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**ASX RELEASE (ASX: MDR)**

**AGM Addresses by the Chair and the CEO & Managing Director**

**Melbourne, Australia, 30 November, 2022** – Attached are copies of the addresses to be given by the Chair and the CEO & Managing Director at MedAdvisor Limited's Annual General Meeting today.

- ENDS -

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

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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 25,000 pharmacies in the US to deliver programs to help patients take their medication safely and effectively. In Australia, MedAdvisor has connected over 2.9 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. Visit: [mymedadvisor.com/investors](http://mymedadvisor.com/investors)*

# **MedAdvisor Limited**

## **2022 AGM**

### **Chair's Address**

Good morning and thank you for joining us at MedAdvisor 2022 Annual General Meeting. For those of you I have not yet met, my name is Linda Jenkinson and I am the Independent Non-Executive Chair.

I am delighted to be here today, delivering my first address as your Chair. When I joined MedAdvisor I was excited to join a business that has the opportunity to transform medication adherence. I was appointed Independent Non-Executive Chair, in February 2022 following the retirement of previous Chair Chris Ridd as part of the planned transition to a more US-centric Board. I have been based in the US for the past 30 years, and I will be spending time in the US, Australia and New Zealand. On behalf of MedAdvisor, I would like to thank Chris for his dedication and commitment in helping steer the Company over his two years as Chair that saw the company stabilise our tech platform and successfully acquire Adheris.

Following the successful acquisition of US business Adheris, more than 75% of MedAdvisor's revenues and earnings are sourced in the US. Reflecting this the Company has consciously and carefully evolved our Board and Executive management team to better support and enable successful execution of the substantial US market growth opportunity.

2022 has been an important inflection year for MedAdvisor as we have made material and impactful changes to the Executive and Board to support the business in executing on the opportunities available and fulfilling our potential.

In July we appointed our US-based CEO and Managing Director Rick Ratliff. Rick brings a wealth of experience and a strong track record in healthcare, specifically in the pharmacy technology and SaaS sector. We also welcomed a new ASX experienced CFO in Ancilla Desai. Ancilla has over 20 years' experience in finance leadership roles across multiple sectors.

In July 2022, following the acquisition of GuildLink in Australia and the Guild Group's investment in MedAdvisor, Anthony Tassone was appointed a Non-executive Director. Guild Group is now our largest shareholder, and as Guild Group's nominee to our Board, Anthony further builds the Company's deep community pharmacy expertise.

Executive Director Josh Swinnerton retired from the Board. I would like to thank Josh, a co-founder of MedAdvisor, for his tireless service to the Company over the past 10 years, and I'm pleased he continues to be involved with the Company in an Executive capacity.

The transformation of the Board continued with RaeAnn Grossman who joined the Board in February as a non-executive Director and appointee of Cotiviti, Inc. RaeAnn is a highly experienced US healthcare executive currently serving as EVP, Risk Adjustment, Quality, Network & Consumer Engagement at Cotiviti, with Cotiviti being our second largest shareholder.

Most recently we welcomed Kevin Hutchinson to the Board. Based in the US, Kevin is a highly experienced healthcare technology executive with a track record of successfully building high growth innovative health tech companies. Kevin will bring valuable insight and added guidance as we expand our digital reach in the US and continue to invest in technology innovation.

Rob Read, our previous Managing Director and CEO steps down from the Board and his role at MedAdvisor today, and as a result is not seeking re-election at this AGM. Rob has supported an orderly transition to Rick while continuing as an Executive Director on our Board over the last five

months. The Board and I would like to thank Rob for his contribution to MedAdvisor's growth over the past seven years and wish him well for his future endeavours.

As I reflect on the past 12 months, financial year 2022 has seen been a year of significant progress, and I am confident that the platform we have built has strongly positioned the business for long-term growth.

We have expanded our digital reach in the US. We also entered the New Zealand market. In terms of digital innovation, we developed and successfully launched a omni-channel solution in the US. And lastly, post the end of FY22 we completed the strategic acquisition of GuildLink in Australia.

MedAdvisor has invested in improving the workflow of pharmacists. As pharmacies widen their scope of practice globally, and governments seek a more consistent approach to engaging with the pharmacy sector, our strong belief is that a consolidated and best in class platform is the best way to enable the industry to achieve these objectives.

I'd like to touch on cyber, which has become very topical lately. Medadvisor has recently completed our ISO 27001 recertification process, which has been verified by external auditors. In addition, the Adheris' US operations are HIPAA compliant, with applicable controls applied across all geographies where appropriate, supporting the protection of personal health data.

In closing, the past year has been one of tremendous change for MedAdvisor, and I believe the business today is in a much stronger position, well placed to continue its pathway to profitable growth.

Our results have only been possible through the dedication and commitment of MedAdvisor's people. I would like to thank all our team across the geographies we operate in for enabling this growth. Their desire to improve peoples' lives through MedAdvisor's unique health technology platform lies at the heart of our success.

I would also like to thank you, our shareholders, for the strong support you have shown via the successful capital raise earlier this year. We look forward to continuing to update shareholders on our progress.

I will now pass to Rick Ratliff, MedAdvisor's CEO and Managing Director, who will present an overview of the Company's FY22 results, but more importantly will outline our strategy and key priorities to take us to a more sustainable and profitable future.

Thank you Rick.

# **MedAdvisor Limited**

## **2022 AGM**

### **Managing Director & CEO's address**

#### **Slide 8: CEO's Address**

Thank you Linda, and good morning everyone.

When I started with MedAdvisor in July of this year, I committed to spending my first 100 days meeting the team, customers, business partners and investors to understand the overall opportunity for the business. Having completed this initial review, I am excited by what I have seen, the strength of the business, and the growth opportunities for MedAdvisor as we look to the future.

I'd like to outline for you my perspective on the global medication adherence opportunity, a challenge that is at the core of MedAdvisor's technology solutions. I'd like to provide a brief history of MedAdvisor's growth journey to date and where we are today. I will then provide an overview of our FY22 achievements. To conclude, I will summarize the results of my 100 day assessment and our key priorities in the near term to move towards a sustainable, profitable business which establishes our pathway to profitability.

#### **Slide 9: Medication adherence is a global issue**

Poor medication adherence is widely recognized as one of the most common and costly, yet preventable, issues in healthcare globally.

According to a study reported in BMJ Journals and cited in this presentation, over 50% of the adult population in most countries have a chronic condition and are on one or more medications. Interestingly, around 20% of these individuals don't fill their first medication and over 50% of those that do, stop taking their medication after 90 days. In a separate report, The World Healthcare Organization, has said that this is costing US\$600 billion annually.

I have spent my career building tech enabled healthcare businesses with an emphasis on helping patients to take more control of their own healthcare. I was attracted to MedAdvisor because of the opportunity to build a global medication adherence business that simplifies how patients engage in managing their medications. The MedAdvisor team has been on this journey for many years and has laid strong foundations to build upon.

#### **Slide 10: MedAdvisor's growth journey**

MedAdvisor launched in Australia in 2012, developing and commercializing its platform for pharmacy-to-patient digital communications. The MedAdvisor platform made it easy for pharmacies and groups to automate adherence reminders for regular prescriptions via SMS and email, and for the first time allowed pharmacies to offer patients mobile Apps for medication management, ordering and remote support. By improving the connection between the pharmacist and patient, MedAdvisor boosted adherence, improved medicines education and enhanced customer loyalty.

The business evolved rapidly over its first six years building App capabilities and features and working with big pharma on targeted delivery of medication education and awareness campaigns.

The MedAdvisor pharmacy SaaS platform added clinical service capabilities, allowing pharmacies to identify appropriate patients for funded services like in-pharmacy testing, vaccinations and medication reviews. By the end of 2019, MedAdvisor was supporting over 60% of Australia's network of 5,700 pharmacies.

The second phase of MedAdvisor's growth came over the last three years, with the business undergoing rapid market and digital expansion. In November 2020, the acquisition of US-based Adheris Health was completed, providing immediate scale in the US market and access to a pharmacy network reaching over 60% of the US population. This acquisition strengthened our position with community pharmacy as the primary communications channel for medication information to the patient and their family.

We have also been actively developing our strategic partnerships in the UK including the National Pharmacy Association. Similar to Australia and the US, there is clear opportunity to support the UK community pharmacy sector.

We entered New Zealand in 2022. The agreement with Green Cross Health provides MedAdvisor with access to approximately 40% of the New Zealand pharmacy market, and we are already seeing the benefits of increased SaaS revenue as our digital solutions rollout across this network.

And most recently, we acquired GuildLink, which was previously a wholly-owned subsidiary of The Pharmacy Guild of Australia. This transaction further solidified our strategic relationship with The Pharmacy Guild of Australia and expanded MedAdvisor's access to over 90% of Australia's community pharmacies

Earlier this year in the US, we launched our new data driven, intelligent omni-channel communications solution, complementing our existing US digital communications solution.

As I mentioned, I completed my assessment and we are now entering our third phase which is focused on our path to profitability. I will describe this phase in more detail following a quick update on our business year-to-date.

#### **Slide 11: MedAdvisor's reach today**

Today, MedAdvisor provides digital medication adherence solutions in target markets via a network of over 37,000 pharmacies globally. This network provides MedAdvisor with access to over 235 million people.

We have built this network in partnership with major US pharmacy chains; US pharmacy software vendors; The Pharmacy Guild of Australia; strategic distribution partners across US, Australia and New Zealand; and the National Pharmacy Association in the UK. Our growth strategy is further supported by strong relationships with 9 of the top 10 pharmaceutical organizations in the US.

#### **Slide 12: Increased revenue and margin in FY22 as business scaled**

The increased revenue and margin the business delivered in FY22 was underpinned by our growing scale in Australia and the US.

For the purposes of illustrating our underlying growth, the FY21 numbers were adjusted to include 12 months of Adheris' results so you can see the like for like growth achieved.

**Revenue** of \$68 million was up over 19% on a like for like basis. US revenue was up 13% to almost \$54 million, and Australian revenue was up 44% to just over \$14 million, reflecting in part increased network capacity and significant volume of COVID-19 and flu vaccinations through our network pharmacies.

**Gross margin** was up 17% to \$35 million on a like for like basis reflecting the top line growth achieved.

**EBITDA** represented a loss of \$11.3 million, given the significant business investment to develop and launch our omni-channel product offering.

**Operating cashflow** grew strongly, improving by \$12.3 million to be a small outflow of \$0.2 million, nearly achieving cashflow breakeven. As MedAdvisor has been scaling its global platform, it has been moving closer to operating cashflow breakeven and cashflow management continues to be a high priority for us.

### **Slide 13: Risks**

With this strong performance in mind, I think it is important to highlight the material business risks as summarized on the screen. We are cognizant of these risks and have developed a number of mitigation strategies.

### **Slide 14: FY22 achievements underpin positive start to FY23**

The market and digital expansion momentum we achieved in FY22 has continued into FY23.

We completed the strategic acquisition of GuildLink in Australia, a provider of digital healthcare solutions and medicine information for consumers and pharmacy. This has increased our access to over 90% of the pharmacy market in Australia and supports our strategic goal to be the leading medication and pharmacy professional services management platform within the Australian market. The integration of this acquisition is on track according to plan.

As disclosed on Monday, we recently signed an agreement with one of the largest US pharmacy management software vendors growing the US pharmacy network by 50%, now sitting at over 30,000 pharmacy locations. This agreement's focus is on our digital solution. When combined with additional support from existing pharmacy partners, we have increased our potential reach for our digital solution to over 60 million patients.

The COVID-19 awareness program launched in FY22 in the US (as announced in November 2021) has been expanded through to the end of 2022. We have also recently launched a program with the same pharma manufacturer focused on creating awareness of a new treatment for COVID-19.

The COVID-19 awareness program had a positive impact on Q1 FY23 and we expect a strong Q2 with respect to this program. While the US health programs are somewhat seasonal in general, pharmaceutical organizations are making significant additional investments at this time of year seeking to drive vaccination awareness and education in anticipation of the next flu and COVID season in the US.

### **Slide 15: MedAdvisor's growth journey**

Turning our attention to the future, I have completed my 100 day assessment to understand the overall state of the business. And, from that assessment I have determined that our focus in FY23 needs to be on executing on a pathway to profitability, prioritizing initiatives that will move the business toward breakeven and lay the foundation for profitability in FY24.

### **Slide 16: Pathway to Profitability**

There are three key initiatives that will underpin a more sustainable and profitable future for MedAdvisor.

The first two initiatives are focused on improving operating expenditures. The first initiative involves execution of a plan to move to our single global platform to facilitate regional expansion at reduced cost. The second initiative will reduce operational expenses across the business by optimizing our cost structure while also supporting the roll out in the UK.

The third initiative is focused on increasing revenue and margin through product innovation, establishing MedAdvisor as a global digital product leader and innovator.

I will now talk to each of these initiatives in more detail.

### **Slide 17: Delivering efficiencies from next gen global platform**

We have made good progress with developing our next generation global platform, having developed the platform through the work in the UK which is now complete. With a single core system developed, we are able to add unique regional extensions as has been done in the UK.

MedAdvisor's next generation global medication adherence platform has been designed as a single cross-regional platform that will facilitate global expansion at reduced cost. Overall, the objective is to standardize on a single tech stack, achieve a lower cost to deliver, simplify integration with customers and 3<sup>rd</sup> parties, as well as establish a more flexible platform for future capability development.

In terms of global platform rollout across the regions, the UK FY23 rollout will be on the newly developed platform. The GuildLink integration is the catalyst to move Australia onto the second generation of the platform, a process that is already in progress, then followed by New Zealand.

In the US, we are moving the platforms to the cloud as a first step with an investment of approximately USD \$800K, resulting in USD \$3M in savings over 3 years. We are currently in the process of developing a technology plan and assessing the investment requirements to migrate the US tech platforms to the single global platform.

### **Slide 18: Delivering efficiencies from business operations**

We are also identifying opportunities to improve our business operations in order to bring operating costs in line with our current products and markets.

We are restructuring the US business in two phases. Phase 1 is complete which saw a 15% reduction in headcount with savings supporting phase two, optimizing the team structure. We are looking to hire talent across sales, account management, marketing and analytics, and have successfully hired a new senior sales executive and an experienced product executive. As part of phase 2, we are also looking closely at our data and analytics strategy.

We will further expand our digital solutions across the US pharmacy network to drive growth of existing solutions and to drive conversion of legacy in pharmacy solutions to digital. We also aim to put in place standardized pharmacy network agreements with a focus on aligning incentives.

In terms of our Australian operations, we are focused on completing the GuildLink integration, realizing synergies and further optimizing operations through FY23.

We will also be looking to standardize pricing across products and markets.

Lastly, we will assess and optimize office space across regions. We recently decreased our US office space, resulting in over \$750K in annual savings and will be analyzing the needs of the business in Australia given our hybrid work from home practices / following COVID.

### **Slide 19: UK growth opportunity reinforced**

In line with our business operations review, we committed mid-year that we would complete a review of the UK and report on our direction at this meeting. I have reviewed the program and visited the UK team and our strategic partners in London. This process reinforced the growth opportunity for MedAdvisor, and we have made the decision to move forward with expansion in the UK for the following reasons:

- The strategic alignment is solid
- The market opportunity is sizeable
- Our product is ready for this market
- Pilot testing with a small group of community pharmacies has been positive
- Strategic partnerships are in place and we are well positioned relative to the competition
- We will minimize additional cash burn and additional growth of resources will be self funded

The continued expansion for early next calendar year will be carefully monitored.

### **Slide 20: Product Innovation**

Further, we are investing in our product innovation capability to integrate our product planning and to strengthen our core products while planning for future growth.

Our focus is on “Core” products deployed in existing markets. These include the global platform functionality extensions, GuildCare application migration onto the MedAdvisor clinical services platform, and the US digital product roadmap development and execution. Each of these initiatives has a positive impact on lower cost to deliver and improved margins.

We are analyzing “Adjacent” opportunities that are an expansion into “new to MedAdvisor” business, such as specialty medications. We have engaged an ex- GlaxoSmithKline executive with expertise in specialty medications to help us determine our strategy in the specialty medications market. We are also stepping back and analyzing the market attractiveness of the commercial payer market.

We are also taking initial steps to look at “Transformational” opportunities. We are assessing opportunities under our data and analytics strategy with respect to behavioral based patient engagement and advanced analytics solutions.

### **Slide 21: Summary:**

I'd like to close with a summary of our priorities in the near term. In support of the global strategy I laid out, our near term priorities by region include the following:

- In the US: grow digital solutions to grow revenue and improve margins
- In Australia: complete the GuildLink integration to drive further scale and efficiencies
- In NZ: complete the roll out to strengthen our market position and grow SaaS revenue, and
- In the UK: focus on the successful expansion starting in early 2023

As a global business, we are also focused on taking our company on a pathway to profitability.

Thank you and I will now hand back to Linda for the formal part of today's meeting. Any questions you might have can be delivered after the formal part of the meeting during Q&A.