

ASX RELEASE (ASX: MDR)

**MedAdvisor delivers 4Q YTD growth of 44.5% with operating revenue of \$98 million, exceeding guidance range**  
**Quarterly Activities Report and Appendix 4C**

Melbourne, Australia, 31 July 2023 – World-class medication management platform, MedAdvisor Limited (**MedAdvisor** or the **Company**) today announced an update on its activities for the quarter ended 30 June 2023 (4Q FY23), together with the Company's Appendix 4C.

**4Q FY23 highlights:**

- 4Q YTD operating revenue of **\$98.0** million, up 44.5% (4Q YTD FY22: **\$67.8** million)
- 4Q operating revenue slightly down (5.1%) to **\$16.9** million (4Q FY22: \$17.8 million)
  - US down 19.7% to **\$11.4** million (4Q FY22: \$14.2 million), largely attributable to timing of programs going live
  - Australia up 52.8% to **\$5.5** million (4Q FY22: \$3.6 million), including three-month contribution from GuildLink of **\$0.9** million; excluding GuildLink underlying revenue was up **27.8** %
- 4Q Gross profit up **32.9%** to **\$10.5** million, exhibiting an increase in gross profit margin of 17.8 ppts on pcp (**62.3%** vs **44.5%**)
- Strong Cash position, with **\$14.2** million cash on hand as of 30 June 2023
- Record number of US digital pharma sponsored programs launched in Q4 with 25 programs running
- US digital patient communications is now over 90 million
- Reduced headcount in Australia by 20% resulting in cost savings of \$2 million per annum from FY24
- GuildLink pharmacy integration completed on time and below budget
- US Sales Pipeline is higher than the previous corresponding period, signalling strong growth and diversification from traditional to digital programs

- Completed an initial 5-year strategic vision identifying significant opportunities within our Total Addressable Market (TAM) with further updates to be provided with full year results

## Group Financial Update

AUD (\$'m)	2022	2023	Change
Revenue June Quarter	\$17.8	\$16.9	<b>(5.1%)</b>
Revenue YTD	\$67.8	\$98.0	<b>44.5%</b>
Gross Profit YTD	\$32.7	\$59.4	<b>81.4%</b>
Gross Margin YTD	<b>48.4 ppts</b>	<b>60.6 ppts</b>	<b>+12.2ppts</b>

- Net operating cash outflow of (\$5.7) million, down \$2.1 million on the pcp (4Q FY22: (\$3.6) million and improved from 3Q FY23 (\$12.3) million)
- Operating cash receipts totaled \$17.1 million, up 11.0% on pcp (4Q FY22: \$15.4 million)
- Operating costs of (\$8.5) million aligned to pcp (4Q FY22: (\$8.0) million and improved from 3Q FY23 (\$19) million)
- Staff costs were (\$10.9) million (4Q FY22: (\$8.9) million and 3Q FY23: (\$12.2) million). These staff costs included the following planned costs<sup>1</sup>:
  - \$0.2 million Australian people costs associated with the GuildLink integration
  - \$0.3 million of restructuring and redundancy costs associated to the strategic review of Australian business (total restructuring and redundancy costs \$0.7 million)
- Administration and corporate costs were (\$2.3) million (4Q FY22: (\$1.4) million and 3Q FY23: (\$5.3) million). These costs included the following planned one-off costs:
  - \$0.2 million associated with the GuildLink integration
  - \$0.3 million investment in our One-Company initiative focused on product innovation, analytics, global platform planning and enterprise branding

<sup>1</sup> As disclosed on page 9 of MDR's FY23 half year results investor presentation

- Quarterly expenses are in line with the Company's expectations to implement one global platform and operating structure. We continue to assess our structure and cost base as the Company executes on its strategic plan to achieve profitability

**Commenting on the Company's achievements over Q4 FY23, CEO & Managing Director Rick**

**Ratliff, said:** "Over the past quarter, MedAdvisor has further strengthened its relationships with community pharmacies and pharmaceutical companies, solidifying its position as a trusted partner for personalized medication management. The company is successfully delivering solutions that simplify patient's medication journey which results in expansion of the number of programs sponsored by pharma brands and supported by community pharmacy.

"The lower revenue in the US for the quarter, relative to the prior corresponding quarter, can be attributed to both the seasonality of the US business and more importantly, the timing of programs going live. The timing of these programs has resulted in a strong start to FY24. FY23 has been a remarkable year of robust expansion for MedAdvisor, achieving operating revenue of \$98 million, representing an impressive increase of 44.5% compared to FY22.

"In the US, there was a slight increase in pharmacy locations supporting digital communications to over 18,500. In addition, the methodology for determination of actual patient reach via digital communications continues to be refined. As a result of these factors, the actual reach for digital patient communications is now over 90 million and is anticipated to exceed 100 million in due course as previously advised.

"In the US, MedAdvisor's current pipeline is higher than the previous corresponding period, signalling strong growth and diversification from traditional to digital programs as well as a shift to omnichannel programs utilizing the company's THRiV platform. Notably, FY23 THRiV programs have demonstrated compelling results for MedAdvisor's customers. Feedback from customers has been overwhelmingly positive, highlighting the efficacy of MedAdvisor's digital, omni-channel solutions in engaging and reaching wider audiences in a dynamic and targeted process.

"In Australia, MedAdvisor successfully implemented organisational changes, resulting in cost savings of \$2 million per annum from FY24. The integration of GuildLink pharmacies has been completed on schedule and under budget with 95% (1,414) pharmacies migrated to the

MedAdvisor platform. The Australian market showed consistent performance momentum, achieving a revenue increase of 52.8 % to \$5.5 million in 4Q FY23, including the 3-month contribution from GuildLink. With a strong foundation in place, MedAdvisor is well-positioned to continue its trajectory of success and innovation in delivering personalized medication management solutions.”

## United States

AUD (\$'m)	2022	2023	% Change
Revenue June Qtr	\$14.2	\$11.4	<b>(19.7%)</b>
Revenue March Qtr	\$7.4	\$11.8	<b>59.5%</b>
Revenue December Qtr	\$19.9	\$39.4	<b>98.0%</b>
Revenue September Qtr	\$12.1	\$15.4	<b>27.3%</b>
Revenue YTD	\$53.6	\$78.0	<b>46%</b>

- 4Q FY23 operating revenue decreased (19.7%) to \$11.4 million on pcp. This is attributable to the timing of programs going live, and has resulted in a strong start to FY24
- Gross profit was down (13.2%) to \$5.9 million on pcp, due to timing of programs impacting revenue (Q3 FY23: \$6.1m)
- Gross profit margin of 51.5% was aligned to the previous quarter (Q3 FY23: 50.8%), with 2H quarters exhibiting a slight skew towards lower margin traditional programs on 1H quarter comparison
- Notably, this quarter marked a record number of digital programs, representing a significant increase from the prior best number achieved in a quarter. Most of these programs were launched late in the quarter moving the majority of revenue into 1H FY24
- Digital patient reach is now over 90 million due to a slight increase in pharmacy locations supporting digital communications (18,500) and further refinement of the methodology for determination of actual patient reach via digital communications
- The FX impact of Group Revenue attributable to a stronger US Dollar over 4Q FY23 compared to 4Q FY22 was \$0.8 million

## Operational update

MedAdvisor continues to invest in the product innovation capability to strengthen the Company's core products while planning for future growth.

## Australia

AUD (\$'m)	2022	2023	% Change
Revenue June Qtr	\$3.6	\$5.5	<b>52.8%</b>
Revenue March Qtr	\$3.9	\$5.2	<b>33.3%</b>
Revenue December Qtr	\$3.3	\$4.7	<b>42.4%</b>
Revenue September Qtr	\$3.3	\$4.5	<b>36.4%</b>
Revenue YTD	\$14.0	\$19.8	<b>41.4%</b>

- Momentum continued in 4Q FY23, with revenue up 52.8% to \$5.5 million, including a three-month contribution from GuildLink of \$0.9 million; excluding GuildLink, underlying revenue was up 27.8%
- GuildLink pharmacy integration was completed ahead of time and under budget
- Gross margin was 85.0% for 4Q FY23, an increase of 0.5 ppts on the pcp as a one-off result of re-negotiated supplier terms
- Health Program pipeline continues to grow with two large programs signed with over \$1M contract value expected to realise in the first half of FY24
- The Green Cross Health network in New Zealand with their Unichem & Life Pharmacy brands now total 215 stores (63% of total stores) that utilise the MedAdvisor platform. Total active connected patients now total over 150k after the medication management app launch 12 months ago

## Operational update

The integration of GuildLink has been completed on schedule and below budget with initial strategic benefits realised.

As part of the cost-saving measures, MedAdvisor reduced its Australian headcount by approximately 20%. The reduction in headcount underpins annual cost savings of circa \$2 million for FY24 (with the associated restructuring and redundancy costs included in FY23).

Long-term SaaS agreements have been implemented with five of the largest pharmacy groups in AU/NZ.

**During 4Q FY23, the Company made the following payments to related parties:**

- \$43,007 to a related party that provides data services to the Company in the ordinary course of business; and
- \$117,323 in fees and executive remuneration paid to Directors

### **Board Changes**

- Kate Hill appointed as non-executive director and Chair of the Audit and Risk Committee
- Brett Magun appointed as US-based non-executive director nominated by Cotiviti, Inc
- Non-executive director Sandra Hook appointed Chair of the People, Remuneration and Nominations Committee

### **Outlook**

“MedAdvisor’s momentum throughout the year, driven by the successful execution of our global digitisation strategy and expanding pharmacy network, has culminated in a strong financial outcome for the financial year. Going into FY24, we have a very strong and diversified product pipeline that will support a strong start in the US. We have successfully completed the GuildLink integration and increased SaaS pricing in Australia. The Pathway to Profitability initiative announced in November of 2022 has resulted in significant savings across the US and Australia, positioning MedAdvisor for profitable growth in FY24.”

- ENDS -

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

For more information please contact:

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**About MedAdvisor**

*MedAdvisor is a world-class medication management platform that empowers patients to more simply manage their medication and improve adherence. 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 90% of Australian pharmacies. MedAdvisor is on track to become one of the largest players in the global digital adherence market. In 2018 and 2020, MedAdvisor was recognised in the AFR Fast 100 and in 2022 and 2023 Adheris Health, a MedAdvisor company, received the Retail Excellence Award (REX) for Technology & Automation from Drug Store News. Visit: [mymedadvisor.com/investors](https://mymedadvisor.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 Jun 2023

## Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows related to operating activities</b>		
1.1 Receipts from customers	17,123	104,508
1.2 Payments for:	-	-
(a) research and development	-	-
(b) product manufacturing and operating costs	(8,480)	(43,338)
(c) advertising and marketing	(831)	(2,675)
(d) leased assets	-	-
(e) staff costs	(10,911)	(44,476)
(f) administration and corporate costs	(2,309)	(14,057)
1.3 Dividends received	-	-
1.4 Interest received	10	52
1.5 Interest and other costs of finance paid	(297)	(1,467)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(5,695)</b>	<b>(1,453)</b>



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
<b>2.</b>	<b>Cash flows related to investing activities</b>		
2.1	Payment to acquire:		
	(a) entities <sup>(1)</sup>	-	(5,257)
	(b) businesses	-	-
	(c) property, plant & equipment	(2)	(179)
	(d) investments	-	-
	(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) <sup>(2)</sup>	-	1,700
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2)</b>	<b>(3,736)</b>

<sup>(1)</sup> Final earn-out payment to Syneos Inc relating to the acquisition of Adheris LLC in November 2020 (USD \$3m) & GuildLink Pty Ltd acquisition costs.

<sup>(2)</sup> Cash acquired as part of the GuildLink Pty Ltd acquisition.

		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	14,597
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	-	(901)
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)	-	(776)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>12,920</b>

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
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	-	-
4.1	Cash and cash equivalents at beginning of the period	20,091	7,579
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,695)	(1,453)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(3,735)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	12,920
4.5	Effect of movement in exchange rates on cash held	(195)	(1,112)
4.6	<b>Cash and cash equivalents at end of the period</b>	<b>14,199</b>	<b>14,199</b>

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	14,199	20,091
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>14,199</b>	<b>20,091</b>

**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
157
-

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, and 2) payments made to 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
<b>7</b>	<b>Financing facilities available</b>		
7.1	Loan facilities	13,616	11,801
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
<b>7.4</b>	<b>Total financing facilities</b>	<b>13,616</b>	<b>11,801</b>

7.5 **Unused financing facilities available at quarter end** **1,815**

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: 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
<b>8.</b>	<b>Estimated cash available for future operations</b>	
8.1	Net cash from / (used in) operating activities (Item 1.9)	(5,695)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	14,199
8.3	Unused finance facilities available at quarter end (Item 7.5)	1,815
8.4	Total available funding (Item 8.2 + Item 8.3)	16,014
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>2.8</b>

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

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#### 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: 31/07/2023

#### 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.