

2021 Annual Report



A letter to our shareholders, clients and associates

We are entering the third year of a global pandemic that has left healthcare organizations around the world stretched thin. Even as they continue to treat emerging variants, they must look to the future, encouraging patients to return to their systems for preventative care and other missed appointments. There are still workforce and resource shortages, while hospital emergency departments, ICUs and waiting rooms are overcrowded. As a result, we see unequal access to care, clinician burnout and sicker populations.

In these circumstances, I feel privileged to be the first physician to lead a major electronic health record (EHR) company as CEO. I came to Cerner not only with experience using an EHR and treating patients, but a strong obligation to take care of clinicians and make technology work better for them so they can take better care of their patients.

Healthcare's moment to rise above complexity

Healthcare is complex, and so are the people it serves. At the most basic level, healthcare involves people caring for people. Sometimes, the complexity of medicine becomes all-consuming, and we can lose sight of that foundational truth. I recall treating a 12-year-old boy who was having his first psychotic break. At the time, I was a trainee at the neuropsychiatric institute at the highly-ranked Ronald Reagan UCLA Medical Center. We

were viewed as the best of the best. But this boy's father was simply terrified. At first, I tried telling him what was happening in detailed, clinical language — then he asked, fearfully, “Do I need to build a new room out back?”

During an especially stressful time, he needed me to explain in plain language what his son was experiencing and how we could help him. At that point, my years of training and best of intentions didn't matter as the medical jargon I used only added to the father's uncertainty. It overwhelmed him.

Healthcare IT is having a similar moment. Over the last few decades, we've seen incredible technological advances in medicine and the systems that support it. We've made great strides in digitizing healthcare data and in building artificial intelligence (AI) and other tools to assist clinicians. Yet, despite our industry's capabilities, experience and good intentions, we often add confusion to an already overwhelmed system.

Healthcare will remain complex, but it should be more proactive, equitable, dignified and accessible. The data exists to do this, but it's too difficult to access. This life-changing (and even life-saving) data remains siloed in separate EHRs and other systems. It doesn't flow easily among them, which means the data can't be viewed holistically for patient care.

We can change that by building healthcare technology that delivers actionable insights to inform decision-making. To truly fulfill the promise of healthcare technology, EHRs must be more open and more connected so that caregivers can see relevant details of a patient's lifelong healthcare journey. This is how we will improve healthcare quality, affordability, and the health and wellness of millions.

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I came to Cerner because I believe that, here, we can develop and deliver technology that improves the lives of individuals, families, caregivers and communities around the world. And now, as we prepare to join Oracle, we will be able to do so with even greater reach, resources and resolve.

Cerner's foundation is built for the future

In our four decades, Cerner has built globally-trusted technology products and digital tools for health systems and caregivers. What began as a lab product has grown into the *Cerner Millennium*® suite of solutions, which remains the foundation of our global EHR platform. Our revenue cycle solutions support the administration of healthcare, such as patient registration, scheduling and billing. Last year, we launched *Cerner RevElate*™ Patient Accounting, adding to our suite of revenue cycle solutions to make billing more integrated and seamless within the health record.

Distributed healthcare – and the data it generates – is another major challenge our

products address. Modern care delivery requires multiple medical devices, including personal devices, to gather and track patient data. Plus, healthcare is increasingly taking place outside traditional clinical settings, including in the home. Recognizing the need to connect disparate data sources for a more complete view of a patient or a community, Cerner created the *CareAware*® and *HealthIntent*® platforms.

Recently, *HealthIntent* was used by the National Health Service (NHS) in the Wirral Peninsular, UK, to analyze data gathered from across NHS and social care services in the area. As a result, the NHS identified that having a learning disability was a greater risk factor for hospitalization than even chronic obstructive pulmonary disease (COPD). With that insight, the NHS hosted flu clinics for patients with learning disabilities to target that population with preventative measures.

Digitizing the medical record has been an enormous lift, and Cerner has become the worldwide EHR leader working across diverse healthcare settings and care models. With our products, solutions and platforms, we've become a top operating system for acute and ambulatory settings.

Each of Cerner's advances is uniquely useful, and they have evolved how healthcare is recorded and delivered. The real value of our products, though, comes when we use them to bring the data together for caregivers to access at the point of care. This is when our technology becomes a truly powerful – and empowering – tool for delivering better care, making populations healthier and simplifying healthcare's increasing complexity.

Providing data for better care, better experiences and healthier populations

When you love your community and want to take care of its people, you can use data to drive real and lasting change. This is the healing

power of data. As former CEO of Geisinger, I saw this potential firsthand with type 2 diabetes patients. Despite repeatedly being told that exercise and a healthy diet can help manage the condition, many patients kept returning with high blood sugar numbers. These individuals didn't see improvement until they were given healthy food.

By gathering data about food insecurity, clinicians had a fuller picture of a patient's overall health, including environment, to make more-informed decisions. Taking this further, Geisinger created the world's largest biobank of whole-exome DNA sequencing. This gave the health system incredible amounts of data and enabled clinicians to deliver social-based, precision medicine.

Data-driven care like I saw at Geisinger – where clinicians intervene and treat patients based on actionable insights – can benefit other populations, too. Having meaningful data is key to discovering these insights and that's why healthcare technology needs to be more open and more connected. We believe Cerner is well positioned to lead this effort, with a long history of supporting interoperability and the safe, secure exchange of data to create a longitudinal health record.

We're beginning to see this vision of a longitudinal health record via a single common system come to life for U.S. military members, Veterans and their families. In 2015, Cerner was part of a team selected to provide the U.S. Department of Defense (DoD) their first commercial, off-the-shelf EHR. Three years later, we were chosen to expand this work to the U.S. Department of Veterans Affairs (VA). The U.S. Coast Guard (USCG) then decided to adopt the same EHR as the DoD, going with Cerner solutions. Together, these organizations represent the largest health system in the U.S. This means that we're undertaking one of the largest EHR installations in U.S. history.

Instead of separate records based on military branch and service status, members will have one consolidated record from the time they enter service all the way to Veteran status. Visits with community providers will be included through connectivity with the Joint Health Information Exchange and CommonWell Health Alliance. The goal is to give caregivers a more comprehensive view of each person's medical history so they can provide holistic care on an individualized basis as never before.

Cerner continues to advance quality and accessibility internationally as well. In 2021, we expanded our presence in the UK by taking the West Hertfordshire Hospitals NHS Trust from paper documentation to the full *Cerner Millennium* platform in just 15 months. The Trust is using the local Cerner Health Information Exchange (HIE) to share data freely with other acute care systems and primary care networks. In total, *Cerner Millennium* is used across 31 NHS Trusts to manage 1.5 million patients every month, and our HIE securely shares the health records of over 19 million people.

Non-clinical data can also provide insights that caregivers and administrators can use to improve healthcare quality and affordability. For example, with our *HealthIntent* platform, healthcare organizations can group payer claims – what was billed and the diagnosis codes used – and EHR data into episodes of care. This helps provide a more complete picture of a patient's long-term medical experience, rather than seeing individual events such as a single diagnosis or treatment plan. By considering how care might be connected, caregivers can better identify chronic conditions and understand comorbidities, which can ultimately lead to more proactive care.

Additionally, data on payment – what payers paid and how much services cost – helps

healthcare organizations see how well they're meeting quality measures or value-based care requirements. They can use the insights we provide to benchmark against peers, determine total cost of care and identify risk profiles to better manage their populations.

Earning trust and harnessing innovation everywhere

Throughout the world, Cerner has become deeply embedded in the day-to-day operations of clinics, hospitals and health systems. We offer point-of-care products for patients and billing and management solutions for healthcare organizations. More important than the technology we've built, though, is the trust that we've engendered.

We embrace the responsibility of protecting patient data through safe and secure development, delivery and hosting of our products and solutions.

The traditional patient-provider relationship is built on the expectation that sensitive information will not be shared, and that the caregiver is making decisions in the patient's best interest. The same can be said of Cerner as a health system's technology vendor. We embrace the responsibility of protecting patient data through safe and secure development, delivery and hosting of our products and solutions.

This trust and responsibility are paramount because the potential of healthcare technology rests in creating an ecosystem of innovators and researchers to meet the needs of health systems, caregivers and patients. This ecosystem can work towards the discovery of better treatments and the

delivery of actionable clinical and operational insights – which together could help solve some of the greatest healthcare challenges of our time. Cerner enables this ecosystem by organizing healthcare data, safely combining it with disparate data sources, and giving it back to patients and authorized caregivers, administrators and researchers.

Beyond direct clinical care, Cerner is helping to harness real-world evidence that accelerates the discovery and deployment of new therapies. Seeing the potential for using data to connect life sciences to providers and their patients, we acquired Kantar Health in April 2021 and, late last year, formed *Cerner Enviza*SM. This group provides research, analytics and consulting to help support the launch of new therapies and improve clinical care around the world.

The necessary leap towards new enabling technologies

If caregivers have usable, actionable, contextual data, they can take better care of their patients. The opportunity to empower a new generation of healthcare innovators by getting the right data into the right hands at the right time has never been greater.

This effort requires embracing new and emergent technologies that have revolutionized other industries. This includes AI, machine learning (ML), voice and natural language processing (NLP), the cloud and powerful, scalable analytics services. It involves organizing healthcare data and processes, delivering on interoperability, and providing secure open application programming interfaces (APIs) for development and data science.

Late last year, we took a big leap by announcing an agreement to join Oracle as a dedicated Industry Business Unit. Bringing together Cerner's healthcare knowledge, data stewardship and trusted reputation with Oracle's resources, infrastructure and cloud

capabilities can advance our vision to make healthcare more open, more connected and more accessible.

Conclusion

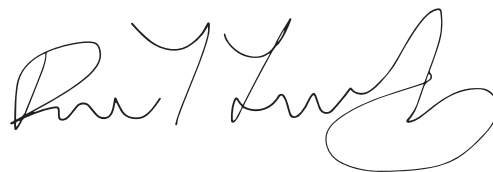
I spent my early career helping children and families as a child psychiatrist. Three decades later, I am still focused on helping patients and their families – but now, through Cerner's purpose to empower those devoted to delivering care and keeping people healthy.

Healthcare becomes more affordable, accessible, equitable and fair when we build a culture where we love our communities and use data to take care of them. Cerner is uniquely positioned to achieve that goal.

Being driven by our purpose also makes financial sense. In 2021, we delivered solid sales growth and generated record cash flow while continuing to invest in our customers and technology. When we help our customers and deliver value to these organizations, we can also grow our revenue and our business. We continue to show discipline as a business, improving our execution and operating more efficiently so we can better serve our customers, help caregivers and patients, and provide a return to shareholders.

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To Cerner's more than 25,000 associates, thank you for welcoming me and my wife, Andrea, this past year – and for your passion and commitment to Cerner's purpose and vision. Thank you to our customers and caregivers for your continued partnership and trust, and for striving to keep our communities safe and healthy. Finally, thank you to our shareholders for your continued support of our vision. I look forward to visiting with more of you in 2022.



David T. Feinberg, M.D.
President & Chief Executive Officer



AT LEFT: Meeting with Cerner associates and learning about their work
AT RIGHT: Visiting customers to hear more about their experience with our technology