

ASX RELEASE (ASX: MDR)

MedAdvisor Solutions delivers 27.0% YoY operating revenue growth
Quarterly Activities Report and Appendix 4C

1Q FY24 highlights

- 1Q FY24 operating revenue of **\$25.4 million**, up 27.0% (1Q FY23: \$20.0 million)
 - **US up 27.3%** to \$19.6 million (1Q FY23: \$15.4 million), attributable to growth and diversification of vaccine programs, as well as expansion in chronic medication programs.
 - **ANZ up 28.9%** to \$5.8 million (1Q FY23: \$4.5 million), benefitting from FY23 price increases, new pharmacy SaaS licenses, and growth in health programs.
- 1Q gross profit **up 30.8%** to \$15.7 million (1Q FY23: \$12.0 million), exhibiting an increase in gross profit margin of 1.8 ppts to 61.8% on pcp.
- Strong cash position, with **\$9.8 million** cash on hand as of 30 September 2023.
- As at the end of September, over 79% (1Q FY23: 64%) of US projected FY24 revenue is contracted.

Melbourne, Australia, 30 October 2023 – World-class medication management platform, MedAdvisor Limited (**MedAdvisor Solutions** or the **Company**) is pleased to report its financial results for the quarter ended 30 September 2023 (1Q FY24), together with the Company's Appendix 4C.

MedAdvisor Solutions CEO, Rick Ratliff said: "I am pleased with the strong start to FY24 which we expect to continue into the current quarter. Despite the economic and operational changes affecting our customers in both the US and ANZ, we are witnessing a strong demand for our services as our customers rely on us to navigate these challenges effectively. In addition, the operational and organisational structure changes made to our business in FY23 have had no impact on our ability to deliver on a strong quarter."

Group Financial Results:

AUD (\$m)	1Q FY24	1Q FY23	Change
Revenue	\$25.4m	\$20.0m	+27.0%
Gross Profit	\$15.7m	\$12.0m	+30.8%
Gross Margin	61.8%	60.0%	+1.8 ppts

- Net operating cash outflow of \$4.2 million, improved by \$0.7 million on pcp (1Q FY23: \$4.9 million outflow).
- Operating cash receipts totaled \$18.9 million, down 10.0% on pcp (1Q FY23: \$21.0 million).
- Operating costs of \$6.2 million, down 44.1% on pcp (1Q FY23: \$11.1 million). FY23 included additional quarterly abatement payment delayed from 4Q FY22 and costs associated with the transition and integration of GuildLink.
- Staff costs were \$11.8 million, up 13.5% on pcp (1Q FY23: \$10.4 million).
- Administration and corporate costs were \$3.5 million (1Q FY23: \$3.3 million).

United States:

USD (\$m)	1Q FY24	1Q FY23	Change
Revenue	\$19.6m	\$15.4m	+27.3%
Gross Profit	\$10.7m	\$8.3m	+28.9%
Gross Margin	54.6%	53.6%	+1.0 ppts

- 1Q FY24 operating revenue increased 27.3% to \$19.6 million on pcp. This is attributable to growth and diversification of vaccine programs, as well as expansion of chronic medication programs such as diabetes resulting in a strong start to FY24.
- Gross profit rose 28.9% to \$10.7 million on pcp, due to timing of programs impacting revenue (1Q FY23: \$8.3m).
- Gross profit margin of 54.6% was up 1.0 ppts on pcp (1Q FY23: 53.6%).
- US digital patient reach steady at over 90m with active discussions across several US pharmacy groups to expand this reach in FY24.

- Vaccine related revenue represented 46% of 1Q revenue (1Q FY23: 51%), benefitted from greater diversification across brands and categories. COVID related products represented less than 31% of vaccine revenue (1Q FY23: 58%).
- Strong demand for digital engagement solutions continued, representing almost 40% of 1Q revenue, compared with 35% in 1Q FY23.
- The FX benefit on group revenue from the stronger US dollar was \$0.7 million.

Australia & New Zealand (ANZ):

AUD (\$m)	1Q FY24	1Q FY23	Change
Revenue	\$5.8M	\$4.5M	28.9%
Gross Profit	\$5.0M	\$3.7M	35.1%
Gross Margin	86.2%	81.8%	4.4 ppts

- 1Q FY24 operating revenue increased by 28.9% to \$5.8 million on pcp, assisted by the FY23 price increases, new pharmacy subscriptions, and growth in health programs.
- Gross profit climbed 35.1% to \$5.0 million on pcp, due to the cost reduction program associated with consolidating GuildLink.
- 1Q subscription revenues increased as the FY23 price increases have taken effect.
- We are seeing additional positive impact on SaaS subscriptions as MedAdvisor’s role solidifies as the preferred partner enabling community pharmacies to take advantage of new scope of services such as UTI.
- During the quarter, the number of health programs increased by over 50% on pcp.

Outlook

“I’m delighted with the progress against our revised strategy. We have completed the initial phases of our restructuring in the US and ANZ. These changes combined with various senior leadership appointments including our new US-based Chief Operating Officer positions us well to deliver planned profitable growth in FY24. Our focus on pharmacy-driven patient engagement solutions in the US and ANZ will continue to support community pharmacies as market economics and structure of the healthcare industry changes. As demand for vaccines

adjusts post-COVID, we expect to continue to see diversification of vaccines and focus on appropriate usage which will have a positive impact on our US business in the current quarter. In addition, we expect to experience continued demand for our digital solutions in both the US and ANZ.”

- ENDS -

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

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About MedAdvisor Solutions

MedAdvisor Solutions 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.

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")

30 Sep 2023

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows related to operating activities		
1.1 Receipts from customers	18,858	18,858
1.2 Payments for:	-	-
(a) research and development	-	-
(b) product manufacturing and operating costs	(6,236)	(6,236)
(c) advertising and marketing	(1,060)	(1,060)
(d) leased assets	-	-
(e) staff costs	(11,814)	(11,814)
(f) administration and corporate costs	(3,521)	(3,521)
1.3 Dividends received	-	-
1.4 Interest received	9	9
1.5 Interest and other costs of finance paid	(396)	(396)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(4,160)	(4,160)

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows related to investing activities		
2.1	Payment to acquire:		
	(a) entities ⁽¹⁾	-	-
	(b) businesses	-	-
	(c) property, plant & equipment	(24)	(24)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
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) ⁽²⁾	-	-
2.6	Net cash from / (used in) investing activities	(24)	(24)

⁽¹⁾ Final earn-out payment to Syneos Inc relating to the acquisition of Adheris LLC in November 2020 (USD \$3m) & GuildLink Pty Ltd acquisition costs.

⁽²⁾ Cash acquired as part of the GuildLink Pty Ltd acquisition.

		Current quarter \$A'000	Year to date (12 months) \$A'000
3.	Cash flows from financing activities		
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 (repayment of lease liabilities)	(227)	(227)
3.10	Net cash from / (used in) financing activities	(227)	(227)

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period	-	-
4.1	Cash and cash equivalents at beginning of the period	14,199	14,199
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,160)	(4,160)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24)	(24)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(227)	(227)
4.5	Effect of movement in exchange rates on cash held	(9)	(9)
4.6	Cash and cash equivalents at end of the period	9,779	9,779

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		Current quarter \$A'000	Previous Quarter \$A'000
5.1	Bank balances	9,779	14,199
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,779	14,199

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

Current quarter \$A'000
181
-

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, and 2) payments made to Executive Directors of the Company.

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
7	Financing facilities available		
7.1	Loan facilities	13,978	12,115
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	13,978	12,115

7.5 **Unused financing facilities available at quarter end** **1,863**

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
8.	Estimated cash available for future operations	
8.1	Net cash from / (used in) operating activities (Item 1.9)	(4,160)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	9,779
8.3	Unused finance facilities available at quarter end (Item 7.5)	1,863
8.4	Total available funding (Item 8.2 + Item 8.3)	11,642
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.8

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: 30/10/2023

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.