

ASX RELEASE (ASX: MDR)

2H revenue uplift expected after softer Second Quarter

Quarterly Activities Report and Appendix 4C

2Q FY25 key highlights

- As per guidance 2Q FY25 operating revenue **down 38.6%** to \$30.8 million for the period (2Q FY24: \$50.2 million)
 - **US down 43.7%** to \$25.3 million (2Q FY24: \$44.9 million), primarily due to deferrals in vaccine-related health programs from two key pharma clients.
 - **ANZ up 1.9%** to \$5.4 million (2Q FY24: \$5.3 million).
- 2Q FY25 gross profit margin improvement up 8.4 ppts to 63.6%.
- Previously planned business restructure commenced in January 2025 and is expected to result in annual cost savings of at least \$5.0 million in FY26.
- Cash on hand **\$12.4 million** as at 31 December 2024.
- Formal review process as announced during the quarter has commenced to evaluate strategic options aimed at maximising shareholder value. The process is progressing well with a number of initiatives being considered and will continue through 3Q FY25.
- The Company expects a stronger second half through a diversified US pipeline for various health programs, as well as a number of new customer accounts currently being finalised.
- Positive first half EBITDA guidance confirmed.

Melbourne, Australia, 30 January 2025 – Global pharmacy-driven patient engagement company, MedAdvisor Limited (**MedAdvisor Solutions** or the **Company**) reports its financial results for the quarter ended 31 December 2024 (2Q FY25), together with the Company's Appendix 4C. Commenting on the results, MedAdvisor Solutions CEO & Managing Director, Rick Ratliff said: "As highlighted in our trading update provided on 20 December 2024, lower than expected

vaccination rates in the US flu season have resulted in a deferral of spend by two key pharma customers on vaccine-related health programs until later in the season.

Our patient engagement platform, THRiV continues to gain traction with customers, positively impacting gross margin in the quarter.

The Australian operations performed well and in line with expectations. This included continued progress with finalising the movement of all pharmacies to the new cloud-based MedAdvisor for Pharmacy platform.

Our Transformation 360° initiative is now underway and progressing in line with expectations, with substantial financial and operational benefits expected from FY26.

During the quarter, we also initiated a formal review to evaluate strategic options to maximise shareholder value. This process will continue through 3Q FY25, where we are evaluating options across both the US and Australian businesses. This process is developing well identifying a number of opportunities aimed at unlocking value for our shareholders. We look forward to updating the market on any relevant outcomes in due course. In parallel, we will continue progressing our current business plans.”

Group Financial Results:

AUD (\$m)	2Q FY25	2Q FY24	Change
Revenue	\$30.8m	\$50.2m	-38.6%
Gross Profit	\$19.6m	\$27.7m	-29.2%
Gross Margin	63.6%	55.2%	+8.4ppts

- Net operating cash outflow of \$4.0 million, a decline of \$19.2 million on pcp (2Q FY24: \$15.2 million inflow):
 - Operating cash receipts totaled \$19.6 million, down 53.3% on pcp (2Q FY24: \$42.0 million), due to the revenue decline.
 - Operating cash payments totaled \$5.8 million, down 48.7% on pcp (2Q FY24: \$11.3 million). This is largely in line with the decline in operating receipts and reflects the reduction in quarterly pharmacy abatement payments in the US as a result of the reduced revenue.

- Staff cash costs were \$11.2 million, up 20.4% on pcp (2Q FY24: \$9.3 million), attributable to one additional pay run in the US (US team is paid fortnightly).
- Administration and corporate costs were \$5.7 million up 7.5% on pcp (2Q FY24: \$5.3 million), mainly due to payments related to Transformation 360° (\$340k) and the Australian premises relocation costs (\$242k), offset by savings in other expenses.
- Current debt facility refinanced at a reduced interest rate of 9.25% (previously 12%), maturing in December 2027. An additional US\$3.5 million facility was secured and fully drawn in November 2024.
- Cash on hand of **\$12.4 million** as at 31 Dec 2025 (2Q FY24: \$22.5 million).

United States (US):

AUD (\$m)	2Q FY25	2Q FY24	Change
Revenue	\$25.3m	\$44.9m	-43.7%
Gross Profit	\$15.3m	\$23.2m	-34.1%
Gross Margin	60.5%	51.7%	+8.8 ppts

- 2Q FY25 operating revenue decreased to \$25.3 million, down 43.7% on pcp, due to lower-than-expected vaccination rates during the current flu season, resulting in a deferral of spend by two key pharma clients on vaccine-related health programs.
- Gross profit of \$15.3 million was down 34.1% on pcp, reflecting the decline in revenue. Gross profit margin increased by 8.8 ppts to 60.5%, benefitting from a shift in product mix, with an increasing focus on higher-margin programs powered by the THRiV platform.
- Vaccine related revenue represented 64% of 2Q FY25 revenue (2Q FY24: 59%).
- THRiV powered patient engagement programs continued to gain traction during the quarter, representing nearly 35% of 2Q FY25 revenue, compared to 7% in 2Q FY24.
- The US health program pipeline for 2H FY25 is stronger and more diversified than prior years including a number of new customer accounts currently being finalised.
- The FX gain on group revenue from a stronger US dollar was \$0.5 million.

Australia & New Zealand (ANZ):

AUD (\$m)	2Q FY25	2Q FY24	Change
Revenue	\$5.4m	\$5.3m	+1.9%
Gross Profit	\$4.3m	\$4.4m	-2.3%
Gross Margin	79.6%	86.2%	-6.6 pts

- 2Q FY25 operating revenue was up 1.9% on last year to \$5.4 million, due to higher health program revenue. However, pcip revenue was \$5.6m which is a 5.7% YOY growth. \$0.2m was adjusted in 2Q FY25 due to a change in the accounting treatment of certain marketing expenses (as advised in 1Q FY25).
- Gross profit was down 2.3% to \$4.3 million and gross margin reduced to 79.6%, down by 6.6 pts, primarily due to the expensing of recently introduced cloud-related platform costs to COGS. An equivalent reduction in overheads was experienced due to the cloud migration, with an overall benefit to the bottom line of this change.
- While the SaaS revenue was slightly down in 2Q FY25, due to the change in the accounting treatment of certain marketing expenses, transactional services revenue grew by almost 50% in 2Q FY25 on the back of vaccination and pseudoephedrine monitoring services.
- The company is successfully progressing the migration of its MedAdvisor for Pharmacy platform to the cloud, with over 80% of pharmacies having completed all three stages of the transition. As of 1Q FY25, 93% of pharmacies had achieved Stage 1 of the three-stage process. The project remains on schedule and within budget, with full completion by the end of March 2025, ensuring readiness for the upcoming flu vaccination season.
- The web-based platform empowers pharmacies to deliver critical services, such as vaccinations, anytime and anywhere. This enhanced flexibility supports both on-site and off-site immunisation programs, driving growth in transactions and service capabilities.
- As mentioned above, in addition to the enhanced performance of the web-based platform, this change will improve the company's bottom line overall but shift costs from overhead to cost of sales.

- Health programs in Australia saw a growth of over 60% in revenue for 2Q FY25 vs 2Q FY24 due in part to a large Pharmacist Engagement Program supporting patients prescribed a new GLP-1 receptor antagonist (weight loss medication).

Transformation 360

The Transformation 360° initiative commenced in September 2024. Mindsprint, a leading-edge tech and business services firm was selected to partner on developing MedAdvisor's next-generation patient engagement platform, designed to deliver hyper-personalised experiences, revolutionise patient education, and drive improved medication adherence—setting a new benchmark in healthcare technology innovation.

The project cost is currently estimated to be around \$8.3 million, down from the initial estimate of \$10-15 million.

As part of this program, planned restructuring of the business was conducted in January 2025. We expect to achieve annualised cost savings of approximately \$5 million from FY26. Severance costs of around \$500k are to be recorded in 3Q FY25.

Outlook

Commenting on the outlook, Rick Ratliff said: "Whilst we are disappointed in the headline numbers from the quarter, we are very encouraged in the tangible results of our sales effort leading towards a successfully diversified US health program pipeline. This is translating into a strong second-half pipeline which is more diverse than in prior years, with over 50% more brands compared to the same time last year. In conjunction with the expected vaccine program deferrals into the current half year, an uplift in US revenue is expected in 2H FY25 compared to the prior corresponding period.

The Australian operations continue to perform well and are expected to perform to management expectations through the rest of the year. Planned pricing adjustments to be implemented on 1 March, should result in a revenue uplift in 2H FY25.

I remain confident that the company is well positioned and executing on strategic initiatives geared towards developing the foundations for a sustainable profitable growth business."

Related party transactions

During 2Q FY25, the Company made the following payments to related parties:

- \$105,600 to a related party that provides data services to the Company in the ordinary course of business,
- \$368,980 in remuneration paid to the CEO and Non-Executive Directors in relation to the quarter,
- \$369,258 in remuneration paid to the CEO in satisfaction of his FY24 bonus, and
- \$30,490 in fees paid to a Non-Executive Director for consulting services unrelated to his Director activities.

-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 personalised 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")

31 Dec 2024

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows related to operating activities		
1.1 Receipts from customers	19,597	47,094
1.2 Payments for:	-	-
(a) research and development	-	-
(b) product manufacturing and operating costs	(5,848)	(16,349)
(c) advertising and marketing	(308)	(1,038)
(d) leased assets	-	-
(e) staff costs	(11,207)	(24,124)
(f) administration and corporate costs	(5,680)	(9,629)
1.3 Dividends received	-	-
1.4 Interest received	34	72
1.5 Interest and other costs of finance paid	(626)	(1,790)
1.6 Income taxes paid	-	(361)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(4,038)	(6,125)

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows related to investing activities		
2.1	Payment to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant & equipment	(97)	(171)
	(d) investments	-	(961)
	(e) intellectual property	-	-
	(f) other non-current assets	(419)	(419)
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	(516)	(1,551)
		Current quarter \$A'000	Year to date (6 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	5,367	5,367
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(644)	(644)
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liabilities)	(137)	(306)
3.10	Net cash from / (used in) financing activities	4,586	4,417

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 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	12,304	15,578
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,038)	(6,125)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(516)	(1,551)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,586	(306)
4.5	Effect of movement in exchange rates on cash held	62	79
4.6	Cash and cash equivalents at end of the period	12,398	7,675

		Current quarter \$A'000	Previous Quarter \$A'000
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		
5.1	Bank balances	12,398	12,304
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)	12,398	12,304

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
874
-

- 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) fees and remuneration paid to CEO and directors.

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	18,134	18,134
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	18,134	18,134

7.5 Unused financing facilities available at quarter end

-

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 1: US\$3.5m (secured), Partners for Growth VI L.P., 9.25% IR maturing on 31 October 2027.
Term loan 2: US\$7.8m (secured), Partners for Growth VI L.P., 9.25% IR maturing on 31 December 2027.

8. Estimated cash available for future operations

- 8.1 Net cash from / (used in) operating activities (Item 1.9)
8.2 Cash and cash equivalents at quarter end (Item 4.6)
8.3 Unused finance facilities available at quarter end (Item 7.5)
8.4 Total available funding (Item 8.2 + Item 8.3)
8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

\$A'000
(4,038)
12,398
-
12,398
3.1

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: 30/01/2025

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.