



# A global leader in digital medication management solutions

1H FY23 Results Presentation

1 March 2023

MedAdvisor Limited ABN 17 145 327 617

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// Our strong first half financial results are underpinned by the significant growth of our community pharmacy network and execution of our digital patient engagement strategy. //

**- Rick Ratliff**

CEO and Managing Director



# Agenda

Performance Highlights

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Financial Results

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Business Update

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Pathway to Profitability

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**Rick Ratliff**

CEO and Managing Director



**Ancila Desai**

CFO and Company Secretary



# 1H FY23 Performance Highlights

Record half year performance as MedAdvisor scales pharmacy network and digital reach

65.8% Revenue Growth

Total global network pharmacies: 37,934

110.1% Gross Profit Growth

US digital patient reach >60M  
FY23 forecast to reach 100M

Record positive EBITDA \$8.6m

Contract with major US pharmacy software vendor (+~10,000 pharmacies)

Strong Cash balance \$32.7m

Acquisition and integration of GuildLink

## Income Statement (half year ending 31 December)

\$Am	1H FY22	1H FY23	Var +/-(-)
Total Revenue	38.7	64.1	+65.8%
Gross Profit	18.3	38.4	+110.1%
Gross Margin	47.3%	60.0%	+12.7 ppts
EBITDA	(4.5)	8.6	+13.1m
NPAT	(6.7)	4.7	+11.4m



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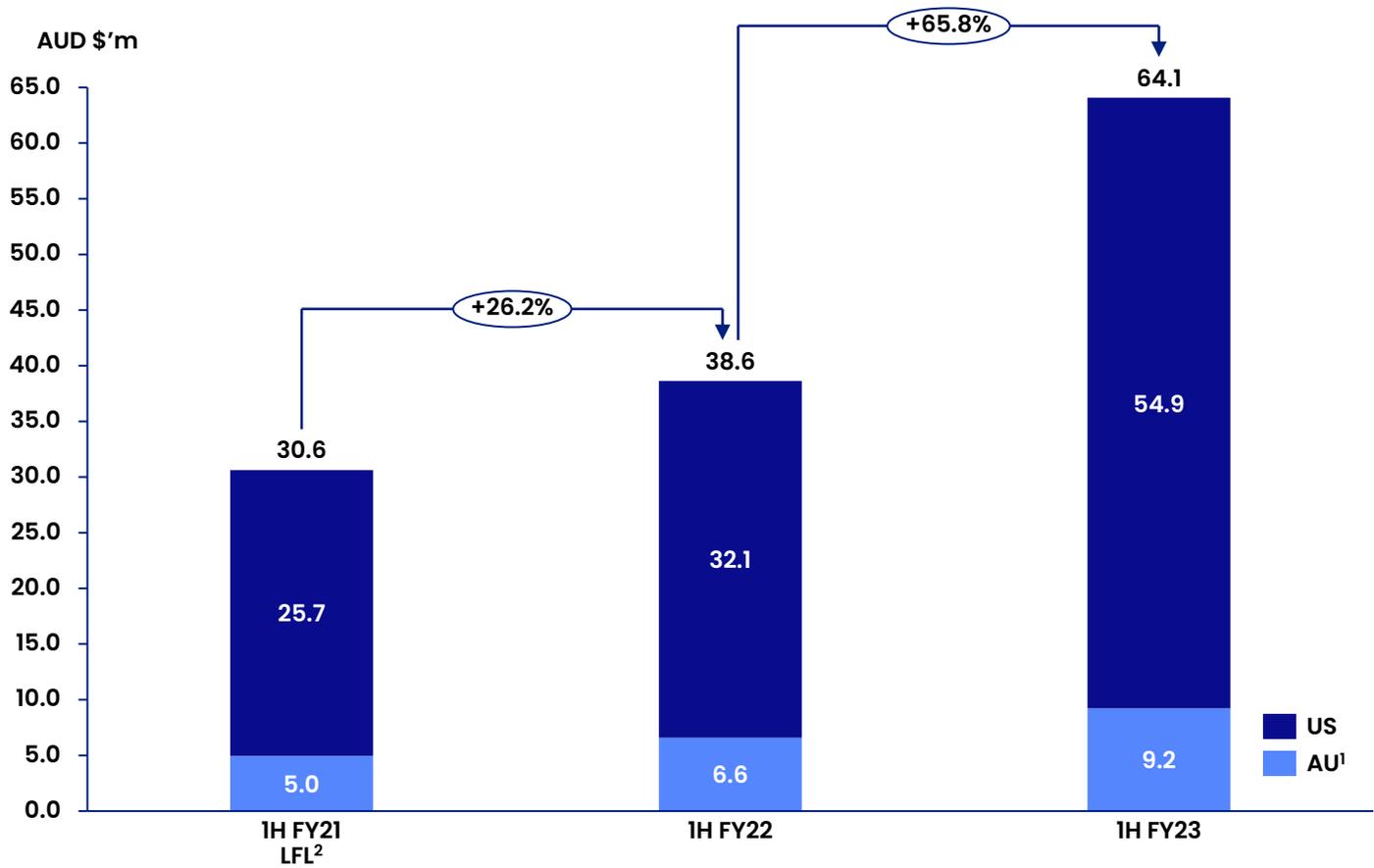
Pathway to Profitability

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# 1H FY23 revenue driven by increased uptake of digital solutions

Revenue Growth of 65.8% to \$64.1m



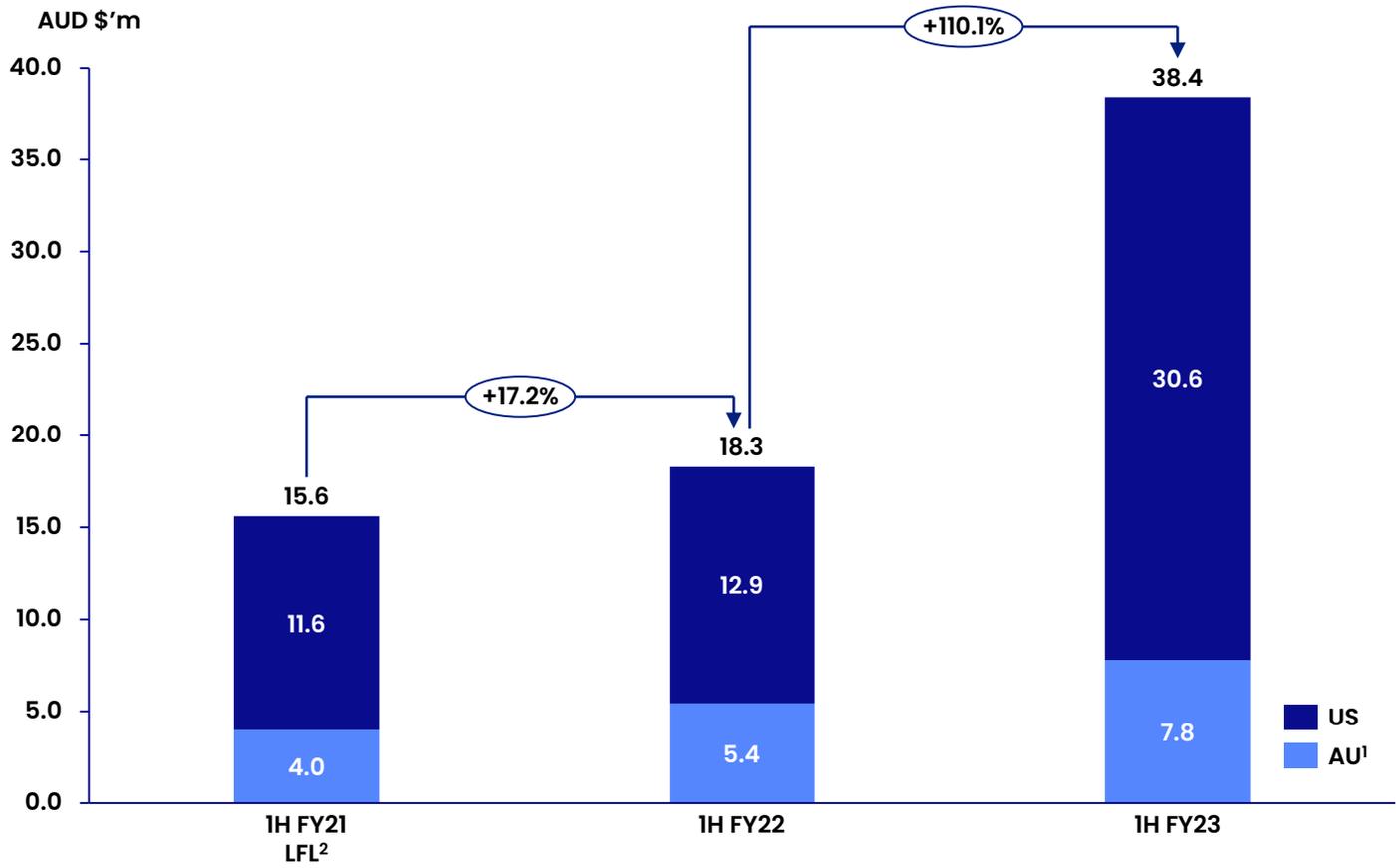
- US revenue up 71.1% to \$54.9m
- AU revenue up 40.3% to \$9.2m
- Positive FX impact of \$5m<sup>3</sup>

1. AU includes Rest of World  
2. Like-for-Like (LFL) figures shows Adheris pre-acquisition results translated at a constant AUD/USD of \$0.73 for 01 Jul 2020 to 17 Nov 2020 in 1H FY21.  
3. FX impact on Group Revenue calculated by converting 1H23 USD revenue at 1H22 AUD/USD FX rates.



# Product mix drives significant Gross Margin improvement

Gross Profit increase of 110.1% to \$38.4m



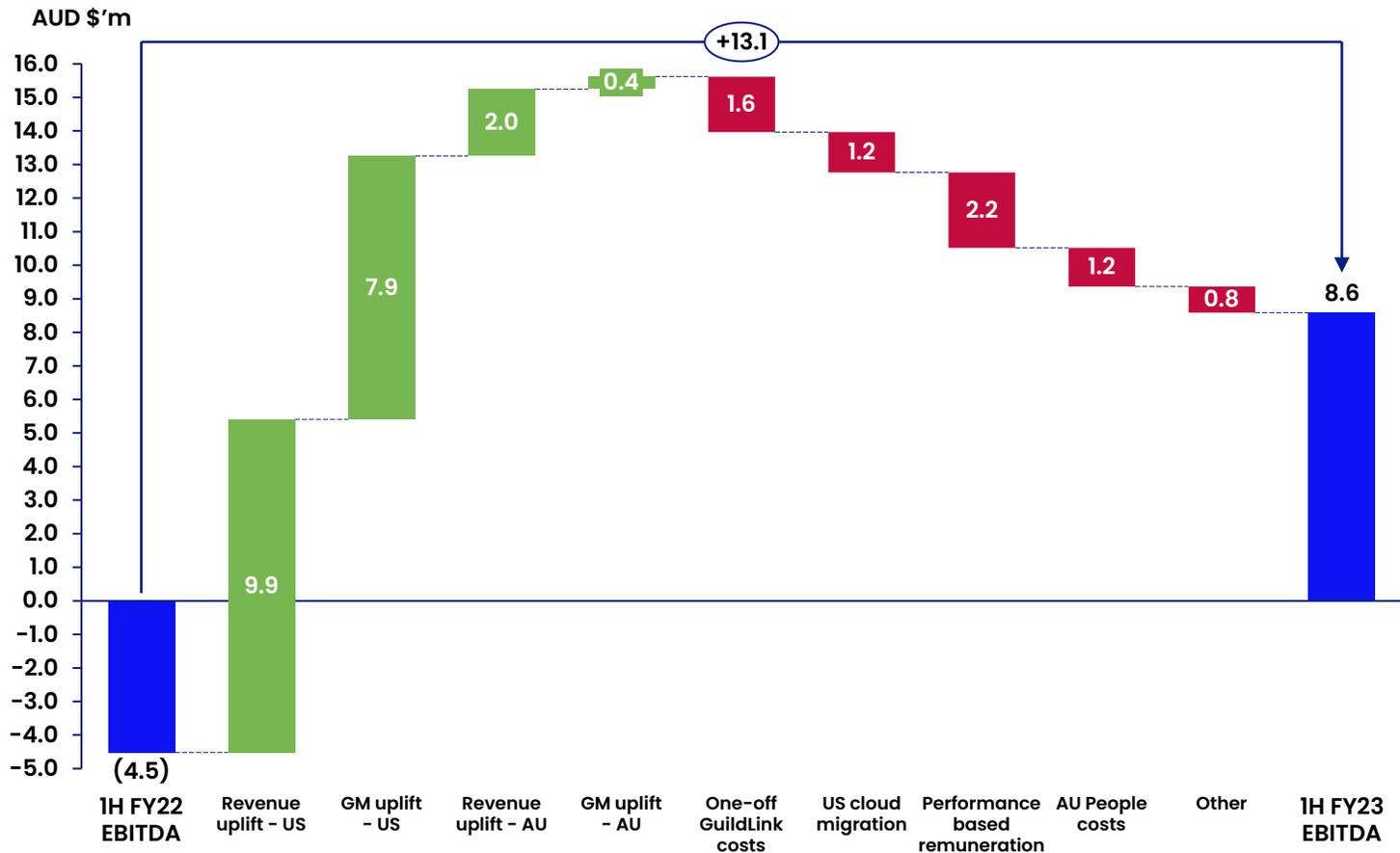
- Group Gross Margin up 12.7 ppts to 60.0%
- US Gross Margin up 15.7 ppts to 55.8%
- AU Gross Margin up 2.1 ppts to 84.5%
- Driven by the success in executing our digital strategy:
  - Improved product mix with an increase in higher margin digital programs
- Also reflects focus on ensuring a sustainable cost base

1. AU includes Rest of World  
 2. Like-for-Like (LFL) figures shows Adheris pre-acquisition results translated at a constant AUD/USD of \$0.73 for 01 Jul 2020 to 17 Nov 2020 in 1H FY21.



# Positive EBITDA supported by uplift in Revenue and Gross Margin

Positive EBITDA of \$8.6m, up \$13.1m on 1H FY22 (\$4.5m) and Gross Margin of 60%, +12.7 pts vs pcp

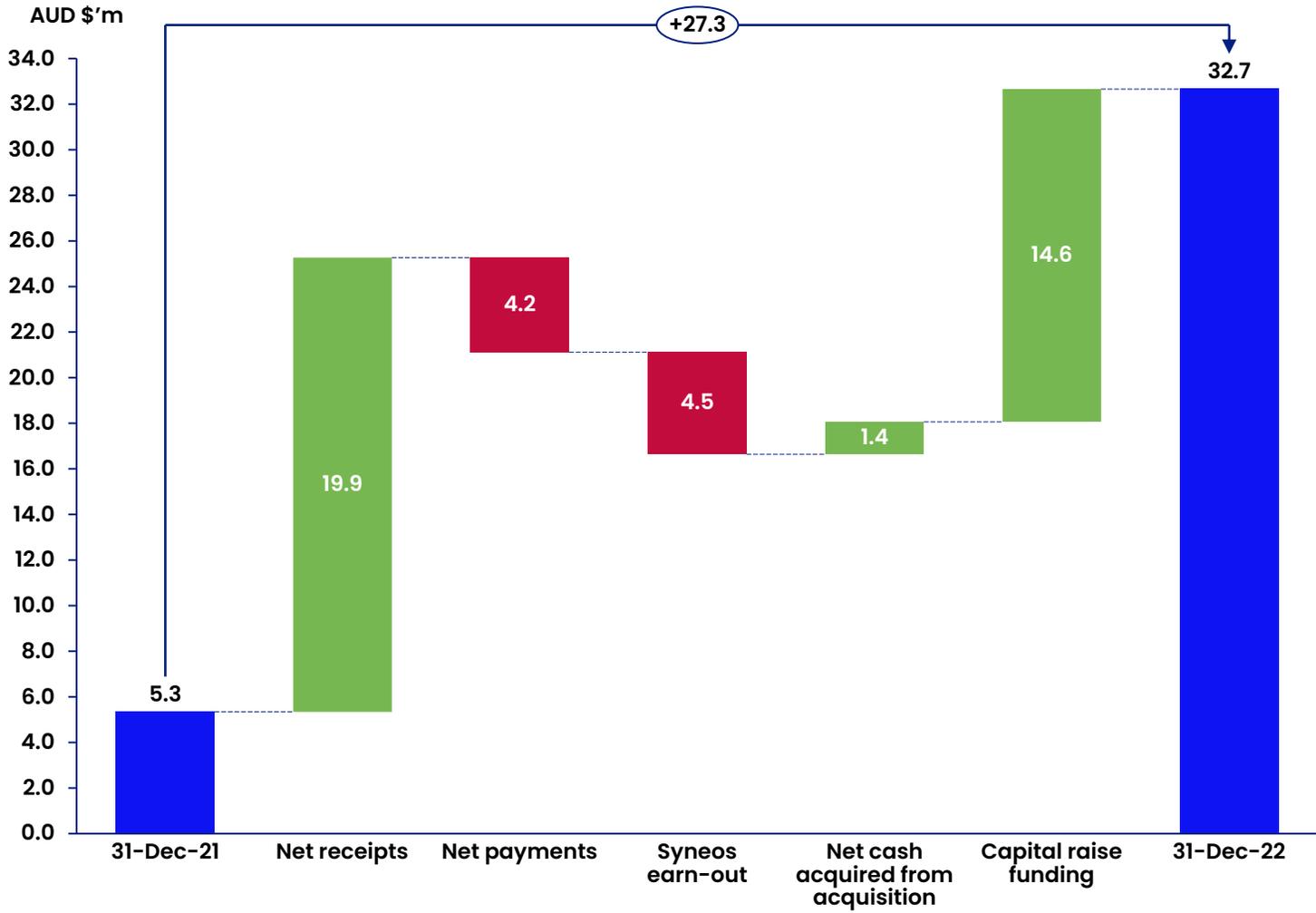


- \$20.2m increase due to improved product mix, higher margin digital programs and increased pharmacy and patient digital reach
- (\$1.6m) planned GuildLink acquisition and integration costs - one-off expenditure
- (\$1.2m) US cloud migration project (resulting in USD \$3m in savings over the next three years)
- (\$2.2m) Performance based remuneration (directly attributable revenue and margin uplift)
- (\$1.2m) AU people costs uplift attributable to the GuildLink acquisition
- (\$0.8m) Other operational related expenses



# Moving towards cashflow break even

Strong capital position with Cash of \$32.7m as of 31 December 2022



## Capital Management a Key Priority

### \$15.7m Operating activities

- \$19.9m reflecting strong customer receipt growth from both the US and AU
- (\$4.2m) disciplined working capital management

### (\$3.2m) Investing activities

- (\$4.5m) Syneos final earn-out payment
- (\$0.1m) PPE purchases
- \$1.4m net cash acquired as part of the GuildLink acquisition

### \$12.9m Financing activities

- \$14.6m capital raise
- (\$0.9m) capital raise expenses
- (\$0.8m) lease payments



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# MedAdvisor Overview

MedAdvisor provides patient support via simple and innovative digital medication management and communications solutions in target markets

Total network pharmacies: 37,934  
Total network patients: 235M

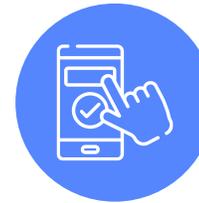
**US**   
Network Pharmacies  
**32,023**  
Network Patients  
**230M**

**Australia**   
Network Pharmacies  
**5,700**  
Network Patients  
**3.1M**

**UK**   
Network Pharmacies  
**Rollout**  
Network Patients  
**Rollout**

**New Zealand**   
Network Pharmacies  
**211**  
Network Patients  
**120K**

Investing and innovating in digital patient medication management and communications solutions



**Mobile App**

Giving patients the power of a virtual pharmacy at their fingertips



**Pharmacy Software**

Build stronger patient - pharmacist relationships



**Patient Engagement Solutions**

Supporting patients via preferred channels

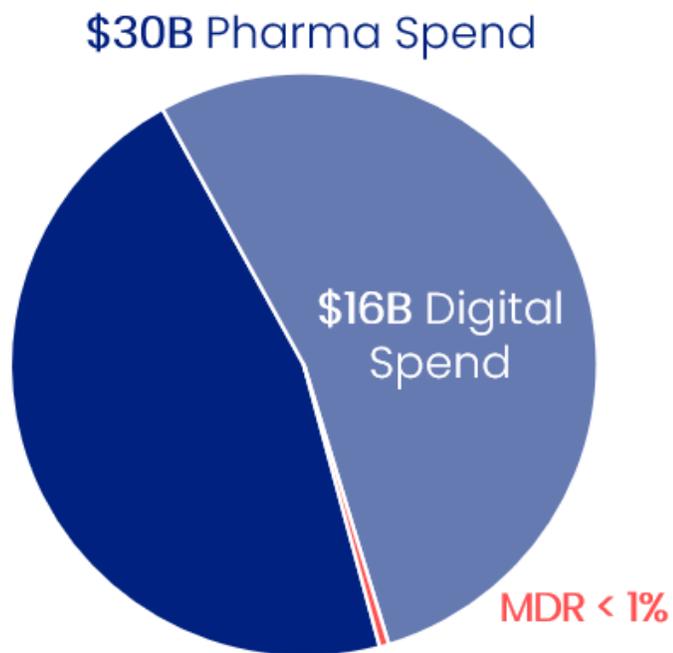




# Significant US growth opportunities for digital medication communications

**Total Addressable Market (TAM) has grown to USD \$16 Billion**

Annual US pharmaceutical sales and marketing spend



- Pharma spends USD \$16 Billion on digital marketing per annum
- This spend includes medication awareness, access and adherence channels
- MedAdvisor's digital patient communications solutions represent a small percentage of the annual spend by pharma

Reuters. US Healthcare Industry Spends \$30 Billion a Year on Marketing. <https://www.reuters.com/article/us-health-medical-marketing/u-s-health-care-industry-spends-30-billion-a-year-on-marketing-idUSKCNI22GG>.

MM+M. Digital downshift: Analyzing the slowdown in pharma's digital ad-spend growth. <https://www.mmm-online.com/home/channel/7-day-supply/digital-downshift-analyzing-the-slowdown-in-pharmas-digital-ad-spend-growth/>

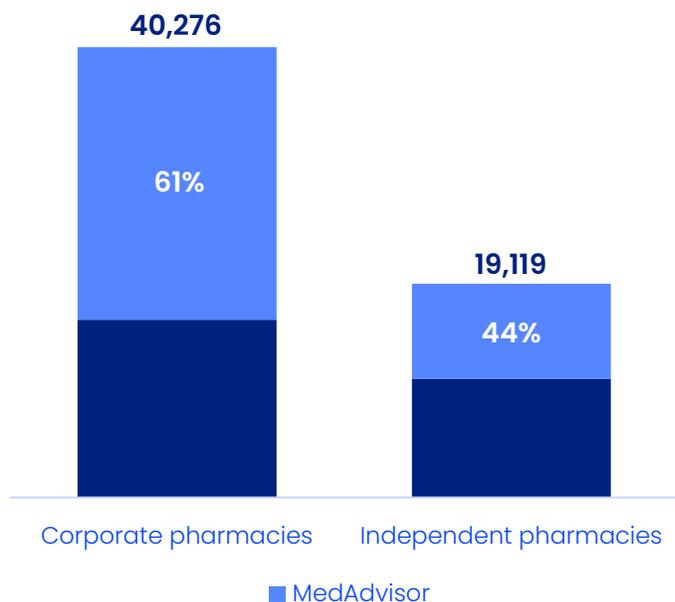




# Immediate growth opportunities for MedAdvisor through digitisation

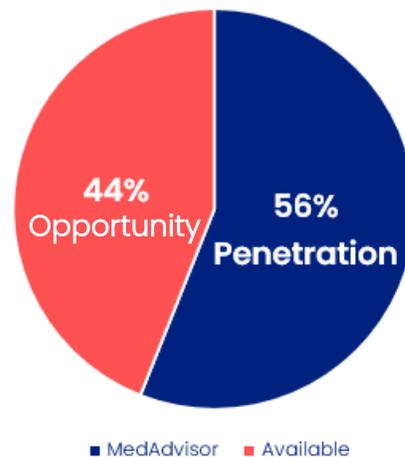
As we migrate our US pharmacy network to support digital medication management and communications solutions, MedAdvisor increases its value to Pharma

### US Pharmacy Landscape

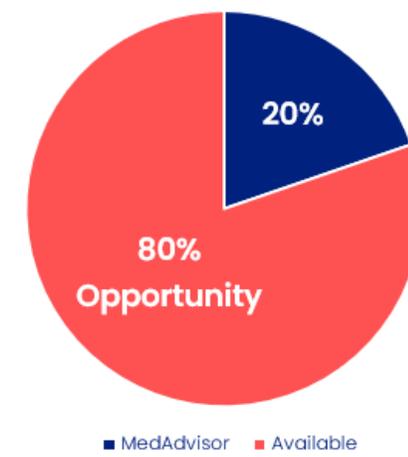


### Top 50 US Pharmaceutical landscape

#### MedAdvisor pharma reach



#### MedAdvisor brand reach within the Top 50 pharma



> 500M brand prescriptions filled / year

MedAdvisor provides simple medication communication solutions to Pharma through the MedAdvisor pharmacy network to improve patients' awareness and understanding of their medications

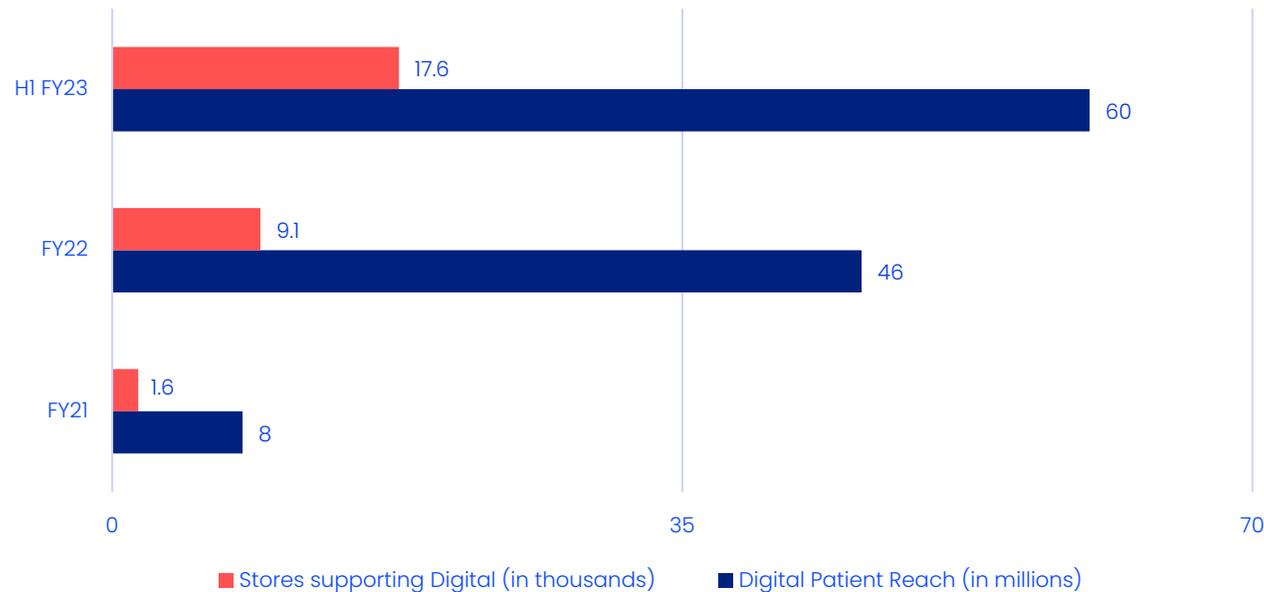


# Accelerating the digitisation of the US pharmacy network



## Doubling reach of stores and patients through digital channels

### Pharmacy Network – Digital Expansion



- Increased pharmacy reach of the MedAdvisor digital patient communications solution by almost 50%
- Digital patient reach increased by over 50% in 1H FY23 to approximately 60m patients that have opted in for digital communications

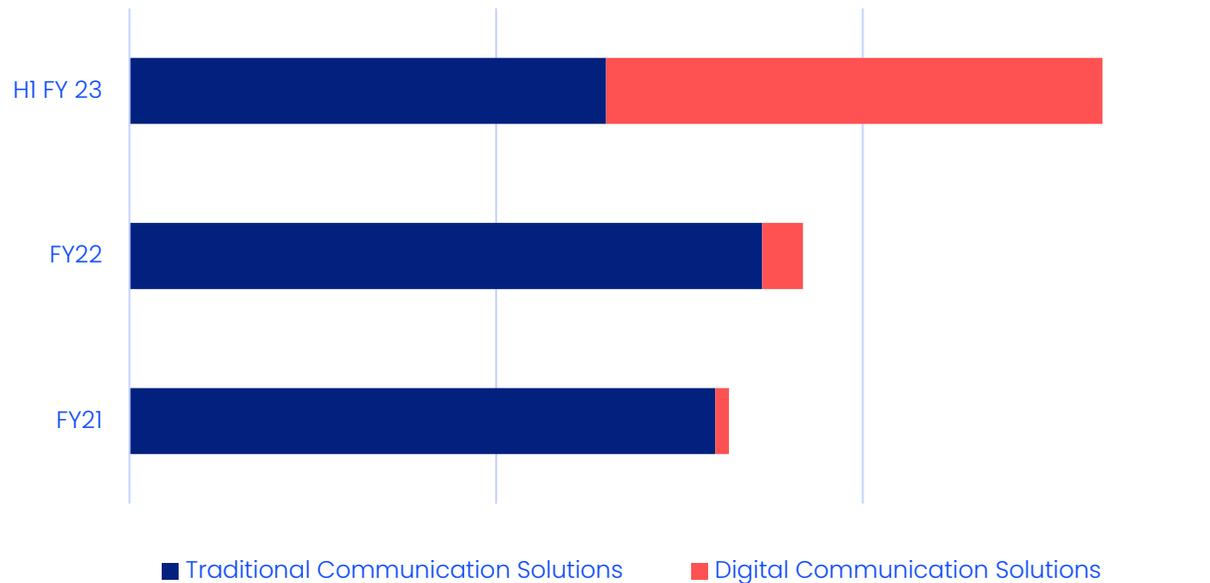


# Extensive multi-channel vaccine programs on the US pharmacy network



Vaccine awareness programs demonstrated the power of digital communications to drive revenue and margin increases

Product Mix Revenue Shift

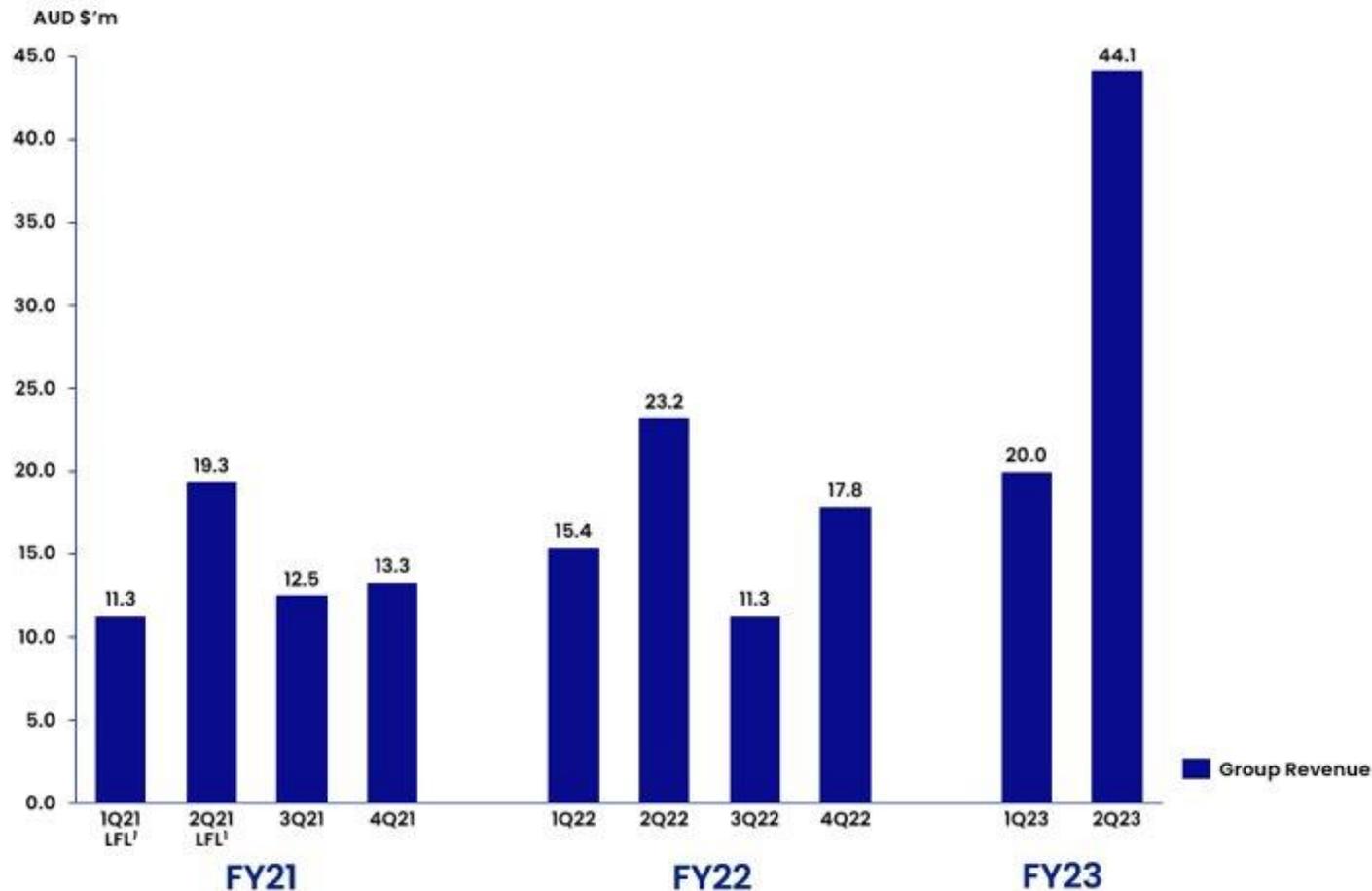


- Executed 13 digital communications programs representing 53% of 1H revenue
- Increased customer mix by 5 new pharma manufacturers and 17 new brands over the last 12 months
- Average program spend grew by 31% over last 12 months
- Programs rolled out at scale faster than traditional programs due to increased digital channel mix
- Digital programs provided up to 22% incremental lift in vaccine booster use over control groups





# Consistent seasonal revenue increases in Q2 powered by digital solution growth



- Q2 seasonally high as expected with pharma typically ramping up program spending
- The seasonal trend was positively impacted by a combination of:
  - ✓ Increased pharmacy support for our digital solutions
  - ✓ Expansion of our vaccine awareness programs
- Our digital solutions for Pharma provide a simple, scalable digital communication solution to drive messaging to a targeted audience
- We expect revenue growth in Q3 to moderate as has historically been evident



1. Like-for-Like (LFL) figures shows Adheris pre-acquisition results translated at a constant AUD/USD of \$0.73 for 01 Jul 2020 to 17 Nov 2020 in 1H FY21.



# Australia and New Zealand provide medication management solutions to individuals and pharmacies

National  
pharmacy  
coverage of  
95%

45 health  
programs  
sponsored  
by pharma

3.1 million  
connected  
patients

Partnership  
with Green  
Cross Health  
(NZ)

Our platform allows users to:

- Order, manage, and track their medications
- Receive reminders for when to take them
- Access educational resources related to their health conditions

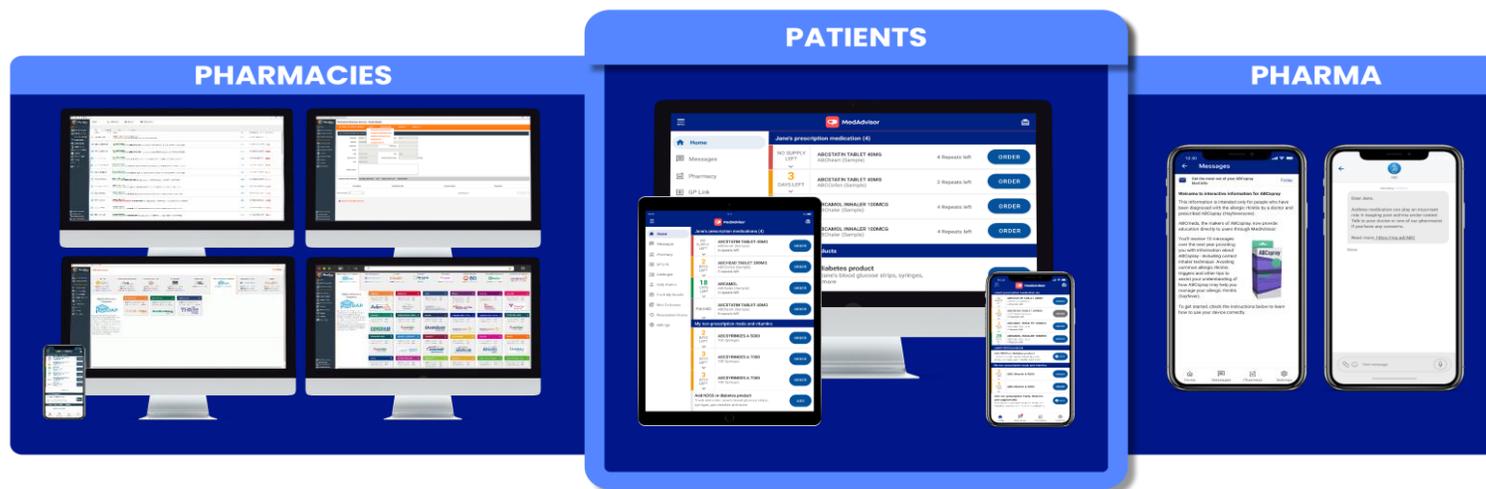
Pharmacies can also use the MedAdvisor platform to:

- Connect with their customers
- Provide personalized support
- Sponsored health advice





# Increasing market footprint through strategic partnerships in Australia and New Zealand



## Australia

- **GuildCare transition on track**
- **Long term SaaS agreements**

## New Zealand

- **First medication management app to launch in NZ**
- **40% of NZ retail** pharmacy footprint

- **3.1 million** connected patients
- **>15,000 new patients** connected per month
- Access to **600,000 patients** by mid 2023

- **45 Health Programs** in 1H FY23
- **New contracts** with six pharma organizations





# GuildLink integration on track for scheduled completion by 30 June 2023

**MedAdvisor will have over 5,700 pharmacies in our network, which equates to 95% of the AU market by the end of April 2023**

Phase 1 and Phase 2 on track for scheduled completion

	Subscription type	Pharmacy target	Installations completed	Estimated Phase Completion
Phase 1	Full	918	835	March
Phase 2	Lite	576	176	April
Total		1,494	1,011	

- The focus has been on migrating 1,494 GuildCare pharmacies (Full/Lite) that don't have a MedAdvisor account
- GuildCare software & myPharmacyLink app will be discontinued mid-2023
- MedAdvisor will progressively build capabilities into the PlusOne platform that integrate key GuildLink functionality
- Annual subscription and pricing is being harmonised in line with MedAdvisor pricing
- The consolidation of the 2 platforms will lead to improved workflow efficiency in pharmacies and lower costs for MedAdvisor.



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# Pathway to Profitability

## Global Platform

## Business Operations

## Product Innovation

### Australia

- Successful completion of GuildLink integration
- Grow patient reach
- Secure long-term platform commitments from top 5 pharmacy groups
- Align 3-year product strategy with global platform

### United States

- Grow digital patient reach to over 100M
- Expand digital solutions with launch of digital version of in pharmacy solution
- Continue cloud migration and finalise technology plan alignment

### United Kingdom

- Accelerate expansion
- Obtain commitment from 500 pharmacies
- Reach an average of 100 patients per pharmacy



# Your Health in Your Hands



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