

ASX RELEASE (ASX: MDR)

**MedAdvisor Solutions Delivers Strong 4Q FY24 Revenue Growth of 32.0% and
Achieves Record Full-Year Revenue of \$122m, up 24.6%**

Quarterly Activities Report and Appendix 4C

Key highlights

- 4Q FY24 operating revenue **up 32.0%** to \$22.3 million (4Q FY23: \$16.9 million)
 - **US up 34.2%** to \$15.3 million (4Q FY23: \$11.4 million)
 - **ANZ up 27.3%** to \$7.0 million (4Q FY23: \$5.5 million)
- FY24 revenue of **\$122.1 million, up 24.6%** on pcp (FY23: \$98.0 million)
- 4Q FY24 gross profit **up 47.6%** to \$15.5 million (4Q FY23: \$10.5 million)
- FY24 gross profit **up 25.1%** on pcp to **\$74.2 million** (FY23: \$59.3 million)
- Cash on hand **\$15.6 million** as at 30 June 2024 in line with internal forecast (\$19.5 million as at 31 March 2024)
- Inaugural EBITDA and NPAT profit for FY24
- Patient engagement programs powered by THRiV represented almost 48% of 4Q revenue, compared to less than 3% in 4Q FY23
- Momentum going into Q1 FY25 with a healthy pipeline heading into the key selling period in the US
- In Australia, the combination of subscription fee adjustments, the introduction of new transaction fees and implementation of new payment services positively impacted the revenue growth in 4Q
- Following the announcement of a \$10M - \$15M investment, the company launched Transformation 360 and completed the creation of a shared services organization structure and detailed technology development plan as part of this initiative

Melbourne, Australia, 25 July 2024 – Global pharmacy-driven patient engagement company, MedAdvisor Limited (**MedAdvisor Solutions** or the **Company**) is pleased to report its financial results for the quarter ended 30 June 2024 (4Q FY24), together with the Company's Appendix 4C.

MedAdvisor Solutions CEO & Managing Director, Rick Ratliff said: "We are delighted to announce another exceptional quarter and are immensely proud of our team's accomplishments. The strong performance in 4Q in both the US and Australia caps off a record year for MedAdvisor Solutions. We are delighted to achieve the company's inaugural EBITDA and NPAT profitability.

"US growth through the quarter was driven by increased demand for patient engagement programs powered by our platform, THRiV. In addition, the overall number of patient engagement programs increased by 20% over the prior corresponding period. Margins also improved in the US as a result of omnichannel program growth.

"In Australia, the introduction of transaction service fees from March 2024 and adjustments to subscription fees has resulted in a realignment of pharmacy fees to revenue generated from services provided utilising our platform. This is an important development, which we expect to see build over time to complement our SaaS licenses and health programs. We also completed the initial enhancements required to support the late April launch of the North Queensland Community Pharmacy Scope of Practice Pilot.

"We have identified several opportunities where AI can positively add to the MedAdvisor Solutions business. This began with the announcement of our partnership with the Brand Engagement Network (BEN) and planning for the initial deployment in FY25 of conversational AI to patients through their pharmacy channel."

Group Financial Results:

AUD (\$m)	4QFY24	4QFY23	Change
Revenue	\$22.3m	\$16.9m	+32.0%
Gross Profit	\$15.5m	\$10.5m	+47.6%
Gross Margin	69.5%	62.1%	+7.4ppts

- Net operating cash outflow of \$3.6 million, an improvement of \$2.1 million on pcp (4Q FY23: \$5.7 million outflow):
 - Operating cash receipts totaled \$22.7 million, up 32.7% on pcp (4Q FY23: \$17.1 million)
 - Operating cash payments totaled \$10.5 million, up 23.5% on pcp (4Q FY23: \$8.5 million), largely reflecting the timing of quarterly pharmacy abatement payments in the US
 - Staff costs were \$8.9 million, down 18% on pcp (4Q FY23: \$10.9 million). Average quarterly staff costs for FY24 were \$10.4 million (FY23 full year average was \$11.1 million). In addition, \$0.7 million restructuring and redundancy costs were paid out in 4Q FY23.
 - Administration and corporate costs were \$6.1 million up 165% on pcp (4Q FY23: \$2.3 million), due to timing of payments related to contractors, IT subscriptions and other general expenses. Average quarterly admin costs for FY24 were \$4.6 million (FY23 full year average was \$3.5 million).
 - Cash on hand **\$15.6 million** as at 30 June 2024, down \$3.9 million, in line with internal forecasts (\$19.5 million as at 31 March 2024).

United States (US):

AUD (\$m)	4Q FY24	4Q FY23	Change
Revenue	\$15.3m	\$11.4m	+34.2%
Gross Profit	\$9.4m	\$5.9m	+59.3%
Gross Margin	61.4%	51.8%	+9.6 ppts

- 4Q FY24 operating revenue increased to \$15.3 million, up 34.2% on pcp, benefitting from the significant interest in patient engagement programs powered by THRiV
- Gross profit rose to \$9.4 million up 59.3% on pcp and gross profit margin rose 9.6 ppts to 61.4%, assisted by increasing adoption of the higher margin THRiV programs
- Executed over 88 programs across 69 brands with more than 30 pharma organizations
- Patient engagement programs powered by THRiV represented almost 48% of 4Q revenue, compared to less than 3% in 4Q FY23
- Following the announcement of our partnership with Brand Engagement Network (BEN), the US commercial team has engaged in very positive conversations with pharmacy partners and pharma customers about AI driven patient engagement solutions
- The FX loss from a weaker US dollar was \$0.1 million.

Australia & New Zealand (ANZ):

AUD (\$m)	4Q FY24	4Q FY23	Change
Revenue	\$7.0m	\$5.5m	+27.3%
Gross Profit	\$6.2m	\$4.6m	+34.8%
Gross Margin	88.6%	83.6%	+5.0 ppts

- 4Q FY24 operating revenue was up 27.3% on pcp to \$7.0 million, assisted by the flow-through of FY23 price increases, new SaaS pharmacy business, and continued growth in transaction/payment fees and health programs
- Gross profit climbed 34.8% to \$6.2 million and gross margin improved to 88.6%, up by 5.0

ppts

- MedAdvisor Solutions launched software enhancements to MedAdvisor for Pharmacy, formally Plus One to support the launch of the North Queensland Community Pharmacy Scope of Practice Pilot which commenced in late April 2024
- Health Programs business continued to grow with the Q4 FY24 value & volume of programs up by almost 60% pcp
- MedAdvisor Solutions released version 7 (V7) of our mobile App which included improved on-boarding and ordering, biometric login and e-Script wallet; and eScript enhancements.

Outlook

“We finished FY24 with strong momentum heading into FY25 and continue to maintain a healthy pipeline as we enter the key selling period for MedAdvisor Solutions in the US.

“We are very pleased with the increased demand for patient engagement programs powered by THRiV and expect the demand to continue into FY25. We are also excited to be selected as the preferred software provider to support Australia’s initiatives to expand the scope of pharmacy practice including various UTI, oral contraceptives, skin care and now the North Queensland Community Pharmacy Scope of Practice Pilot.

The significant advancements achieved across the business in FY24 have provided a strong foundation for continued growth into FY25. We anticipate this growth to be driven by the increasing adoption of our omni-channel patient engagement solutions and the introduction of new, innovative service offerings. We do expect FY25 to be another year of significant change powered by our Transformation 360 initiative.” said Mr. Ratliff.

Related party transactions

During 4Q FY24, the Company made the following payments to related parties

- \$99,600 to a related party that provides data services to the Company in the ordinary course of business; and
- \$222,481 in fees and executive remuneration paid to Directors.

- 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 personalized 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.

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 Jun 2024

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	22,719	118,058
1.2 Payments for:	-	-
(a) research and development	-	-
(b) product manufacturing and operating costs	(10,500)	(48,596)
(c) advertising and marketing	(459)	(2,677)
(d) leased assets	-	-
(e) staff costs	(8,872)	(41,510)
(f) administration and corporate costs	(6,133)	(18,547)
1.3 Dividends received	-	-
1.4 Interest received	57	155
1.5 Interest and other costs of finance paid	(379)	(1,494)
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	(3,567)	5,389

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	-	-
	(b) businesses	-	-
	(c) property, plant & equipment	(23)	(65)
	(d) investments	-	(962)
	(e) intellectual property	-	-
	(f) other non-current assets	(481)	(1,769)
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)	-	-
2.6	Net cash from / (used in) investing activities	(504)	(2,796)

		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)	(138)	(832)
3.10	Net cash from / (used in) financing activities	(138)	(832)

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	19,516	14,199
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,567)	5,389
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(504)	(2,796)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(138)	(832)
4.5	Effect of movement in exchange rates on cash held	271	(382)
4.6	Cash and cash equivalents at end of the period	15,578	15,578

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	15,578	19,516
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)	15,578	19,516

- 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
322
-

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 and Non-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	13,494	11,695
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	13,494	11,695

7.5 **Unused financing facilities available at quarter end** **1,799**

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)	(3,567)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	15,578
8.3	Unused finance facilities available at quarter end (Item 7.5)	1,799
8.4	Total available funding (Item 8.2 + Item 8.3)	17,377
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	4.9

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: 25/07/2024

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.