

ASX RELEASE (ASX: MDR)

Record half year revenue as MedAdvisor expands US digital reach

1H FY23 highlights (vs 1H FY22):

- Record operating revenue up 65.8% to \$64.1 million
 - US up 71.1% to \$54.9 million, underpinned by program expansion and increased digital participation by pharmacies
 - Australia up 40.3. % to \$9.2 million, as GuildLink delivers immediate uplift of \$2.4 million; excluding GuildLink underlying revenue was up 3.2%
- Gross Profit increased to \$38.4 million, up 110.1% (1H FY22: \$18.3 million), and Gross Margin improved 12.7 ppts to 60% (1H FY22: 47.3%)
- Positive EBITDA of \$8.6 million, up \$13.1 million on 1H FY22 ((\$4.5) million)
- Positive NPAT of \$4.7 million, up \$11.4 million on 1HFY22 ((\$6.7) million)
- Strong capital position, with \$32.7 million cash on 31 December 2022, a net increase in cash of \$27.3 million for the half-year
- Successful \$14.6 million capital raise supporting acquisition of GuildLink and growth opportunities
- Expansion of US digital pharmacy network to 60M opt-in patients
- Chronic branded medication and vaccine programs expand in line with digital network growth
- GuildLink integration progressing on budget and to plan

Melbourne, Australia, 28 February 2023 – World-class medication management platform, MedAdvisor Limited (**MedAdvisor** or the **Company**) today announced its half-year financial results for the six months ended 31 December 2022 (1H FY23), alongside the Company's Appendix 4D.

Commenting on the Company's achievements over 1H FY23, CEO & Managing Director Rick Ratliff, said: "Record revenue of \$64.1 million was supported by our ability to significantly grow our global pharmacy network and US digital reach.

"In the US, we grew revenue by 71% to \$54.9 million. This was driven by the expansion of our vaccine programs combined with increased pharmacy participation and more brands executing programs on the US digital platform.

"In Australia, the integration with GuildLink is progressing well. Australian revenue grew 40% to \$9.2 million with GuildLink contributing \$2.4 million over five months. We aim to complete the integration in June this year and are reviewing Australian operations to reduce costs to support a more sustainable base.

"Our relationship with pharmacies is core to how we achieve better patient outcomes. Pharmacies play an increasingly critical role in providing trusted healthcare support to communities through their unique and extensive interactions with patients and doctors. As healthcare responsibilities of pharmacists increase, they value our innovative medication management and communications platform. We pride ourselves on the execution of our digital patient engagement strategy to support our powerful community pharmacy network, their patients and the pharmaceutical sector to improve medication management."

Financial Results Overview

MedAdvisor achieved a strong result in the reporting period underpinned by the increased uptake of MedAdvisor's digital solutions for medication management and communications. The half results capture record group revenues of \$64.1 million, up 65.8% on 1H FY22 (\$38.7 million).

The US business performed strongly, generating \$54.9 million of revenue, up 71.1% on 1H FY22 (\$32.1 million) driven by the expansion of chronic branded medication and vaccine programs combined with increased pharmacy participation in the US digital platform. We successfully expanded the digital platform network via a pharmacy software group representing circa 10,000 pharmacies. The strong 1H FY23 US revenues are seasonal as expected and supported by increased pharmaceutical spend to drive vaccine awareness entering the winter months to address health issues such as flu, RSV and COVID-19.

The Australian business generated revenue of \$9.2 million, up 40.3% on pcp (1H FY22: \$6.6 million). The strategic acquisition of GuildLink in the first quarter of 2023 immediately delivered an uplift in earnings, generating \$2.4 million in five months. Excluding GuildLink, the underlying revenue growth for the Australian business was 3.2% on pcp.

Gross Profit increased to \$38.4 million, up 110.1% on 1HFY22 (\$18.3 million), and Gross Margin improved 12.7 ppts to 60.0%, (1H FY22: 47.3%). Margin improvement reflects the successful execution of the digitisation strategy, capturing the growth in the pharmacy network, expanding digital access across the network, and improving product mix towards higher-margin digital programs.

The half resulted in a strong positive EBITDA of \$8.6 million, up \$13.1 million on 1H FY22 (\$4.5 million) and positive net profit after tax of \$4.7 million, up \$11.4 million on 1H FY22 (\$6.7 million). The EBITDA uplift was driven by improved product mix, higher margin digital programs and

increased pharmacy and patient reach in both the US (+\$17.8m vs pcp) and AU (+\$2.4m vs pcp).

MedAdvisor's capital position remains strong with cash of \$32.7 million as of 31 December 2022. The strong balance sheet position was supported by a successful fully underwritten capital raise on 18 August 2022, raising \$14.6 million (before costs). The funds raised support the acceleration of growth initiatives in the United States and Australia, and to cover the costs of acquiring and integrating GuildLink.

Regional Operational Updates

In the US, MedAdvisor continued to accelerate the digitisation and expansion of the US pharmacy network leveraging its role as a valuable digital partner for patient medication communications to pharmaceutical companies. MedAdvisor increased its customer mix by 5 new pharmaceutical manufacturers and 17 new brands over the last 12 months. The average program size increased 31 per cent during the last 12 months.

In Australia, the integration with GuildLink is progressing to plan, focused on transitioning customers and enhancing the functionality of MedAdvisor's platform. Consolidation of the GuildLink and MedAdvisor platforms will lead to improved workflow efficiency in pharmacies and lower costs. During the period, approximately 1,000 additional pharmacies transitioned onto the MedAdvisor platform.

Leveraging this consolidated national network, which MedAdvisor expects to increase to more than 5,700 pharmacies or about 95% of the local market by the end of April 2023, will simplify use by pharmacy customers and enable execution of similar types of awareness programs to those being conducted with pharmaceutical companies in the United States.

New Zealand's roll out is progressing to plan with 211 pharmacies (60% of the Green Cross Health network) migrated to date, representing 24% of the local market.

In the UK, MedAdvisor is working with business partners and the UK National Pharmacy Association to rapidly drive sales growth supported by a strong marketing campaign during the first quarter of calendar year 2023.

Outlook

Commenting on the Company's achievements over 1H FY23, CEO & Managing Director Rick Ratliff, said:

"Over the past six months, we strengthened relationships with pharmacies including the Pharmacy Guild of Australia, Green Cross Health in NZ, and the UK National Pharmacy Association.

“While we are pleased with the excellent first half revenue momentum, we do expect the rate of growth to moderate in the second half as we move beyond the winter months in the US that provided a seasonal peak for this business.

“In the next six months, in Australia we will continue to increase patient reach and complete the GuildLink integration. In the United States, we expect to reach over 100 million patients with our expanding suite of digital communication solutions. In New Zealand, we will complete the Green Cross Health pharmacies rollout and, in the UK, we will accelerate expansion.

“Finally, our focus for the remainder of FY23 and beyond is executing our digital patient engagement strategy and our pathway to profitability as announced at the AGM November of 2022.”

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

For more information please contact:

Company

Ancila Desai
Chief Financial Officer and Company
Secretary
corporate@medadvisor.com.au
+61 3 9095 3036

Investors

Ronn Bechler
ronn.bechler@atomicgroup.com.au
+61 400 009 774

Media

Tristan Everett
tristan.everett@atomicgroup.com.au
+61 403 789 096

About MedAdvisor

MedAdvisor is a world-class medication management platform that empowers patients to manage their medications more simply. MedAdvisor's highly automated and intuitive software system connects patients to tools and education materials from their preferred pharmacy. MedAdvisor works with 32,000 pharmacies in the US to deliver programs to help patients take their medication safely and effectively. In Australia, MedAdvisor has connected over 3.1 million patients through more than 95% of Australian pharmacies. MedAdvisor is on track to become one of the largest players in the global digital medication management and communications market. Visit: mymedadvisor.com/investors