



PharmX Technologies Limited

Investor Presentation

CEO Tom Culver
& Interim CFO Jon Newbery
23 February 2024

This presentation has been authorised for lodgment by the Board

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Presenters



Thomas Culver

Chief Executive Officer

- 20y experience in CEO and Snr Exec for Private and ASX listed Co.
- Previously Chief Operating Officer of ASX listed Dough Ltd
- Chief Executive Officer of Goodments Pty Ltd and Oko Platforms Ltd



Jon Newberry

Non-Executive Director (interim CFO)

- 30y experience in Snr Exec and Board roles for ASX listed Co.
- Chairman of Repurpose It Pty Ltd
- Previously Chief Executive Officer of ASX listed Clarity OSS Limited and Head of Corporate Finance at Downer EDI

PharmX Technologies Overview

Recent Transition



- Legacy Corum Group (+25ys in operation)
- Disposal of the eCommerce real estate business in 2022
- Pharmacy Software business sold to Jonas Software AUS Pty Ltd July 2023)

FY24

- 1H FY 24 streamlined focus on technology orientated business: PHX, PHXC, MDS
- Focused revenue models
- Revised capital structure
- New CEO
- Consolidated team



- Well capitalized and positioned as a strong platform for growth
- Focused and ambitious growth over 3+ years
- Leveraging existing market position PHX can remain a strong cash generating business with a focus on earnings and maintained costs controls.

Retain established foundations



PharmX, 18yr in operation.

Founded by the major Australian pharmacy POS vendors, PharmX, provides mission critical functionality to the pharmaceutical, NDSS and retail goods supply chain.



Established as the leading EDI gateway for Australian pharmacy market with a growing footprint in NZ. Underpinned by strategic relationships with POS vendors, distributors, government programs and technology solutions.



Expanding services.

Gateway 4, new regions, PharmXchange, Master Data Services.

PharmX Technologies Limited

PharmX^{connectivity}

Critical EDI infrastructure to the industry supply chain of retail , pharmaceutical and NDSS goods

Est.
2006

Primary customer:
Supplier

Service:
Integrated EDI

Revenue is generated from Suppliers, with majority generated from fixed Account fee

Accounts:
58,000

Suppliers:
73

\$18bn
transaction
value (i)

~100k
Documents
pd(ii)

20+
POS vendors

99%
Pharmacies

+10%
Revenue
(vs PCP) (iii)

+14%
total
connections
(YoY) (iii)

+8%
LTM
transaction
value
(YoY) (iii)

+241%
active users
(YOY) (iii)

+328%
Total Order
Value
(YOY) (iii)

+740%
Repeat
Orders
(vs PCP) (iv)

PharmX^{change}

Purpose-built marketplace for pharmacists and suppliers

Est.
2022

Primary customer:
Pharmacy / Supplier

Service:
Turnkey Marketplace

Revenue is generated from percentage of transaction value, collected via monthly supplier invoice

Pharmacies:
2,000+

Suppliers:
80

2,000+
pharmacies

240+
Brands

11,000+
Products

Key Updates H1 FY24



PharmX

- Continued focus on EDI solutions. Supporting Gateways 2 – 3 with development for Gateway 4 prioritized
- Heightened effort to increase Active Account Connections between pharmacies and suppliers (15k accounts identified as targets)
- *Year-to-date growth of 5% in the total number of supplier-to-pharmacy connections*
- *Number of active connections used each month between suppliers and pharmacies increased 4% year to date*



PharmXchange

- Development support brought in-house
- Enhanced focus on platform fundamentals (performance, usability), combined with increased sales and marketing support to drive key KPIs (Total Orders, Unique Orders, Repeat Orders, Average Order Size)
- Increase sales and marketing support
- Increasing supplier base and product range



Master Data Services

- Rollout of phase 1 Data Solution –(industry product catalogue used to enhance both PharmX and PharmXchange platforms)
- *Unlocking advanced EDI features - (Minimum Order Value, Freight Thresholds, Order Validation) and provides PharmXchange with access to up-to-date products and prices to offer a smooth e-commerce experience*



Staffing

- Thomas Culver appointed as the new PharmX Technologies CEO, effective 20 November 2023
- Implemented new Team structure
- Increased Sales team (5 new heads)
- Hired Marketing and Brand Manager
- Commenced skills review and training requirements for future product solutions and growth (including Data and AI)

Key Financial Updates H1 FY24



Operating results

- Revenue growth of 5%, while delivering a strong EBITDA margin of 33%.
- The profit before tax was \$406,000, compared to loss of \$822,000 in previous period
- Revenue growth mainly from underlying PharmX business with some contribution from PharmXchange
- Continues to be a disciplined approach to costs, balancing the need to invest in revenue generating initiatives to grow actual revenue



Capital Return

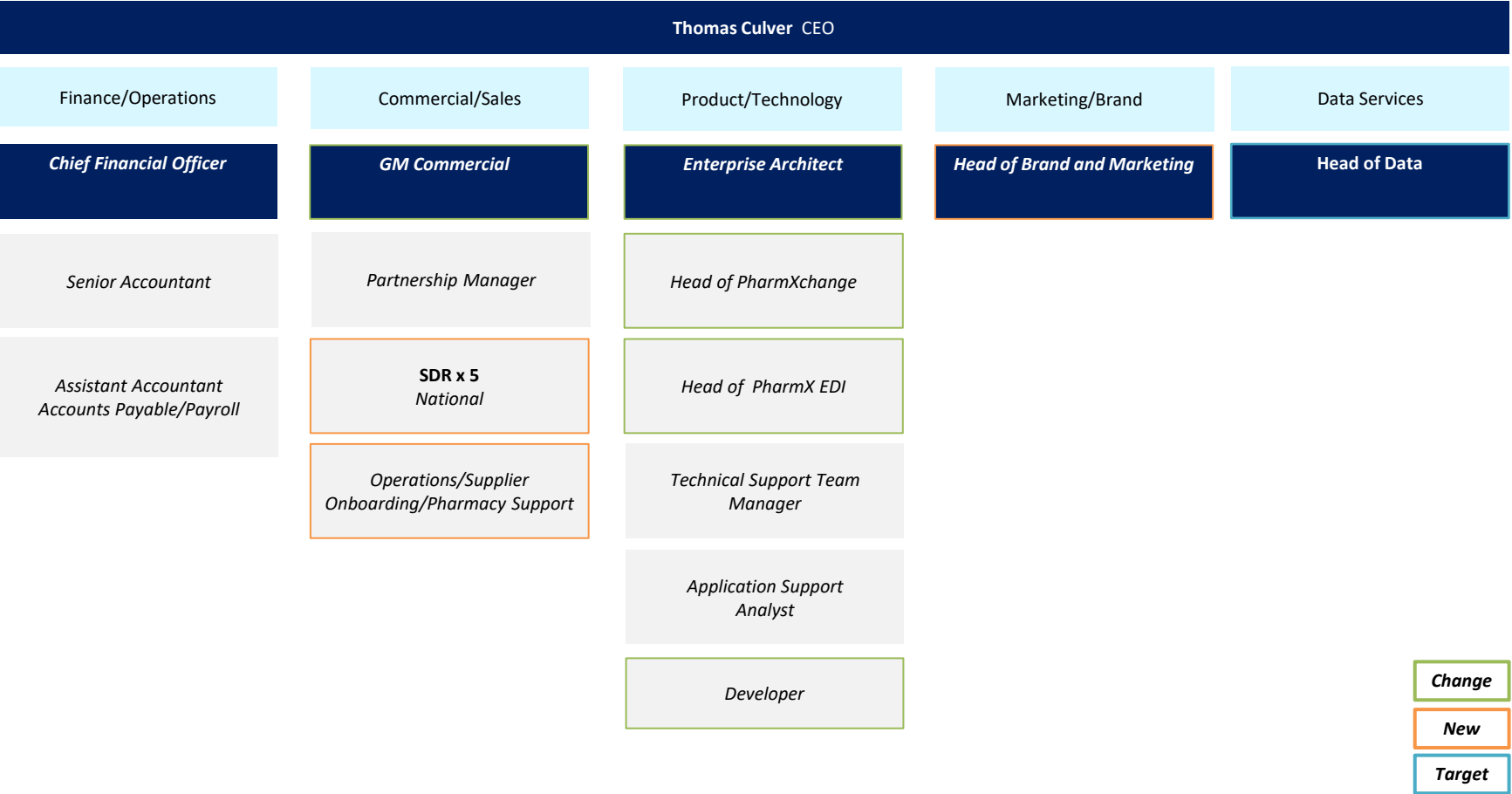
- The disposal of the pharmacy software business was completed in September 2023.
- Following this, a capital distribution of 0.75c per share was made to shareholders (\$4.5m in total) in December 2023



Court Case

- Judgement handed down in 2023 by the Victorian Supreme Court ordering Fred IT to pay PharmX \$5.1m plus interest and costs (an additional \$3m)
- The judgement is subject to appeal set to be heard at the end of **May 2024**.

New Focused Team Structure



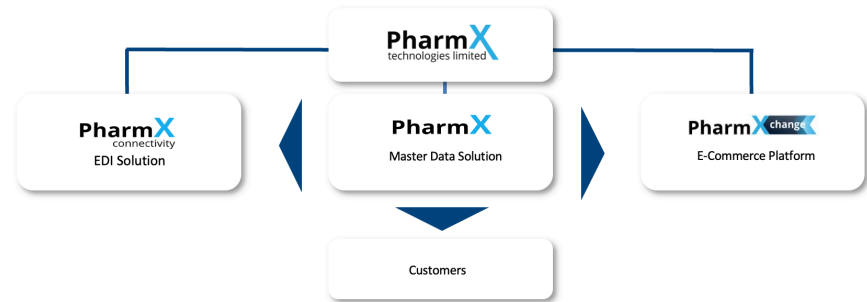
PharmX EDI Developments

Gateway 4

	Service	Gateway 4
Traditional EDI (Gateway 1 – 3)	Orders	✓
	Invoices	✓
	Advanced Shipping Notices	✓
	Account Management	✓
Enhanced EDI (Gateway 3)	Supplier Inventory	✓
Master Data Platform	Retail Sales	✓
	Retail Inventory	✓
CIS	Products	✓
	Prices	✓
	Promotions	✓
	Partners	✓

Increasing ease of connection for new suppliers and combining multi market leading features

Master Date Solutions



PharmX and PharmXchange system connectivity that creates a centralised industry database with direct customer benefits as well as unlocking advanced EDI and e-Commerce features

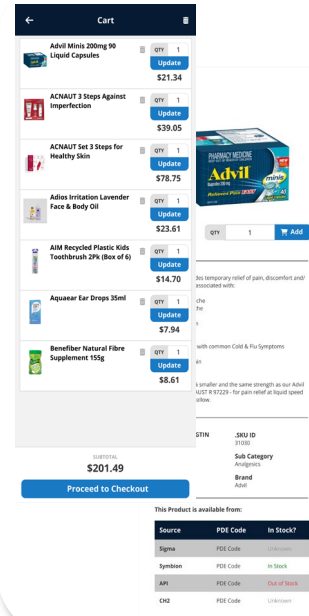
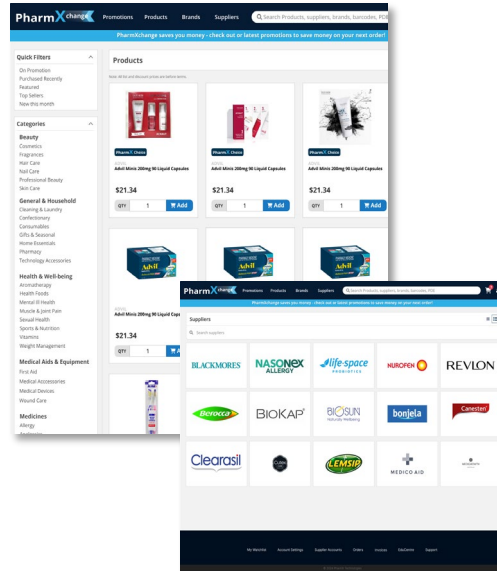
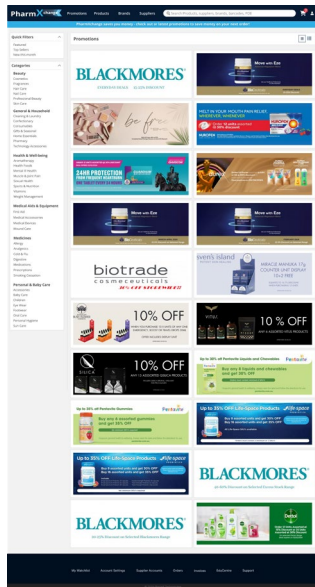
PharmXchange Overview

+240 Brands
with platform exclusive
promotions

11k highly discoverable
products, with supplier sponsorship

Multi item checkout,
W/S stock / payments info

Near term focus
to increase activation
and engagement



- ✓ AI driven experience (trending, recommender system)
- ✓ Order automation
- ✓ Payments
- ✓ Rewards
- ✓ Increase in Brands / Products

Profit and Loss H1 FY24

Revenue growth of 5%, while delivering a strong EBITDA margin of 33%

\$'000	H1 FY24	H1 FY23	Var \$	Var %
Revenue	3,235	3,082	153	5%
Underlying costs	(2,155)	(2,362)	207	(9)%
Underlying EBITDA	1,080	720	360	50%
Interest, Tax & D&A	(778)	(571)	(207)	36%
Underlying NPAT	302	149	153	103%
PharmX legal costs	(66)	(1,059)	993	(94)%
Pharmacy Software contribution	(1,968)	339	(2,307)	(681)%
Statutory NPAT	(1,732)	(571)	(1,161)	203%

- Underlying results exclude the pharmacy software business and non-recurring costs
- Revenue growth mainly from PharmX business, but with an increasing contribution from PharmXchange, which launched during FY23
- Cost discipline maintained, continuing to balance investment with the growth in revenue
- Amortisation increased as software development continued in both PharmX and PharmXchange

Loss from discontinued operations

Loss from discontinued operations includes the loss on disposal and the results from operations until disposal

\$'000	H1 FY24
Proceeds on disposal	6,250
Net tangible asset deficiency to be paid	(101)
Net proceeds	6,149
Assets disposed	7,398
Liabilities disposed	(768)
Net assets disposed	6,630
Loss on disposal before tax and transaction costs	(481)
Capital gains tax expense	-
Net loss on disposal before transaction costs	(481)
Transaction Costs	(1,441)
Trading loss from discontinued operations	(46)
Loss from discontinued operations	(1,968)

- The sale of the pharmacy software business to Jonas Software AUS Pty Ltd completed on 30 September 2023 for a total of consideration of \$6.25m. \$4.75m was received at the time of sale, with the remaining \$1.5m to be received September 2024
- The sale includes the intellectual property rights to run the business, the rights of the pharmacy software business under the existing contracts, goodwill, operational staff to run the business and business records
- Transaction costs of \$1.4m on the sale include advisor fees, legal costs, employee and redundancy costs associated with the sale
- Loss from discontinued operations, including loss on disposal, transaction costs and loss from operations prior to disposal was \$1.97m

Cashflow for H1 FY24

Continuing Positive Operating Cashflow

\$'000	H1 FY24	H1 FY23	Var \$	Var %
Receipts from customers - continuing operations	3,298	3,243	55	2%
Statutory Operating Cashflow	1,936	1,700	236	14%
Add-Back Non-recurring PharmX legal costs	66	1,059	(993)	(94)%
Add-Back cashflows related to discontinued operations	214	(1,007)	1,221	121%
Underlying Operating Cashflow incl net R&D Benefit	2,216	1,752	464	26%
Less net R&D incentive received	(1,663)	(1,550)	(113)	7%
Underlying Operating Cashflow excl net R&D Benefit	553	202	351	174%
Net cash generated in investing activities	2,262	(2,047)	4,309	211%
Net cash used in financing activities	(4,564)	(177)	(4,387)	(247)%
Closing cash balance	12,440	5,235	7,205	138%

- Underlying operating cashflow was positive both including and excluding the R&D benefit
- Investing activities include net proceeds from the sale of pharmacy software of \$3.4m and investment into software development of \$1.1m (compared to \$2.0m the prior year). In the prior period the majority related to pharmacy software, whereas in the current period it was focused on PharmX and PharmXchange new business initiatives
- A capital distribution of 0.75c per share was made to shareholders (\$4.5m in total) in December 2023
- Closing cash balance of \$12.4m at 31 December 2023 (includes \$8.1m proceeds from PharmX legal case judgement)

Closing Summary

A positive result for 1HFY24, with opportunities for growth

- Independent service provider to the pharmacy market with focused business model and product solutions
- Long term opportunities for product optimization and service expansion to increase market dominance
- Focused structure and resources to drive growth
- Long growth runway for PharmX with increased connectivity between suppliers and pharmacies
- Healthy financial performance and cash position with potential for further capital management

Questions



Thank You

Contact:

Investor.Relations@pharmx.com.au

Appendix

Corporate Overview

PharmX Technologies Limited (ASX:PHX) at 19 February 2024

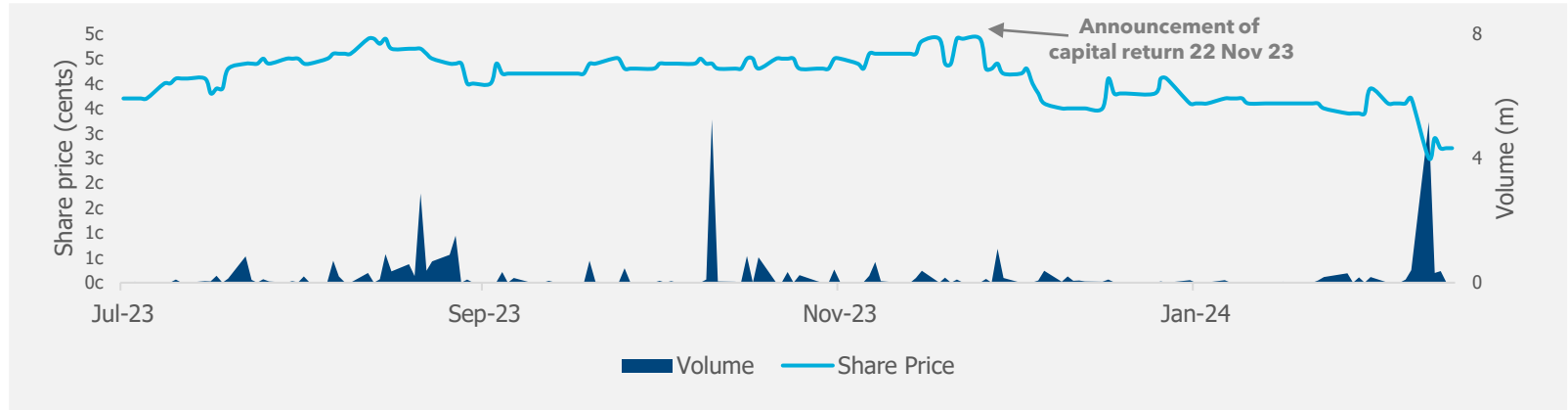
Share Price	2.7cps
Market Capitalisation	\$16.2m
Enterprise Value (Cash 31/12/24)	\$3.8m

Capital Structure

Shares on Issue (m)	598.5
Options / Perf Rights (m)	11.9
Diluted Issued Capital (m)	610.4

On 22 November 2023, PharmX Technologies Limited announced a capital return of A\$0.0075 per security. The capital return was paid on 4 December 2023, and reduced company share capital by \$4.489m.

Share Price Performance



Profit & Loss

Profit & Loss (\$'000)	H1'24	H1'23	Δ PCP
Revenue from continuing operations	\$3,235	\$3,082	5%
Cost of sales	(\$610)	(\$614)	(1)%
Employee benefits	(\$1,022)	(\$1,186)	(14)%
Marketing	(\$65)	(\$84)	(23)%
Technology, communication and cloud costs	(\$201)	(\$174)	16%
Legal	(\$70)	(\$1,123)	(94)%
Professional fees, consulting and other	(\$270)	(\$235)	15%
Share-based payments	(\$39)	(\$43)	(9)%
Research and development tax benefit	\$56	\$38	47%
Total Expenses	(\$2,221)	(\$3,421)	(35)%
Statutory EBITDA	\$1,014	(\$339)	(399)%
EBITDA (Underlying)	\$1,080	\$720	50%
Depreciation and amortisation	(\$578)	(\$456)	27%
EBIT (Underlying)	\$502	\$264	90%
Finance costs	(\$30)	(\$27)	11%
Income tax expense	(\$170)	(\$88)	93%
NPAT (Underlying)	\$302	\$149	103%
One-off Items			
Non-recurring costs	(\$66)	(\$1,059)	(94)%
Contribution from discontinued operations			
Pharmacy software business	(\$1,968)	\$339	(681)%
Statutory NPAT	(\$1,732)	(\$571)	203%

Cashflow

Cash flow (\$'000)	H1 FY24	H1 FY23
Cash flows from operating activities		
Receipts from customers	4,683	6,587
Payments to suppliers and employees	(4,503)	(6,474)
Interest and other revenue received	93	37
Research and development incentive received, net of income tax paid	1,663	1,550
Net cash from operating activities	1,936	1,700
Cash flows from investing activities		
Payments for property, plant and equipment	(16)	(49)
Payments for intangible assets	(1,080)	(1,998)
Disposal of discontinued operations, net of cash disposed and transaction costs	3,358	-
Net cash generated / (used) in investing activities	2,262	(2,047)
Cash flows from financing activities		
Principal paid on lease liabilities	(67)	(169)
Interest paid on lease liabilities	(8)	(8)
Capital return paid	(4,489)	-
Net cash used in financing activities	(4,564)	(177)
Net decrease in cash and cash equivalents	(366)	(524)
Cash and cash equivalents at beginning of the period	12,806	5,759
Cash and cash equivalents at the end of the period	12,440	5,235

Balance Sheet

Balance Sheet (\$'000)	31 December 24 - H1 FY24	30 June 23 - H2 FY23
Current assets		
Cash and cash equivalents	\$12,440	\$12,806
Trade and other receivables	\$2,652	\$946
Income tax receivable	\$498	\$1,659
Other assets	\$222	\$229
Assets classified as held for sale	-	\$6,949
Total	\$15,812	\$22,589
Non-current assets		
Property, plant and equipment	\$23	\$19
Right of use assets	\$280	\$28
Intangibles	\$13,219	\$13,359
Deferred tax assets	\$170	\$525
Security deposits	\$92	-
Total	\$13,784	\$13,931
Total assets	\$29,596	\$36,520
Current Liabilities		
Trade and other payables	\$1,634	\$1,455
Provisions	\$132	\$132
Lease liability	\$102	\$32
Unearned income	\$9,659	\$9,462
Liabilities associated with assets classified as held for sale	-	\$1,209
Total	\$11,527	\$12,290
Non-current liabilities		
Other payables	\$872	\$987
Provisions	\$40	\$23
Lease liability	\$188	-
Deferred tax liability	\$940	\$1,009
Total	\$2,040	\$2,019
Total Liabilities	\$13,567	\$14,309
Net assets	\$16,029	\$22,211
Equity		
Issued capital	\$93,970	\$98,405
Reserves	\$44	\$59
Accumulated losses	(\$77,985)	(\$76,253)
Total equity	\$16,029	\$22,211

Share Registry

Top shareholders at 19 February 2024

Rank	Name	Units	% Units
1	LUJETA PTY LTD <MARGARET A/C>	89,480,946	14.95%
2	ARROTEX INVESTMENTS HOLDING 1 PTY LTD	60,000,000	10.02%
3	NATIONAL NOMINEES LIMITED	40,242,512	6.72%
4	MERSAULT PTY LTD<ENGLAND S/F A/C>	26,766,667	4.47%
5	MR DAVID GERALD MANUEL &MS ANNE ELIZABETH LEARY<MANUEL SUPER FUND A/C	18,666,667	3.12%
6	LYELL PTY LTD<GENESIS SUPER FUND A/C>	17,388,974	2.91%
7	BENKI PTY LTD	17,105,748	2.86%
8	MR JOHN LAGANA	15,621,734	2.61%
9	GINGA PTY LTD<THOMAS G KLINGER FAMILY A/C>	14,414,488	2.41%
10	BNP PARIBAS NOMINEES PTY LTD<IB AU NOMS RETAILCLIENT>	13,637,792	2.28%
11	MRS PENELOPE KING	13,333,334	2.23%
12	BNPP NOMS PTY LTD HUB24 CUSTODIAL SERV LTD	12,860,957	2.15%
13	MR GRANT POVEY	12,000,000	2.01%
14	LYELL PTY LTD<HAYMAN A/C>	10,666,666	1.78%
15	CANCELER PTY LTD<CLARENCE SUPER FUND A/C>	10,200,000	1.70%
16	DMX CAPITAL PARTNERS LIMITED	9,391,145	1.57%
17	MR PETER JAMES THOMAS &MS HELEN THOMAS<PETER THOMAS SUPER FUND A/C>	8,000,000	1.34%
17	MR TYSON WELLMAN	8,000,000	1.34%
17	MR DAVID GERALD MANUEL &MS ANNE ELIZABETH LEARY<MANUEL FAMILY A/C>	8,000,000	1.34%
18	SANDHURST TRUSTEES LTD<CYAN C3G FUND A/C>	7,650,423	1.28%
19	GABODI PTY LIMITED<GABODI PTY LTD S/F A/C>	7,197,334	1.20%
20	GC RETIREMENT FUND PTY LTD<GC RETIREMENT FUND A/C>	6,666,667	1.11%
Total Top 20 holders of FULLY PAID ORDINARY		427,292,054	71.39%
Total issued capital of FULLY PAID ORDINARY		598,506,789	100.00%