

ASX RELEASE (ASX: MDR)

Reshaping MedAdvisor for Long-term Value Creation

1H FY25 key highlights:

- Delivered 1H FY25 group revenue of \$57.1M and profitable NPAT, representing a 24.4% reduction on the previous corresponding period (PCP), impacted primarily by significant budget adjustments in vaccine-related health programs from two key pharma clients in the United States.
- Gross profit was \$35.0 million, down 19.4%, in line with the revenue decline.
- Gross margin grew to 61.3%, up by 3.8%, driven in part by higher margin, THRiV-powered adherence programs in the US.
- EBITDA finished at \$4.8 million, down by 53.8%, primarily impacted by the decline in revenue.
- Gross cash finished at \$12.4 million. Debt increased by \$5.3m to \$17.6m (USD 11.3M) as at 31 December 2024.
- Transformation 360° launched in October 2024, and remains on track, and on budget. A restructuring in January 2025 is expected to yield \$1.4m in savings in 2H FY25, and \$5m annually from FY26.
- The Company has a solid pipeline in the US for the second half. While the timing and conversion of opportunities remain key factors in performance over the half, the Company is well-positioned to drive long-term value as it executes on its strategic initiatives.
- The ANZ business continues to progress steadily, supported by growth in Health Programs and increasing transaction volumes. Ongoing initiatives, including expanded pharmacy services, position the business for sustained long-term value.
- The formal review process to evaluate strategic options aimed at maximising shareholder value has made significant progress. We anticipate completing the review by 30 June 2025.

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Six months ended 31 Dec (AUD)	1H FY25	1H FY24	Change
Revenue	\$57.1m	\$75.5m	-24.4%
Gross Profit	\$35.0m	\$43.4m	-19.4%
Gross Margin	61.3%	57.5%	+3.8ppts
EBITDA	\$4.8m	\$10.4m	-53.8%
NPAT	\$1.4m	\$6.9m	-79.7%

Melbourne, Australia, 28 February 2025 – Global pharmacy-driven patient engagement company, MedAdvisor Limited (MedAdvisor Solutions or the Company) is pleased to release its half yearly results for the six months ended 31 December 2024 (1H FY25). Commenting on the results, CEO & Managing Director Rick Ratliff said, “I believe our results were well signalled with the release of our December 2024 trading guidance and Q2 FY25 quarterly report.

“As highlighted previously, lower-than-expected vaccination rates in the US affected vaccine-related health program revenue. We have identified a number of opportunities within the category to drive vaccine messaging and delivery across the year. THRIV-powered patient engagement programs continue to gain traction, contributing 35% of total US revenue in 1H FY25, up from just 7% in 1H FY24. We expect this mix to fluctuate across the year, due to broader program diversification.

“Our Australian business performed well. We are very proud of the work that has been done to move 90% of our ANZ pharmacy customers to the cloud. In addition, we have seen strong growth in Expanded Scope of Practice, with services increasing by 182% compared to last year.

“Transformation 360° launched in October 2024 and continues to progress to plan – both on time and at a reduced budget to the original forecast. This transformation is particularly crucial as we accelerate the reshaping of the US and Australia businesses.”

Financial performance – United States

Six months ended 31 Dec (AUD)	1H FY25	1H FY24	Change
Revenue	\$45.7m	\$64.5m	-29.1%
Gross Profit	\$25.6m	\$33.9m	-24.4%
Gross Margin	56.0%	52.6%	+3.4ppts

- Revenue decreased by 29.1% to \$45.7 million, primarily due to lower-than-expected vaccination rates during the US flu season, resulting in significant budget adjustments by two key pharma customers.
- Gross profit declined by 24.4% to \$25.6 million, with gross margin up by 3.5 ppts, assisted by the delivery of higher margin THRiV health programs.
- Vaccine revenue declined by 33% on PCP, with RSV and COVID vaccine-related programs significantly affecting the decline.
- General medication revenue was down by 19% on PCP, due to a combination of spending delays related to patent issues, and business-related challenges facing key customers.
- THRiV represented 35% of US revenue in 1H FY25, compared with 7% at the same time last year. THRiV program mix is anticipated to vary across the year, subject to customer health program demands.
- While the US health program revenue early in the 2nd half is lower than expected, pipeline conversion is picking up speed with the remaining pipeline representing over 160% of the revenue needed to achieve the revised forecast.

Financial Performance – Australia & New Zealand

Six months ended 31 Dec (AUD)	1H FY25	1H FY24	Change
Revenue	\$11.4m	\$11.1m	+2.7%
Gross Profit	\$9.3m	\$9.6m	-2.5%
Gross Margin	81.6%	86.5%	-4.9ppts

- Revenue increased to \$11.4 million, up 2.7%, benefiting from a lift in health programs and growing transactions volumes, offset by the accounting treatment of certain marketing expenses.

- Gross profit in ANZ declined by 2.5% to \$9.3 million, while gross margin decreased by 4.4 percentage points to 81.9%, due to investments in the cloud-based platform, with associated costs expensed under COGS (previously operating expenses), impacting margins.
- Transactional services revenue grew by nearly 50%, driven by vaccination programs and pseudoephedrine monitoring.
- 90% of pharmacy customers have migrated to our new cloud-based platform, MedAdvisor for Pharmacy. The project is expected to complete by the end of March 2025 delivering critical services, such as vaccinations, and driving growth in transactions and clinical service capabilities to support scope of practice initiatives.
- Health program revenue grew by 20% on PCP, driven in part by an innovative pharmacist intervention program, educating patients on administration and side effects of a new GLP-1 receptor antagonist (weight loss medication).
- MedAdvisor has also expanded its service offerings, launching telehealth and e-commerce solutions, further enhancing its pharmacy engagement ecosystem.

Evolving Landscape Driving Acceleration in Transformation 360° initiatives

The Transformation 360° initiative, launched in October 2024, is designed to provide a robust platform, streamline operational processes, and refine business strategy—empowering our team to build an agile organisation that accelerates the delivery of innovative patient engagement solutions.

The project remains on track, both in terms of timeline and budget. However, evolving trends across pharma, pharmacies, consumers, and anticipated government policy changes have led to the acceleration of key aspects of Transformation 360°, including business process redesign and go-to-market strategy. New innovative solutions currently under review may include supporting pharma in launching direct-to-consumer programs aligned with their priorities, expanding health programs for specialty medications, and equipping pharmacies with advanced digital tools to enhance pharmacist-led care and improve the overall customer experience.

Guidance and Outlook

As MedAdvisor advances its strategic options evaluation, we remain focused on reshaping our US and ANZ businesses to align with key industry trends and unlock long-term value.

In the US, a diversified health program pipeline and an increased focus on specialty and pharma-aligned programs continue to drive expansion, mitigating revenue fluctuations from key vaccine clients. A number of new contracts have been secured early in the 3Q, however revenue realisation may vary by program throughout the financial year.

In ANZ, planned pricing adjustments, digital health solutions, and the expansion of pharmacist-led services—supporting broader scope of practice initiatives—are expected to drive long-term growth. Recent government initiatives to enhance access to women’s healthcare further reinforce the importance of these services, positioning MedAdvisor to support pharmacists in delivering improved patient outcomes.

We remain confident in our strategic direction and the value we are building into FY26 and beyond.

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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 personalised patient experiences to help simplify the patient medication journey. Leveraging THRiV, a cloud-based, AI enabled platform, MedAdvisor Solutions empowers the pharmacy of the future through improved pharmacy workflow and patient engagement solutions. MedAdvisor Solutions works with over 34,000 pharmacies across the US with reach to over two-thirds of the population. In Australia, more than 95% of Australian pharmacies use MedAdvisor Solutions software to improve pharmacy workflow and to connect with over 3.7 million patients. For more information, please visit: medadvisorsolutions.com/investors.