

ASX RELEASE (ASX: MDR)

MedAdvisor Solutions delivers strong 1H FY24<sup>1</sup> growth of 18% with operating revenue of \$75.5 million, exceeding guidance range

## Quarterly Activities Report and Appendix 4C

### Key highlights

- 1H FY24 (un-audited) operating revenue growth up 18% on pcp to \$75.5m, ahead of guidance of 10–15% growth, with gross profit up 13% on pcp to \$43.5m (1H FY23: \$38.4m)
- 2Q FY24 operating revenue of **\$50.2 million**, up 14% on pcp (2Q FY23: \$44.1 million)
  - **US up 14%** to \$44.9 million (2Q FY23: \$39.4 million)
  - **ANZ up 13%** to \$5.3 million (2Q FY23: \$4.7 million)
- 2Q FY24 gross profit **up 5%** to \$27.7 million (2Q FY23: \$26.4 million)
- Cash on hand **increased by \$12.7 million to \$22.5 million** as at 31 December 2023 (from \$9.8 million as at 30 September 2023)
- Selected as the preferred software provider to support the 2024–25 North Queensland Scope of Practice Pilot
- Strategic investment and collaboration agreement with Charac, UK solidifies position in the UK pharmacy market.

**Melbourne, Australia, 30 January 2024** – World-class medication management platform, MedAdvisor Limited (**MedAdvisor Solutions** or the **Company**) is pleased to report its financial results for the quarter ended 31 December 2023 (2Q FY24), together with the Company's Appendix 4C.

MedAdvisor Solutions CEO, Rick Ratliff said: "I am pleased with the momentum in the business in the second quarter of FY24, which led to continued growth for our first half of FY24. We achieved this growth following on from a very strong first half in FY23.

---

<sup>1</sup> unaudited

Through 2Q FY24, we saw the initial impact of our GuildLink integration and continued diversification across our vaccine and chronic disease programs in both ANZ and the US. Demand for digital patient engagement solutions from pharmaceutical manufacturers remains strong, supported by a solid pipeline for digital programs from a diversifying client base.”

“During the quarter we were also pleased to announce an exciting development for our United Kingdom business. The transfer of our UK pharmacy business into Charac, UK, plus a strategic investment in the Company and a licensing agreement for specific components of the Charac platform, will generate not only cost savings but accelerate the delivery of enhanced solutions to our cloud-based Plus One platform in ANZ.”

“In November 2023, as a testament to our success with previous pilot programs and our superior platform, we were awarded preferred software provider for the North Queensland Community Pharmacy Scope of Practice Pilot. This will assist in the diagnosis and treatment of 23 everyday health conditions. In the future, MedAdvisor Solutions expects to generate new revenue streams from supporting the delivery of these expanded services.”

**Group Financial Results:**

AUD (\$m)	2QFY24	2Q FY23	Change
Revenue	\$50.2m	\$44.1m	+14%
Gross Profit	\$27.7m	\$26.4m	+5%
Gross Margin	55.2%	59.9%	-4.7 ppts

- Net operating cash inflow of \$15.2 million, down \$6.2 million on pcp (2Q FY23: \$21.4 million inflow):
  - Operating cash receipts totaled \$42.0 million, up 2% on pcp (2Q FY23: \$41.2 million)
  - Cash payments totalled \$11.3 million, up 135% on pcp (2Q FY23: \$4.8 million), largely reflecting the timing of quarterly pharmacy abatement payments in the US

- Staff costs were \$9.3 million, down 15% on pcp (2Q FY23: \$11.0 million), due to US and AU restructure saving
- Administration and corporate costs were \$5.3 million (2Q FY23: \$3.1 million), due to cloud related operating expenses and marketing and communication costs related to business growth.

### United States (US):

USD (\$m)	2Q FY24	2Q FY23	Change
Revenue	\$44.9m	\$39.4m	+14%
Gross Profit	\$23.2m	\$22.4m	+4%
Gross Margin	51.7%	56.7%	-5.0 ppts

- 2Q FY24 operating revenue increased by 14% to \$44.9 million on pcp, benefitting from the continued momentum and diversification of vaccine programs, as well as expansion of chronic medication programs delivered in 1Q FY24
- Gross profit rose 4% on pcp to \$23.2 million, due to the timing of programs positively impacting revenue (2Q FY23: \$22.4m)
- Gross profit margin of 51.7% was down 5.0 ppts on pcp (2Q FY23: 56.7%) due to timing of transition of pharmacy partners from non-digital to digital as well as optimising the mix of brand programs on the pharmacy network
- Vaccine related programs benefitting from greater diversification across brands and categories and represented 59% of 2Q US revenue (2Q FY23: 48%). COVID related programs represented less than 40% of vaccine revenue (2Q FY23: 94%)
- Digital patient engagement solutions represented almost 30% of 2Q revenue, compared with 62% in 2Q FY23. We have successfully diversified our digital programs with more customers implementing digital, however the proportion of digital is lower as we transition our pharmacy partners from non-digital to digital
- The Company's intelligent omni-channel adherence solution, THRIV continues to build traction amongst clients. Momentum is expected to continue into 2H FY24

- As at 31 December 2023, 73% of US projected 2H FY24 revenue is contracted (2H FY23: 65%)
- The FX benefit from the stronger US dollar was \$0.3 million.

### Australia & New Zealand (ANZ):

AUD (\$m)	2Q FY24	2Q FY23	Change
Revenue	\$5.3M	\$4.7M	13%
Gross Profit	\$4.4M	\$4.1M	7%
Gross Margin	86.2%	87.1%	-0.9 ppts

- 2Q FY24 operating revenue was up 11% on pcp to \$5.2 million, assisted by the flow-through of FY23 price increases, new SaaS pharmacy business, and continued growth in health programs
- Gross profit climbed 7% to \$4.4 million and gross margin declined marginally to 86.2%.
- During the quarter, MedAdvisor Solutions was selected as the preferred software provider to support the North Queensland Community Pharmacy Scope of Practice Pilot. The pilot will enable prescribing pharmacists to diagnose and treat up to 23 everyday health conditions across acute care and chronic conditions. The pilot is expected to commence 1 March 2024 and operate for 15 months
- During the quarter, the value of health programs was up more than 20% on pcp.

### Outlook

“We are pleased to report that our company is demonstrating robust momentum with a strong and expanding pipeline. This growth is fueled by the increasing awareness of the significant advantages of our digital offering but also a reflection of our ability to adeptly fulfill our clients’ desires for an omni-channel experience. While we expect a seasonally softer second half of the year in our US business, in line with our experiences in FY23, this has been accounted for in our strategic forecasting. We are steadfastly on course to achieve our guidance of group EBITDA profitability in FY24. Our team’s agility in adapting to market trends, coupled with our

commitment to delivering comprehensive digital and omni-channel solutions, positions us strongly for continued success.” said Mr Ratliff.

- ENDS -

*This document has been authorised for release by the Board of MedAdvisor Limited.*

**For more information please contact:**

**Company**

Ancila Desai

Chief Financial Officer and Company Secretary

[corporate@medadvisorsolutions.com](mailto:corporate@medadvisorsolutions.com)

+61 3 9095 3036

**Investor Relations**

George Kopsiaftis

IR Department

[george.kopsiaftis@irdepartment.com.au](mailto:george.kopsiaftis@irdepartment.com.au)

+61 409 392 687

**About MedAdvisor Solutions**

*MedAdvisor Solutions (ASX: MDR) is a global leader of pharmacy-driven patient engagement solutions that provide individualized patient experiences to help remove barriers of care. Their solutions are paired with an individualized approach, data-driven insights and innovative, patient-centric digital offerings that simplify the patient medication journey through the pharmacy to empower better health. MedAdvisor Solutions works with over 33,500 pharmacies in the US to deliver programs to help patients take their medication safely and effectively. In Australia, MedAdvisor Solutions has connected over 3.7 million patients through more than 95% of Australian pharmacies. MedAdvisor Solutions is on track to become one of the largest players to aid in the global transformation of the pharmacy of the future through digital patient engagement solutions. In 2018 and 2020, MedAdvisor Solutions was recognized in the AFR Fast 100 and in both 2022 and 2023, received the Retail Excellence Award (REX) for Technology & Automation from Drug Store News. Visit: [medadvisorsolutions.com/investors](http://medadvisorsolutions.com/investors).*

## Appendix 4C

## Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

MEDADVISOR LIMITED (ASX: MDR)

ABN

17 145 327 617

Quarter ended ("current quarter")

31 Dec 2023

## Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows related to operating activities</b>		
1.1 Receipts from customers	41,960	60,818
1.2 Payments for:	-	-
(a) research and development	-	-
(b) product manufacturing and operating costs	(11,269)	(17,505)
(c) advertising and marketing	(521)	(1,581)
(d) leased assets	-	-
(e) staff costs	(9,340)	(21,154)
(f) administration and corporate costs	(5,313)	(8,834)
1.3 Dividends received	-	-
1.4 Interest received	47	56
1.5 Interest and other costs of finance paid	(364)	(760)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>15,200</b>	<b>11,040</b>

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>2.</b>	<b>Cash flows related to investing activities</b>		
2.1	Payment to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant & equipment	(7)	(30)
	(d) investments	(962)	(962)
	(e) intellectual property	-	-
	(f) other non-current assets	(791)	(791)
2.2	Proceeds from disposal of:	-	-
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant & equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,760)</b>	<b>(1,783)</b>

		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other ( <b>repayment of lease liabilities</b> )	(227)	(454)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(227)</b>	<b>(454)</b>

**Appendix 4C**

**Quarterly report for entities subject to Listing Rule 4.7B**

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	-	-
4.1	Cash and cash equivalents at beginning of the period	9,779	14,199
4.2	Net cash from / (used in) operating activities (item 1.9 above)	15,200	11,040
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,760)	(1,784)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(227)	(454)
4.5	Effect of movement in exchange rates on cash held	(457)	(465)
4.6	<b>Cash and cash equivalents at end of the period</b>	<b>22,535</b>	<b>22,536</b>

<b>5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</b>		<b>Current quarter \$A'000</b>	<b>Previous Quarter \$A'000</b>
5.1	Bank balances	22,535	9,779
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>22,535</b>	<b>9,779</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1  
 6.2 Aggregate amount of cash flow from loans to these parties included in item 2

<b>Current quarter \$A'000</b>
275
-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

*Payments to related parties of the entity and their associates include: 1) fees paid to NostraData Pty Ltd, an associated party, which provided data services to the Company during the quarter in the ordinary course of operations, 2) payments made to Executive Directors of the Company, and 3) receipts from Cotiviti, an associated party.*



**Appendix 4C**

**Quarterly report for entities subject to Listing Rule 4.7B**

		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<b>7</b>	<b>Financing facilities available</b>		
7.1	Loan facilities	13,214	11,452
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
<b>7.4</b>	<b>Total financing facilities</b>	<b>13,214</b>	<b>11,452</b>

7.5 **Unused financing facilities available at quarter end** **1,762**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

*Term loan: US\$5m (secured), Partners for Growth VI L.P., 12% IR maturing on 31 December 2024.*  
*Revolving credit facility: US\$4m (secured) of which US\$2.8m is drawn, Partners for Growth VI L.P. 12% IR maturing on 31 December 2024.*

		\$A'000
<b>8.</b>	<b>Estimated cash available for future operations</b>	
8.1	Net cash from / (used in) operating activities (Item 1.9)	15,200
8.2	Cash and cash equivalents at quarter end (Item 4.6)	22,535
8.3	Unused finance facilities available at quarter end (Item 7.5)	1,762
8.4	Total available funding (Item 8.2 + Item 8.3)	24,297
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>2</b>

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

*Answer: not applicable*

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

*Answer: not applicable*

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

*Answer: not applicable*

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

---

#### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement does give a true and fair view of the matters disclosed.

Authorised by: Board of Directors - MedAdvisor Limited

Date: 30/01/2024

#### Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.