This is a super-exciting project – one that could potentially make global headlines. During her interview, Tyra's enthusiasm for her research made it hard to resist."



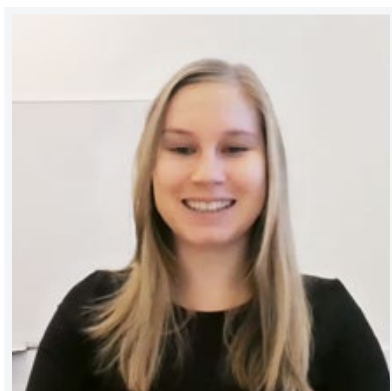
Maximilian Garwood

Institution: University of Queensland

Project: Producing therapeutic monoclonal antibodies in microalgae

Essentially: Providing a proof-of-principle for the use of microalgae in the production of therapeutic monoclonal antibodies by genetically modifying *Clamydomonas reinhardtii* – potentially the first time that a clinical human monoclonal antibody would be expressed in microalgae.

Judge's verdict: "This project came out of the sun – and dazzled us. Max is really driven and he's thinking outside of the box. But while his project was unexpected, it was also incredibly smart. Truth is, it was a 'yes, please' from the moment we set eyes on it!"



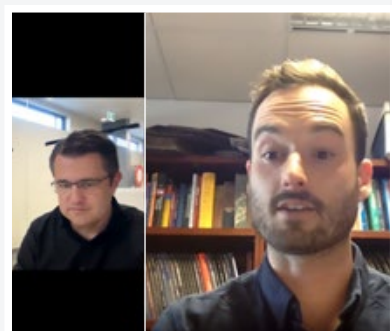
Kim Gunther

Institution: University of Queensland

Project: An anti-inflammatory and anti-infective mRNA therapy for sepsis patients

Essentially: Delivering mRNA encoding pentose phosphate pathway (PPP) enzymes to kill pathogens and reduce inflammation – potentially improving outcomes for sepsis patients when antibiotics prove ineffective.

Judge's verdict: "The problem of antibiotic resistance is persistent and pressing, so Kim's novel approach using an existing pathway was especially welcome. She was very articulate when it came to explaining her research methods."



Dylan McPeake

Institution: University of Adelaide

Project: Improving the trafficking of CAR-T cells into solid tumours

Essentially: Validating LGR5-targeting CAR-T cells for the treatment of colorectal cancer; and improving the trafficking of CAR-T cells into solid tumours by utilising novel combinations of chemokine receptors and constructing a universal platform which can be applied to future therapies.

Judge's verdict: "Dylan has risen to the challenge of finding a solution to an especially complex problem. Where it might have daunted some, it seemed to energise him – we were really impressed by how driven he was to get answers from this highly challenging biology."



**The next AusHealth
CureCell Awards will
open in June 2025**

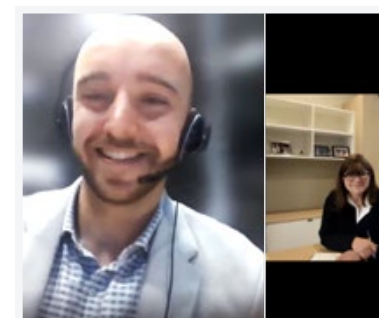
Andrew Quattrocchi

Institution: Florey Institute

Project: Next generation stem cell therapy for stroke repair

Essentially: Identifying a population of cells that generate cortical neurons and transplanting them into a preclinical stroke model to assess integration and reversal of motor deficits.

Judge's verdict: "This is another piece of scientific research that impressed us greatly with its innovative approach. During his interview, Andrew was authoritative, demonstrating not only deep understanding of the science but also prodigious laboratory skills. Andrew is actually receiving the Dibbens Family Award, given to recipients who are working to alleviate the effects of stroke."



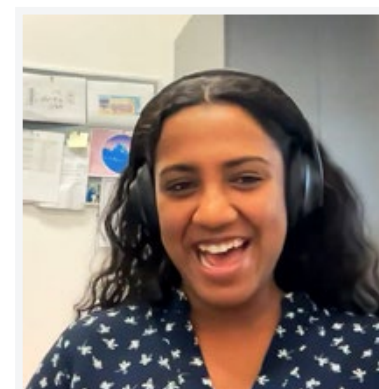
Rakshanya Sekar

Institution: Australian National University

Project: Treat Yourself! Harnessing your own biology to treat irreversible vision loss

Essentially: Developing an extracellular vesicle (EV)-based therapeutic to treat retinal degenerations, with focus on red blood cell-derived EVs. These can be collected autologously from the patient, isolated cost-effectively and administered non-invasively to the patient.

Judge's verdict: "This was a complex project, but Rakshanya could barely contain her excitement about her work – something that was not lost on the judges who value the ability to communicate both the scientific and commercial potential of novel research."



Rishi Cumber (National Operations Manager) and Angelo Velardo (State Recoveries Manager QLD)

DIVISION REPORTS

AUSHEALTH HOSPITALS

KEY ACHIEVEMENTS

Revenue: The Hospitals Division improved cash returns by more than 30 per cent.

Time-To-Money: The Hospitals Division reduced insurance payments to less than 60 days (hospitals have typically had to wait for more than a year to see their monies returned).

Risk Mitigation: The Hospitals Division reduced regulatory risk to lower than a five per cent probability of an adverse event.

"AusHealth Hospitals builds solutions for its clients' success. We've improved their cash returns by more than 30 per cent and cut their time-to-money by half."

KEY PRODUCTIVITY MEASURES

In the past 12 months, AusHealth Hospitals:

- Managed approximately \$100m in revenue and collected more than \$50m of debt for hospitals across Australia
- Experienced a turnover of staff less than five per cent and achieved a "high" rating for job satisfaction and psychosocial safety.

"AusHealth Hospitals has invested heavily in its people, technology and services to achieve significant growth and be future-fit."

KEY STRATEGIC INITIATIVES

"In 2023/24, we continued to explore technological advances to underpin sustainable growth and client success.

"We commenced offering clinical coding and auditing services, completing the division's presence across the hospital revenue life cycle.

"We began partnering with the AusHealth Research Division in the application of AI in clinical coding.

"And we developed a digital patient presentation product that seamlessly integrates eligibility, informed financial consent, insurance and payment processes."

FUTURE FOCUS

In 2024/25, the Hospitals Division will primarily focus on:

- **Giving value for money.**
- **Expanding our Clinical Coding service:** Expand Clinical Coding across Australia and launch the new AI clinical coding service, powered by our proprietary CODEXA platform.
- **Improving Cash Returns and Time-To-Money metrics:** Strengthen our capacity to return more money to hospitals.
- **Problem Mitigation:** Partner more broadly with hospitals to mitigate their pain points across their revenue life cycle.

HOSPITALS DIVISION AT A GLANCE

Core business: AusHealth Hospitals provides administrative and financial management services to public and private healthcare organisations. Services include patient liaison, billing and revenue management, clinical coding services and debt collection/debt resolution activities.

NUMBER OF
EMPLOYEES

78+

NUMBER
OF CLIENTS
AUSTRALIA-
WIDE

200+

*"2023/24 saw a consolidation
of the Division as the premier
provider of hospital revenue
building services."*

Stefan Moro, Head of AusHealth Hospitals

Mask fitting; Shanne Gomez (Operations and Internal) and Haylea Franklin (DNA Collector, Townsville)

AUSHEALTH WORK

KEY FINANCIAL ACHIEVEMENTS

Revenue: The Work Division expanded its service offerings, achieving a 13 per cent revenue growth in its core workplace drug and alcohol testing services, contributing to an overall seven per cent increase in the division's total revenue.

Customer retention: The division achieved a 100 per cent retention rate among its top 10 customers, resulting in a revenue increase of approximately 13 per cent. Additionally, among the top 70 customers, the division maintained a 97 per cent retention rate with an eight per cent revenue increase. These results highlight strong customer satisfaction and underscore the ongoing value of our services.

Cost of sales optimisation: The division achieved 16 per cent savings on the cost of sales through streamlined procurement processes, lowering costs on drug testing products, contributing to improved margins across core services.

"We were delighted to report revenue growth, alongside high customer satisfaction and sustained service value. A significant portion of our margin improvement resulted from cost reductions in our drug-testing products, with unit costs for test kits decreasing by over 80 per cent in some instances."

KEY PRODUCTIVITY MEASURES

In the past 12 months, AusHealth Work teams:

- Conducted 25,000 site visits across 422 companies
- Administered 1.1 million drug and alcohol tests
- Delivered 8,500 influenza vaccinations.

"During the 2024 flu season, our nursing team delivered 6,500 flu vaccinations at the Royal Adelaide Hospital and Queen Elizabeth Hospital for the Central Adelaide Local Health Network. Over the span of just five weeks, this amounted to an impressive 260 vaccinations per day, provided directly on-site."

KEY STRATEGIC INITIATIVES

"To enhance supply chain control, AusHealth Work pioneered in-house manufacturing and sourcing of medical device components, including plastics and antibodies. This resulted in the development of a new oral testing device, which has already been implemented with marked success. The device boasts a 25 per cent improvement in quality."

FUTURE FOCUS

In 2024/25, the Work Division will primarily focus on:

- **Converting interest into business:** Capitalise on market interest in Work products and services by securing large-scale contracts and further expand the client base.
- **Building capacity in the Collector Network:** Enhance the skills and knowledge of AusHealth Works' Collector Network to meet growing demand and ensure excellence in service delivery.
- **Exploring profitability and expanding product range:** Continue to explore innovative solutions that improve profitability, while expanding and refining the product range to meet evolving industry needs.

WORK DIVISION AT A GLANCE

Core business: AusHealth Work is a provider of workplace health and safety services, products, and training. On-site services include drug and alcohol testing, workplace vaccinations and respiratory fitness testing.

NUMBER OF EMPLOYEES **180+**
NUMBER OF CLIENTS AUSTRALIA-WIDE **4,000+**

"2023/24 was all about increasing profitability and it was an outstanding year."

John Stedman, Head of AusHealth Work



AUSHEALTH RESEARCH

KEY FINANCIAL ACHIEVEMENTS

Research support: around \$5.1 million was earmarked for research funding, patent fees, commercialisation and research administration during 2023/24 – up from around \$4.3 million in the previous year.

Research grants and translation services: more than \$2.7 million; this included \$100,000 granted to CureCell, the charity dedicated to cell and biological therapy that is now operating under AusHealth's remit.

"The exceptional performance of AusHealth's commercial divisions has enabled record funding for Australian

translational medical research. This year we've continued to fund the advancement of exciting projects in cancer, immune health and diabetes; we've also been able to invest in infrastructure designed to support new health tech ventures."

KEY PRODUCTIVITY MEASURES

In the past 12 months, we have:

- Supported 14 major projects across Australia
- Financed the building of a new 260-square-metre research hub – The Accelerator – in Underdale (launching in Q2 2025)
- Assumed responsibility for administering and funding CureCell, a medical charity dedicated to supporting the next generation of scientists in cell and biological therapies
- Commenced a new program to attract philanthropical donors (corporates and individuals) who wish to support individual projects.

"We've got bigger in every way. Our network of research partners has extended beyond South Australia; our capacity for more research has been fuelled by record revenues; and our goals to realise patient impact through new companies are coming into sharper focus."

KEY STRATEGIC INITIATIVES

"Our first year as a charity has given us a firmer base on which to grow and plan. We've also seen strategic partnerships begin to align, not least in The Accelerator and the new Wellspring Consortium – powerful support for any ambitious health tech start-up."

FUTURE FOCUS

In 2024/25, the Research Division will primarily focus on:

- **Continuing to develop valuable research programs through funding.**
- **Launching and growing new enterprises from The Accelerator:** Scientists and entrepreneurs as well as dreamers and schemers are being sought to populate AusHealth's new research hub.
- **Developing a team of clinical coders empowered by a ground-breaking AI assistant called CODEXA:** The system will unlock revenues currently backlogged in hospitals across Australia; it will also underpin a new hospital partnership offering from AusHealth.
- **Growing the AusHealth family:** AusHealth is inviting small, struggling charities to take refuge within its infrastructure, extending some administrative economies (and in some cases, funding) so they can continue their good work.

RESEARCH DIVISION AT A GLANCE

Core business: AusHealth Research oversees the funding of medical research projects; it screens applicants for funding, monitors stages of research and allocates funding. It also administers CureCell, the latest member of the AusHealth family.

"In terms of research investment, it was our biggest year ever."

*Dr Justin Coombs, Chief Operating Officer
and Research Development Manager*

NUMBER OF
EMPLOYEES **3**

NUMBER OF
ACTIVE PROJECTS
UNDER FUNDING
DURING 2023/24 **14**

Left to right: Lukah Dykes (Managing Director), Lukasz Wiklendt (Senior Data Scientist) and Adam Phillips (General Manager), HeartAI
Inset opposite, left to right: Brad Allison (ICT Manager); Dr Justin Coombs (COO); and Isaac Lee (ICT Support Officer)

STRATEGY FOR GROWTH, 2025

MORE INNOVATION, MORE FUNDING, MORE CHARITY, MORE SERVICES

MORE TRANSLATION

THE ACCELERATOR

The Accelerator is a collaborative hub where innovators – including ambitious students, daring entrepreneurs and fledgling startups – translate medical research into investment-ready companies.

The bricks and mortar space is located behind AusHealth's head office in Underdale, Adelaide. Resident innovators benefit from peer-to-peer support and collaboration, as well as access to The Accelerator's in-house commercialisation team:

- The Wellspring Consortium (three equity partners with financial expertise as well as access to private and government funding)
- Two specialist patent lawyers (one of them a seasoned biotech startup CEO)
- An oncology science specialist with biotech development experience
- A marketing and communications expert.

Residents are dedicated to the commercialisation of novel pharmaceuticals, therapies, diagnostics and AI-powered digital healthcare. During their time with The Accelerator, they develop into fully formed entities, usually leaving as startups equipped with the likes of IP assets, company structures, product validations and brand identities.

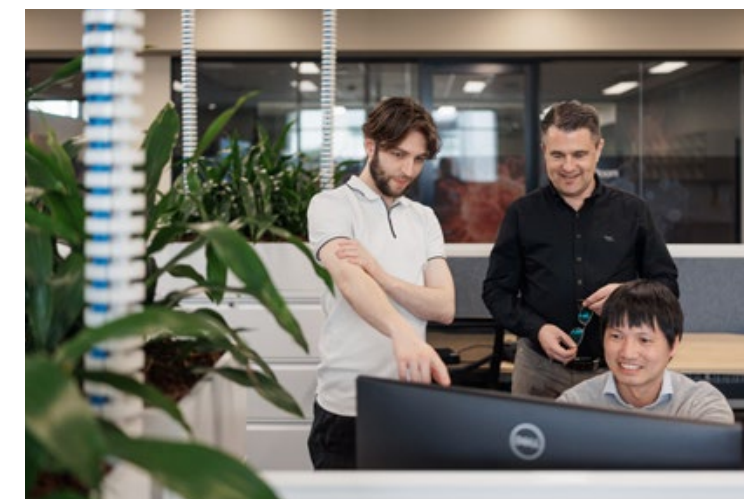
MORE FUNDING

THE WELLSPRING CONSORTIUM

The Wellspring Consortium is a new funding body supporting researchers, innovators and start-ups in medical research.

It comprises three equal partners with complementary assets:

- **AusHealth:** A charity with \$4 to \$5 million to spend on medical research each year. AusHealth also has sophisticated networks within Australian hospitals, research institutions and health tech, as well as proven frameworks to assess medical research projects for scientific merit and likelihood of translating through to real-world outcomes.



- **The South Australian Department of State Development:** A state department seeking to invest government funds to develop creative, innovative and productive businesses and industries within SA. The Department of State Development regards AusHealth as a tried and trusted partner in ensuring the right funding goes to the right projects within health tech.

- **Artesian:** An alternative investment management firm specialising in public and private debt, venture capital and impact investment strategies. Artesian works with financing partners who are looking to invest in 'the next big thing'.

This consortium of bright minds (and deep pockets) operates out of The Accelerator research hub. It meets regularly to review projects that seek funding.

Any party working in the healthcare space can apply to The Wellspring Consortium, whether or not they're connected with AusHealth. Medical research projects, software/technological development projects and entrepreneurial ideas – all are welcome.

Submissions outlining projects can be made online.

MORE CHARITY

CURECELL

Thanks to its charitable status and the luxury of profitability, AusHealth is able to offer a home to small medical research charities to allow them to continue their good work.

The fact is, there are multitudes of small charities doing valuable work, but many find themselves squeezed by the twin pressures of costly administration and a dwindling pot of charitable donations. Before long, they're shedding staff and winding up their operation.

In 2023, AusHealth invited CureCell – a charity dedicated to supporting early-career researchers working in cell and biological therapies – to become 'part of the family'.

Simply put, CureCell Ltd was able to benefit from AusHealth's NFP architecture, including its board structure, saving itself the cost and trouble of running its own board. It was also able to avail itself of AusHealth's funding, which in 2023/24 amounted to \$100,000.

For its part, AusHealth was boosted by the established CureCell brand and in particular its successful awards program, the annual CureCell Awards.

In 2024, these awards became the AusHealth CureCell Awards, which were administered and judged by AusHealth.

Both organisations were delighted to attract 38 submissions, and of such high calibre that seven awards were granted instead of five.

The CureCell model represents a win-win-win proposition for AusHealth, for struggling charities and most importantly for the medical research community. It's a blueprint for growth that AusHealth hopes to use in the future.

MORE SERVICES

CLINICAL CODING

AusHealth Hospitals' new Clinical Coding team dramatically expands AusHealth's suite of services offered to health care organisations across Australia.

Clinical coding is 'pain point' for many hospitals and clinics. Processing codes is a time-consuming, difficult and expensive business and requires specialist, tertiary-educated personnel who are at a premium. Each code that goes unprocessed is a payment that will not be settled by Medicare; many institutions have a backlog of codes.

AusHealth Hospitals has hired a team of experienced health information managers (HIMs) and clinical coders to help hospitals and clinics reduce their backlogs of unprocessed codes. This market is believed to be worth \$800 million.

In addition, the division has invested heavily in a revolutionary AI clinical coding assistant – anticipated for rollout in 2025. Developed in conjunction with HeartAI (a resident innovator at The Accelerator), the new CODEXA system will enable coders to vastly increase their coding rate and accuracy while reducing cost.

AusHealth's new coding talent, together with CODEXA, will provide a unique and valuable service to the Australian healthcare sector.



Htet Myat Aung Zaw (Health Information Manager) and Kosta Nomikoudis (Chief Health Information Manager)

Marta Greci
(Collections Officer QLD)



Stefan D'Angelo (State
Recoveries Manager VIC)



Left to right: Varsha Dhanekula (Collections
Officer); Sabina Fernandes (HR Business Partner);
and Harini Nomula (Billing Officer)



James Malycha, Chief
Medical Officer, HeartAI



John Stedman
(Manager Work Division)

Above: John Fisher
(Financial Accountant)
Right: Tharushi
De Fonseka (Finance
Manager)



AUSHEALTH PEOPLE



Left: Jaspreet Singh
(Collections Officer QLD)

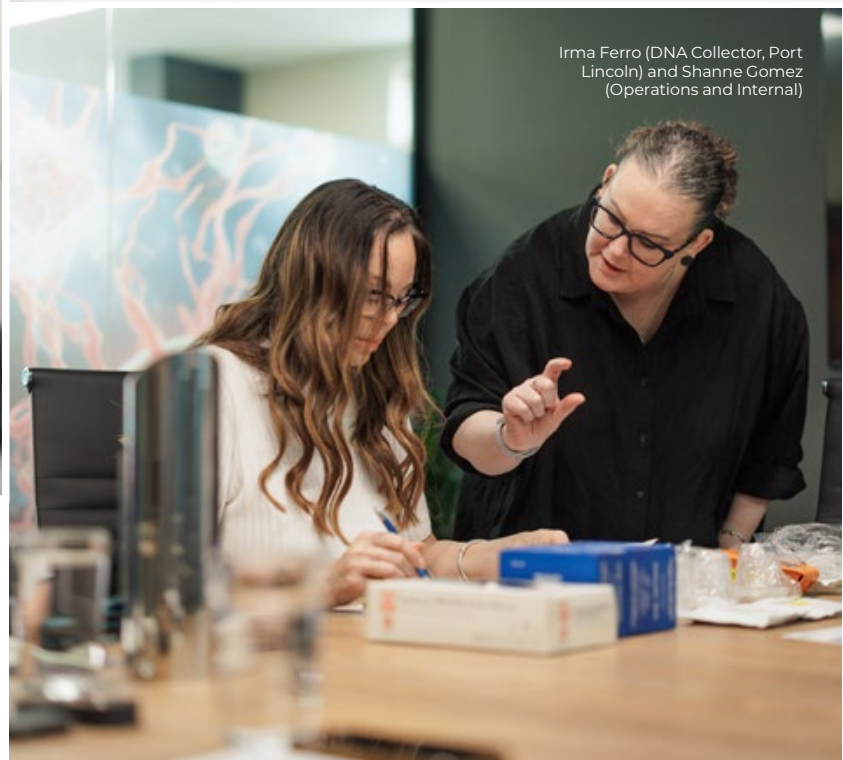


Below left to right: Greg Johansen (CEO);
Brad Allison (ICT Manager); Dipson Khadka
(Chief Financial Officer)

*Working today
for a healthier
tomorrow*



Above: Margaret Doddridge
(HR Manager)



Irma Ferro (DNA Collector, Port
Lincoln) and Shanne Gomez
(Operations and Internal)



AUSHEALTH DIRECTORS

Professor Andrew Zannettino
(Acting Chair)

Andrew is Executive Director of Research Strategy for CALHN and Pro Vice Chancellor of Health Partnerships at the University of Adelaide. At the university, he also heads the Myeloma Research Laboratory and co-heads the Regenerative Medicine Program (RMP). The RMP stems from collaborative studies in association with Prof Stan Gronthos and Prof Paul Simmons, which in turn led to a family of eight patents underpinning the world's largest cell therapy company, Mesoblast Ltd.

Ms Susannah Hayden

Susannah has more than 20 years' experience across a variety of sectors (including NFP, professional services, small-medium business) and is recognised for her leadership skills and collaborative approach. Susannah has a history of driving implementation of high-quality initiatives, leading high-achieving teams, identifying opportunities for business, engaging effectively with a wide range of stakeholders and planning, resourcing, and negotiating to achieve key results.

Mr Greg Johansen

Greg is the Managing Director and CEO of AusHealth. Greg spent the first part of his career in management roles in Australian and American pharmaceutical and medical device industries; he was also on the board of The Cancer Council of South Australia.

He has personally held Australian and international patents, is the inventor of a pathology management system, and is the chair of the Intellectual Property Development Committee of the Central Adelaide Local Area Health Network.

Dr Stephen Livesey

Stephen has a professional background in medicine, medical research and commercialisation. He is the co-founder of LifeCell Corporation in the United States and has held executive and board positions at the Australian Stem Cell Centre, CRC for Cell Therapy Manufacturing, BioVictus Pty Ltd, CureCell, TekCyte and Carina Biotech. He has also worked as a scientist for Clinical Neurosciences SVHM.

Professor Michael Reid

Michael has had a long career in the Australian healthcare system. Between 1997 and 2002, he held the position of New South Wales Health Minister; from 2008 to 2011, he was the Director General for Queensland Health. His consulting company, Michael Reid & Associates, has undertaken health and science projects throughout Australasia as well as for governments in Asia, the Pacific and the United Nations.

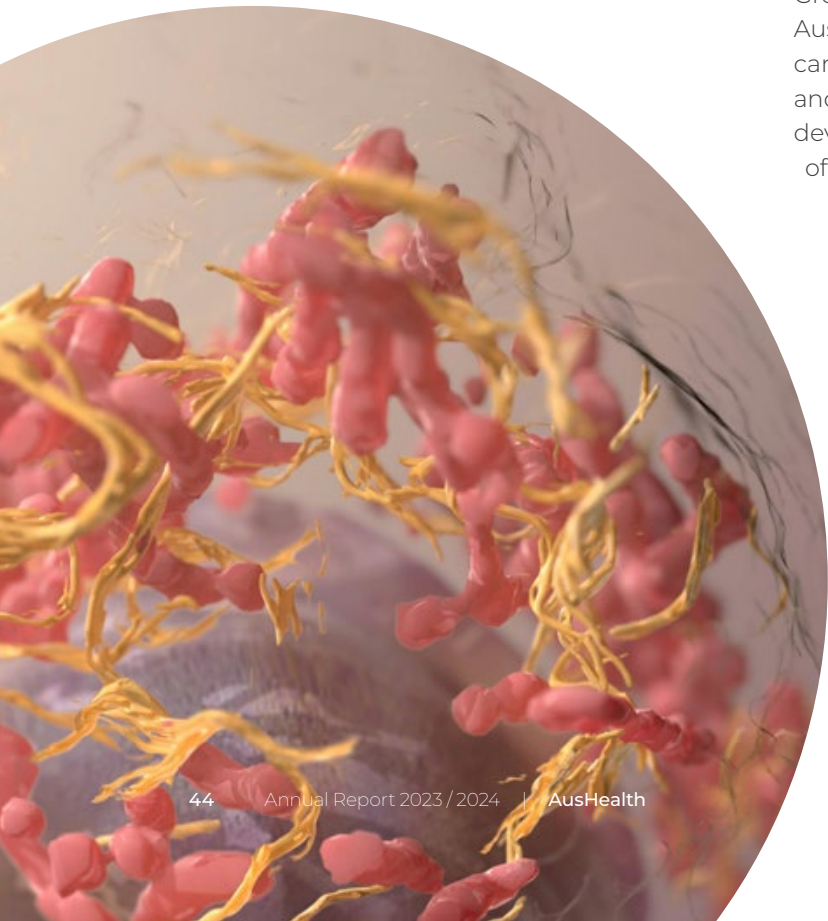
Resigned August 2023

Dr Liz Sutton

Liz is the Director, Research at CALHN. She is a trained medical anthropologist and has conducted research on how medicine and health care are delivered. She has extensive experience in the government sectors of public health policy, having overseen the implementation of tobacco reforms in Victoria and been responsible for the rollout of a national program of advance care planning. She trained originally as a general nurse and holds a BA (Psychology), a degree in Literature and Communication and a master's degree examining the relationship between gender and pain.

Dr Kathryn Marie Zeitz

Kathryn is the Deputy Chief Executive Officer for the Central Adelaide Local Health Network and has an extensive background in healthcare services. As a Registered Nurse experienced in acute hospital operational management, Kathryn has interests in service quality and improvement, consumer support and patient-centric health care. Kathryn is an Adjunct Associate Professor with Flinders University and Adjunct Professor for The University of Adelaide. Kathryn is a Board Director for St John Ambulance Australia.



ANNUAL REPORT 2023/24

Consolidated Profit
and Loss Summary

| | 2024 | 2023 |
|---|-------------------|-------------------|
| Revenue from contracts with customers | 22,710,935 | 17,395,966 |
| Other revenue | 1,376,012 | 4,449,033 |
| Total revenue | 24,086,947 | 21,844,999 |
| Cost of sales | 11,432,046 | 10,479,848 |
| Sales, marketing, administration and employee benefit expenses | 7,488,694 | 6,980,738 |
| Total operating expenses | 18,920,739 | 17,460,585 |
| Net profit before medical research | 5,166,208 | 4,384,414 |
| Medical research support grants | 1,314,739 | 1,456,471 |
| Research patents and translation services | 1,469,023 | 1,619,053 |
| Total research grants, patents and research translation services | 2,783,761 | 3,075,523 |
| Net profit after research | 2,382,446 | 1,308,890 |

For the full Financial Report of
The AusHealth Research Fund,
please visit:



NOTES

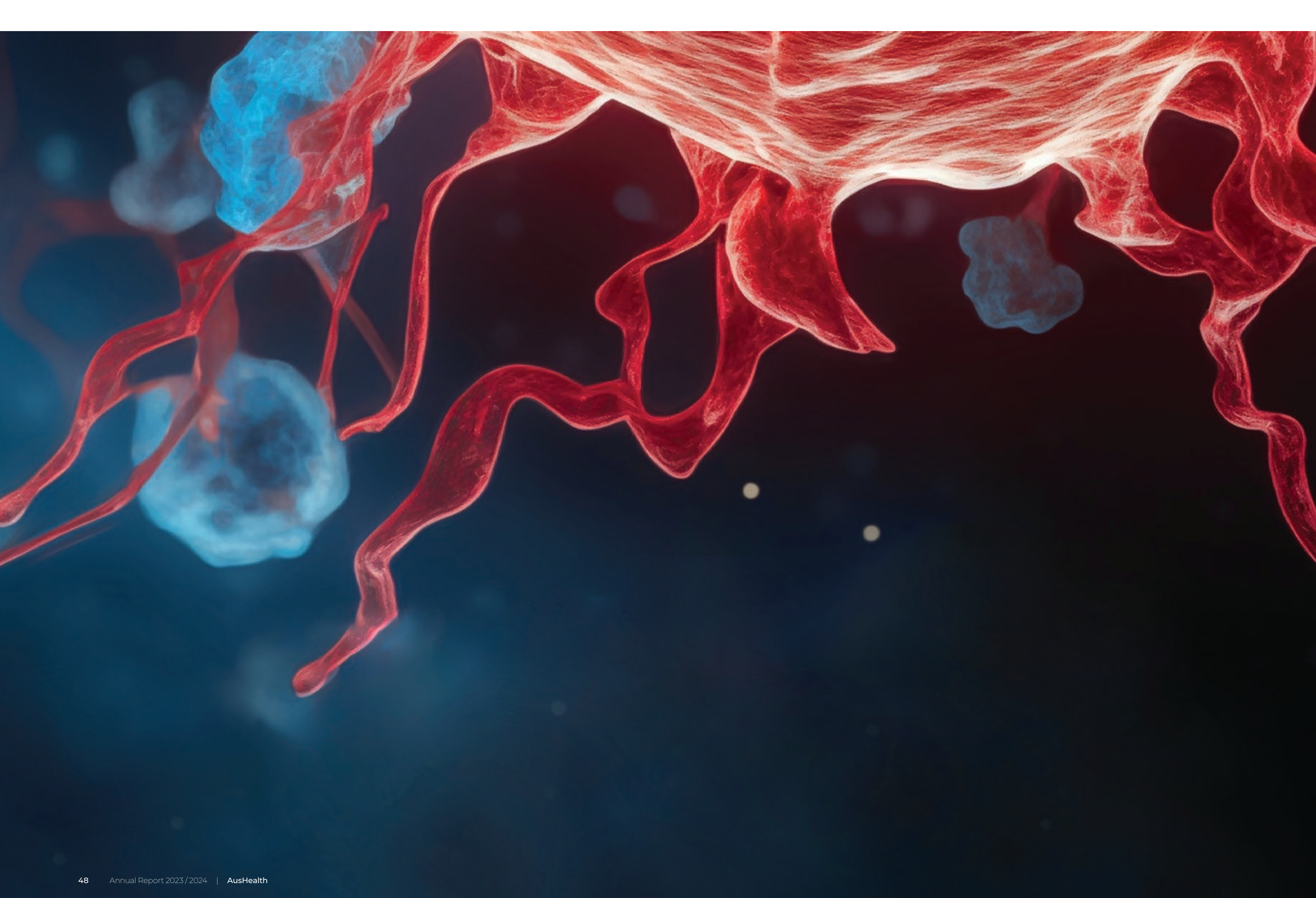
Review of operations

The total profit of the Group for the financial year was \$2,382,446 after the provision of \$2,783,761 in patent fees and grants to support medical research. In 2022 the Company lodged and received a certificate of registration for 'The Aushealth Hospital Research Fund Ltd' established to support medical researchers in South Australia to be more successful in attracting funds for large scale medical research and programs. The Aushealth Hospital Research Fund Ltd' is a registered deductible gift recipient and charity ABN 85 657 333 858. Effective 1 July 2023 the company transitioned all operations including assets held at 1 July 2023 to the The Aushealth Hospital Research Fund Ltd', with the purpose of continuing to promote the prevention and management or control of disease in humans. The Group is exempt from the payment of income tax.

Principal activities

The principal activities of the Group for the year ended 30 June 2024 were the support of medical research and the development of intellectual property for CALHN through: (a). management and commercialisation services for intellectual property; (b) provision of medical and health related products and services to various markets; and (c) provision of debt management, consultation and other related services. During the year, the Group provided \$2.8 million in support of research and Intellectual Property Commercialisation.





AusHealth®

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aushealth.com.au