

**ASX RELEASE (ASX: MDR)****MedAdvisor delivers another record half-year result**

**Melbourne, Australia, 25 February, 2022** – World-class medication management platform MedAdvisor Limited (**MedAdvisor** or the **Company**) is pleased to release its results for the six months ended 31 December 2021 (**1H22**).

**Key 1H22 highlights (vs 1H21)**

- Reported revenue up 199% to \$38.7 million
  - Up 23.6% on a like-for-like basis<sup>1</sup>
  - US revenue up 22.0% to \$32.1 million
  - AU revenue up 33.0% to \$6.6 million
- Adjusted EBITDA<sup>2</sup> stable at \$(5.3) million, absorbing \$2 million on business investment in enhancing the Thriv product offering, digitalisation and IT infrastructure
- Reported NPAT of \$(7.7) million
- Operating cash outflow (adjusted to include lease payments) improved to \$(1.2) million from \$(2.5) million as MDR moves towards cashflow breakeven
- Signed 5-year deal with Australian Pharmaceutical Industries (API) (Priceline)
- AU pharmacy footprint up 11.2% to over 4,000
- AU patients up 35.7% to 2.4 million
- Signed Walmart deal validating the new digital and omni channel proposition in the US
- Signed COVID-19 awareness pilot program (US\$3 million), the largest digital program to date

**Commenting on the Company's 1H22 performance MedAdvisor CEO and Managing Director Robert Read said:**

"We are excited by the progress we have made over the 1H22 period. The MedAdvisor team has excelled in making progress on executing on strategic growth plans, with a number of notable and significant achievements throughout the first half. The investment we made in the sales and marketing teams has been rewarded with significant earnings growth. Revenue on a like-for-like<sup>1</sup> basis increased 23.6% to \$38.7 million, which is very encouraging.

We landed three key contracts in 1H22 which will propel our advancement in expanding our digital reach, a strategic focus for our growth strategy. The contract with API is already having

<sup>1</sup>Like-for-like includes Adheris, LLC's results for the corresponding period in 1H21 (from 1 July 2020 to 16 November 2020) for comparative purposes

<sup>2</sup>Adjusted EBITDA includes lease payments which are treated as depreciation and interest charges as per AASB16 Leases.

a positive impact on the Australian business growth and we are expecting the Walmart contract to go live in 2H22 in the US. We are also very pleased to have landed the largest digital program to date, the COVID-19 awareness pilot program in the US.”

### **Strong growth in revenues as MedAdvisor scales platform**

Total revenue in 1H22 was up 23.6% to \$38.7 million (1H21: \$31.3million) on a like-for-like basis. Following the successful integration of Adheris, the US business continued to perform strongly with revenue growth on a like-for-like basis up 22.0% to A\$32.1 million (1H21: A\$26.3 million) benefiting from sales and marketing investment. The Australian business grew revenue on a like-for-like basis by 33.0% to \$6.6 million, reflecting in part increased network capacity from the API deal and supported by investment in sales and marketing.

Adjusted EBITDA was stable at \$(5.3) million (1H21: \$(5.5) million) on a like-for-like basis, even after significant business investment of circa \$2 million in relation to enhancing the Thriv product offering, digitalisation and IT infrastructure.

Operating cashflow (adjusted for lease payments) improved over 1H22, with a reduced outflow of \$(1.2) million (1H21: outflow of \$(2.5) million) with MDR moving closer towards operating cashflow breakeven. The improvement followed tighter receivables management, which continues to be a high priority for the Group.

### **Delivering on key priorities to execute growth plans**

MedAdvisor is focused on delivering its key priorities to execute the Group’s strategic growth plan.

#### **1. Increase digital reach to patient populations**

In the US, a milestone contract was signed with Walmart, with MedAdvisor providing a full suite of its adherence solutions (including digital, in-pharmacy print and direct mail) to Walmart customers. This is expected to go live in 2H22, and validates MedAdvisor’s digital and omni channel proposition in the US.

The API contract signed in July 2021 also supported increased digital reach for the Australian business, enhanced by the version 6 mobile app launched in Australia.

#### **2. Create marketplace economics and strong network**

MedAdvisor developed and successfully launched ‘Thriv’, the Group’s intelligent digital adherence solution. Thriv is expected to be one of MedAdvisor’s largest product lines, with continued enhancements a key priority over the remainder of CY22.

As announced on 1 November 2021, the Group also signed a new digital US\$3 million

COVID-19 awareness campaign, representing the largest digital program to date for MedAdvisor.

### **3. Improving health outcomes**

MedAdvisor invested in a new line of business in the US payer market, including the partnership with Cotiviti and the new eHealth partnership. A significant portion of the revenue generated relates to a program to support seniors navigate health insurance plans that allow them to keep their doctor, pharmacist and drug coverage, whilst maintaining affordability. The Company invested significantly in the launch of this program to ensure its success, with results in line with expectations and as such was at a lower initial gross margin. The Company expects to be able to improve margins in this line of business for the CY22 year.

### **4. Monetise MDR's marketplace**

MedAdvisor recently announced its market entry into New Zealand via an agreement with Green Cross Health. The agreement provides MedAdvisor with access to approximately 40% of the New Zealand pharmacy market. The Company also remains focused on the roll out of new programs in the US via its new Medicare program, eHealth.

## **Positive outlook for continued growth**

### **Commenting on the Company's positive outlook, Mr. Read said:**

"We made significant progress on both financial and non-financial milestones in 1H22, and are working to build on this in 2H22. The Walmart contract represents a significant growth opportunity, enabling us to provide a full suite of digital offerings to Walmart customers in the US, and we are now entering the New Zealand market via our agreement with Green Cross Health.

"We also remain very focused on the digitalisation of the pharmacy network in the US, and the progress we have made with Thriv is encouraging and provides a foundation for revenue growth and margin expansion. We remain committed to driving health programs in the Australian market, with our 5 year agreement with API accelerating growth."

MedAdvisor reaffirms its previous guidance for FY22 of:

- Revenue between \$72 million to \$74 million
- Gross margin around 53-54%.

This outlook is based on an exchange rate AUD:USD of \$0.73.

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

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**About MedAdvisor**

*MedAdvisor is a world-class medication management platform that empowers patients to more simply manage their medication and improve adherence. MedAdvisor's highly automated and intuitive software system connects patients to tools and education materials from their preferred pharmacy. MedAdvisor works with 25,000 pharmacies in the US to deliver programs to help patients take their medication safely and effectively. In Australia, MedAdvisor has connected over 2.4 million patients through more than 70% of Australian pharmacies. MedAdvisor has partnered with Cotiviti in the US and is on track to become one of the largest players in the global digital adherence market. In 2018 and 2020, MedAdvisor was recognised in the AFR Fast 100. Visit: [mymedadvisor.com/investors](http://mymedadvisor.com/investors)*