

ASX RELEASE (ASX: MDR)

MedAdvisor Solutions Delivers 1Q FY25 Revenue Growth of 3.5%

Quarterly Activities Report and Appendix 4C

1Q FY25 Key highlights

- 1Q FY25 operating revenue **up 3.5%** to \$26.3 million (1Q FY24: \$25.4 million)
 - **US up 4.1%** to \$20.4 million (1Q FY24: \$19.6 million) attributable to continued support of omnichannel chronic medication and vaccine programs.
 - **ANZ up 1.7%** to \$5.9 million (1Q FY24: \$5.8 million) after deduction of \$0.4 million of refunds and reallocations.
- 1Q FY25 gross profit **down 2.5%** to \$15.3 million (1Q FY24: \$15.7 million) due to a shift in health program product mix in the US, adjustment in cloud related platform expenses in ANZ and US and other adjustments associated with program execution in ANZ and US.
- Cash on hand **\$12.3 million** as at 30 September 2024, up 25.5% on pcp, and in line with internal forecast.
- Current debt facility refinanced at a reduced interest rate of 9.35%, maturing in December 2027. An additional USD \$3.5 million facility has been secured which is currently undrawn.
- At the end of September, over 62% (1Q FY24: 79%) of US projected first half revenue is contracted with a solid pipeline across an expanded range of customers expected to close the gap.
- The company progressed with plans related to Transformation 360, a self-funded investment in technology and infrastructure designed to lower operating costs and accelerate innovation.

Melbourne, Australia, 31 October 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 September 2024 (1Q FY25), together with the Company's Appendix 4C.

MedAdvisor Solutions CEO & Managing Director, Rick Ratliff said: "I am pleased to announce a solid start to FY25 as we continue to transform our technology, business operations and competitive positioning in ANZ and the US.

US growth through the quarter was driven by continued demand for pharma-sponsored, omnichannel chronic medication and vaccine programs. While patient engagement programs powered by THRiV(tm) continued to expand in the quarter, the introduction of new awareness programs powered by THRiV were a contributing factor in the slightly lower margin for the period. Awareness programs powered by THRiV generate margins typically over 60% vs. adherence programs powered by THRiV with margins typically over 70%.

In Australia, we launched the cloud enabled version of Plus One, MedAdvisor for Pharmacy. Revenue for the quarter was slightly lower than expected due to a fee adjustment related to a 4Q FY24 program and a delay in the roll out of new fee structures with one pharmacy group.

The overall shift of our technology to the cloud resulted in a higher cost of sales but lower operating costs, with an overall improvement in bottom line profitability. We expect to see a decline of 2-3 percentage points in margin through FY25 as a result of this change.

Minor operational challenges resulted in a small decline in revenue and margin for this quarter. However, the root cause of these issues has been identified and rectified within the period, so we do not anticipate any flow on effect into future quarters. This does however underscore the importance of our Transformation 360 project which is designed to allow us to continue to scale the business in an efficient and streamlined manner."

Group Financial Results:

AUD (\$m)	1Q FY25	1Q FY24	Change
Revenue	\$26.3m	\$25.4m	+3.5%
Gross Profit	\$15.3m	\$15.7m	-2.5%
Gross Margin	58.2%	61.8%	-3.6ppts

- Net operating cash outflow of \$1.8 million, an improvement of \$2.4 million on pcp (1Q FY24: \$4.2 million outflow):
 - Operating cash receipts totaled \$27.5 million, up 45.5% on pcp (1Q FY24: \$18.9 million).
 - Operating cash payments totaled \$10.5 million, up 69.4% on pcp (1Q FY24: \$6.2 million), largely reflecting the growth in health programs and timing of quarterly pharmacy abatement payments in the US.
 - Staff costs were \$12.9 million, up 9.3% on pcp (1Q FY24: \$11.8 million), attributable to FY24 US revenue growth and additional roles in US offset by AU restructure savings.
 - Administration and corporate costs were \$3.9 million up 11.4% on pcp (1Q FY24: \$3.5million) due to timing of cash payments related to contractors, IT subscriptions and other general expenses.
 - Cash on hand **\$12.3 million** as at 30 Sep 2024, up 25.5% on pcp (1Q FY24: \$9.8 million).

United States (US):

AUD (\$m)	1Q FY25	1Q FY24	Change
Revenue	\$20.4m	\$19.6m	+4.1%
Gross Profit	\$10.3m	\$10.7m	-3.7%
Gross Margin	50.5%	54.6%	-4.1 ppts

- 1Q FY25 operating revenue increased to \$20.4 million, up 4.1% on pcp, due to continued execution of patient engagement programs powered by THRIV.

- Gross profit of \$10.3 million was down 3.7% on pcp and gross profit margin fell by 4.1 ppts to 50.4%. The allocation of cloud, platform-related costs in the quarter affected the gross margin by over 2.5% as discussed above. There was an additional 2% reduction associated with program start-up issues with new awareness programs powered by THRiV.
- Vaccine related revenue represented 36% of 1Q FY25 revenue, as expected (1Q FY24: 46%).
- Patient engagement programs powered by THRiV represented nearly 33% of 1Q FY25 revenue, compared to less than 7% in 1Q FY24. New awareness programs introduced in the quarter represented 55% of the THRiV related program revenue versus 28% of revenue in 4Q FY24 partially affecting the margin variance in the quarter.
- The FX loss on group revenue from a weaker US dollar was \$0.6 million.

Australia & New Zealand (ANZ):

AUD (\$m)	1Q FY25	1Q FY24	Change
Revenue	\$5.9m	\$5.8m	+1.7%
Gross Profit	\$5.0m	\$5.0m	+0.0%
Gross Margin	84.7%	86.2%	-1.5 ppts

- 1Q FY25 operating revenue was up 1.7% on pcp to \$5.9 million, lower than forecast due to reallocation of marketing expenses and a refund associated with incorrect billing on one program in 4Q FY24.
- Gross profit is stable at \$5.0 million and gross margin reduced to 84.7%, down by 1.5 ppts. due to new allocation of cloud related platform expenses of \$0.1 million as discussed above.
- During 1Q, the Company launched two new Expanded Scope of Practice pilots. The Queensland (QLD) pilot for hormonal contraception enables pharmacists to initiate and prescribe contraception. The dermatology pilot in New South Wales (NSW) enables pharmacists to prescribe for skin conditions. Since April 2024, more than 84,000 patients have received 88,400 services across 3,640 pharmacies.

- MedAdvisor Solutions launched telehealth in the MedAdvisor Patient App with four service providers offering GP consultations, including repeat prescriptions and medical certificates for leave.
- The migration of MedAdvisor for Pharmacy to the cloud launched during the quarter and is tracking on time and on budget. To date, 93% of Australia's pharmacies have migrated to stage one of a three-stage process, and all pharmacies are expected to complete the migration by the end of calendar 2024.
- Health Programs in Australia have seen growth in pharmacist intervention and patient adherence programs. The current investment and focus is expected to affect further growth of digital adherence programs.

Outlook

"Momentum going into 2Q FY25 is supported by a healthy pipeline heading into the key selling period in the US, particularly in relation to vaccine programs, and launching of programs across a broader suite of customers than in prior periods.

In addition, the MedAdvisor Solutions team continues to successfully manage a great deal of change as we progress towards our vision to deliver digital patient engagement solutions that simplify the individuals' medication journey. As we turn the corner on our pathway to profitability, we will continue to drive change through execution of Transformation 360, enabling us to deliver on this vision at a faster pace.

We expect to make significant progress with Transformation 360 in FY25 and execute on our plan for future growth as we laid out at the end of FY24." said Mr. Ratliff.

Related party transactions

During 1Q FY25, the Company made the following payments to related parties:

- \$108,339 to a related party that provides data services to the Company in the ordinary course of business; and
- \$218,394 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 Sep 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	27,496	27,496
1.2 Payments for:	-	-
(a) research and development	-	-
(b) product manufacturing and operating costs	(10,501)	(10,501)
(c) advertising and marketing	(730)	(730)
(d) leased assets	-	-
(e) staff costs	(12,917)	(12,917)
(f) administration and corporate costs	(3,949)	(3,949)
1.3 Dividends received	-	-
1.4 Interest received	38	38
1.5 Interest and other costs of finance paid	(1,164)	(1,164)
1.6 Income taxes paid	(361)	(361)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,088)	(2,088)

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	(74)	(74)	(74)
(d) investments	(961)	(961)	(961)
(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)	-	-	-
2.6 Net cash from / (used in) investing activities	(1,035)	(1,035)	(1,035)
		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)	(169)	(169)	(169)
3.10 Net cash from / (used in) financing activities	(169)	(169)	(169)

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		15,578	15,578
4.2 Net cash from / (used in) operating activities (item 1.9 above)		(2,088)	(2,088)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		(1,035)	(1,035)
4.4 Net cash from / (used in) financing activities (item 3.10 above)		(169)	(169)
4.5 Effect of movement in exchange rates on cash held		18	18
4.6 Cash and cash equivalents at end of the period		12,304	12,304

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	12,304	15,578
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)	12,304	15,578

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
327
-

- 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	13,040	11,301
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	13,040	11,301

7.5	Unused financing facilities available at quarter end	1,739
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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)	(2,088)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	12,304
8.3	Unused finance facilities available at quarter end (Item 7.5)	1,739
8.4	Total available funding (Item 8.2 + Item 8.3)	14,043
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	6.7

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: 31/10/2024

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.