

ASX RELEASE (ASX: MDR)

MedAdvisor achieves record 1H results on-track for profitable

EBITDA growth in FY24

Melbourne, Australia, 29 February 2024 - World-class medication management platform, MedAdvisor Limited (**MedAdvisor Solutions** or the **Company**) is pleased to release its half-yearly results for the six months ended 31 December 2023 (**1H FY24**).

Six months ended 31 Dec (AUD)	1H FY24	1H FY23	Change
Revenue	\$75.5m	\$64.1m	+17.8%
Gross Profit	\$43.5m	\$38.4m	+13.3%
Gross Margin	57.6%	60.0%	-2.4 ppts
EBITDA	\$10.4m	\$8.6m	+20.9%

Key highlights:

- Group revenue grew to **\$75.5 million**, representing a 17.8% increase on the previous corresponding period (pcp), supported by growth in both the United States (US) and Australia / New Zealand (ANZ).
- Gross profit rose by 13.3% to **\$43.5 million**, with gross margin declining by 2.4 percentage points (ppts) to 57.6%, primarily due to a higher share in the lower margin, traditional health communications campaigns in the United States.
- EBITDA improved by 20.9% to **\$10.4 million**, assisted by disciplined cost management and scale benefits. We remain **on target** for continued revenue growth in FY24 and re-iterate our guidance for full-year EBITDA profit.
- The onboarding of 11 new brands delivered **continued diversification of health communications programs** in the United States.

- In Australia, MedAdvisor was awarded the contract to support the 2024-2025 **North Queensland Community Pharmacy Scope of Practice Pilot**.
- A **strategic investment and licence agreement** was announced with Charac Limited, UK, a leading innovator in the UK community pharmacy sector.
- Gross cash position improved by \$8.3 million to **\$22.5 million**.

Commenting on the results, CEO & Managing Director Rick Ratliff remarked: "I am very proud of the exceptional performance delivered by our team during the first half of FY24, particularly given a very strong pcp. Our revenue growth has exceeded expectations, driven by strong customer demand and the successful execution of our cost control and growth initiatives. These results position us favourably on the path toward meeting our long-term strategic objectives."

"In the United States, our unique personalised health communications programs continue to garner support from new and existing clients enabling us to diversify revenue across therapeutic categories. In Australia, we are realising the full benefit of the GuildLink integration, FY23 subscription price increases and our success in supporting expanding pharmacy services such as UTI. In the United Kingdom, we made significant progress with winding down our UK business and transitioning to our new strategic partner, Charac."

"As we now embark on the next stage of our transformation, modernising our products and platforms over the next two years, to create a more streamlined and scalable business of the future, we are confident that our positive cashflow generation and solid cash position will help underpin this initiative."

Financial performance – United States

Six months ended 31 Dec (AUD)	1H FY24	1H FY23	Change
Revenue	\$64.5m	\$54.9m	+17.5%
Gross Profit	\$33.9m	\$30.6m	+10.8%
Gross Margin	52.6%	55.8%	-3.2 pts

- Revenue increased by 17.5% to \$64.5 million, benefitting from the continued momentum and diversification of vaccine programs.
- Gross profit increased by 10.8%, benefitting from the higher revenue contribution.

- Gross margins declined 3.2 ppts to 52.6%, due to the greater share of traditional health communication programs during the period. With continued growth in both traditional and digital health programs, margins will vary from half to half, subject to the shift in sales mix, as digital becomes more established.
- We continue to diversify our awareness and adherence programs across various clients, brands and categories. THRiV, our omni-channel platform continues to gain traction, with revenues more than doubling over the period.
- During the half we on-boarded 11 new brands and delivered programs across 7 vaccine categories including RSV, pneumococcal, shingles and flu and over 60 chronic medication brands.
- As at 1 February, over 75% of projected 2H FY24 revenues have been contracted. The current pipeline covers 3x the gap to achieve the projected 2H FY24 revenues.

Financial Performance – Australia & New Zealand

Six months ended 31 Dec (AUD)	1H FY24	1H FY23	Change
Revenue	\$11.1m	\$9.2m	+20.7%
Gross Profit	\$9.6m	\$7.8m	+23.1%
Gross Margin	86.5%	84.5%	+2 ppts

- Revenue and gross profit increased by 20.7% and 23.1%, respectively, supported by the GuildLink acquisition and the benefit of price increases implemented in mid-calendar 2023.
- Gross margin improved slightly to 86.5%, assisted by the SaaS platform price increases and the benefit of the cost savings initiatives, implemented in FY23.
- MedAdvisor Solutions is now the preferred national platform for expanded scope of pharmacy as we have moved initial UTI and other services from Queensland to New South Wales and most recently Victoria.
- During the first half, MedAdvisor was selected as the preferred software provider to support the 2024-25 North Queensland Full Scope of Pharmacy Practice Pilot. The pilot will enable prescribing pharmacists to diagnose, prescribe and treat for up to 23 everyday health

conditions across acute care and chronic conditions. The pilot is expected to commence in March 2024.

- The Queensland Government has announced that it will expand the pilot to the entire state in 2025. We expect in time that new revenue streams will be generated following the rollout of the service.
- The rollout of health communications programs in Australia continues to gain traction with the pharmaceutical industry. During the half, revenues increased by 43% on the pcp, supported by over 50 brands.

United Kingdom Update

In November, following an extensive review, MedAdvisor announced a strategic investment and licence agreement with Charac Limited, UK. The Company is a leading player in the UK pharmacy market.

MedAdvisor has now discontinued its pharmacy operations in the UK, transferring many of its UK pharmacy clients to Charac. The implementation of key components of the Charac cloud platform will also assist in expediting the rollout of new services in Australia, including the delivery of telehealth pharmacy support, advanced home delivery solutions, and over the counter (OTC) eCommerce capabilities. MedAdvisor foresees that these supplementary services will create positive revenue opportunities for the business starting in FY25.

Global Platform Development

We have embarked on a bold transformative journey, investing in the evolution of hyper personalised patient engagement.

During the half, we finalised the planning for an extensive product and platform modernisation initiative that aligns to the 5-year growth strategy completed in 2H FY23. This comprehensive technology transformation, slated for completion by 1H FY26, will underpin MedAdvisor Solution's global platform, empowering the Company to deliver significant enhancements to products like THRiV, the MedAdvisor App and PlusOne, as well as enable delivery of new products including AI powered patient engagement solutions.

The initiative is expected to cost \$10–15 million (AUD) over two years and will be self-funded from operating cashflows. Both fixed and variable cost-out benefits are expected to be progressively achieved throughout FY25 and FY26, providing the business with operating leverage as revenues grow.

Five-year Growth Drivers

Over the next five years, MedAdvisor's strategy is to expand existing product revenues and develop new revenue streams powered by our global patient medication management platform.

In the United States, our THRiV, omnichannel patient engagement solutions will maximise revenue within the \$8.4B total addressable market. We are focused on strengthening the US pharmacy network support for hyper personalised patient communications by:

- Leveraging additional data sources and content to improve audience segmentation and engagement.
- Introducing AI powered two-way patient engagement channel.
- Expanding our successful vaccine program engagement solutions.
- Entering into specialty with specialty lite and specialty medication communication solutions.
- Launching disease-specific predictive models to provide more personalised awareness programs.

With over 95% of Australian pharmacies utilising our platform, we will drive growth from the following focus areas:

- Implementation and expansion of transaction fees.
- Growth of Pharma sponsored programs.
- Introduction of new pharmacy services such as eCommerce, telehealth, etc.
- Deployment of expanded pharmacy services beyond UTI, oral contraceptives, travel health, etc.

In concluding, Rick Ratliff, said: "I am very confident that the MedAdvisor business is well positioned to grow profits sustainably into the future."

- ENDS -

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

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About MedAdvisor Solutions

MedAdvisor Solutions (ASX: MDR) is a global leader of pharmacy-driven patient engagement solutions that provide individualised patient experiences to simplify the patient medication journey. Our solutions utilise an empathetic, data-driven approach to engagement and an innovative, patient-centric digital experience that empower the pharmacy of the future and inspire lasting behaviour change. MedAdvisor Solutions works with over 37,000 pharmacies across the US, Australia & New Zealand to deliver our solutions 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.

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