

ANNUAL GENERAL MEETING – 21 NOVEMBER 2023

Chairman's Address

2023 has been a momentous year for PharmX Technologies, not least in the change of name from Corum Group. Several major milestones were achieved which will fundamentally improve the prospects for the Group.

The most significant of these milestones came in July 2023 when a binding agreement was signed for the sale of the pharmacy software business with Jonas Software AUS Pty Ltd, part of the Jonas Group which is an operating group of the Toronto Stock Exchange listed company Constellation Software Inc (TSX: TSU). The transaction was overwhelmingly approved by shareholders at an Extraordinary General Meeting held on 20th September 2023. The total potential consideration is \$6.25m plus earnout payments. \$4.75m was received at completion on 30th September 2023 with a deferred amount of \$1.5m payable on the first anniversary of completion. The earnout payments are payable subject to the achievement of annual recurring revenue targets on the first and second anniversaries of completion. The disposal of the pharmacy software business completes the streamlining of the Group following the sale of the real estate e-commerce division in FY22. The Group will now be fully focussed on the operation of its PharmX and PharmXchange businesses and is now a truly independent provider of services to pharmacies and their suppliers.

In the year, revenue from continuing operations, PharmX and PharmXchange, was \$6.1m, an increase of 14% on FY22. This increase was driven primarily by increased PharmX revenue from new supplier to pharmacy connections. There was a small contribution from the PharmXchange platform which successfully completed the pilot phase during the year.

For the year ended 30 June 2023, the Group reported an operating loss before tax from continuing operations of \$719,000 against a profit of \$122,000 in the prior year. The current year result was impacted by one-off legal costs relating to the ongoing PharmX court case, which was heard in the Victoria Supreme Court in November 2022. Excluding these legal costs, the profit before tax from continuing operations was \$518,000.

Operating cash flow for the year was \$10.9 million compared to \$3.3 million in the prior year. This figure was distorted by the receipt of \$8.1 million of proceeds from the PharmX court case judgement and \$1.2 million of associated legal costs. Excluding these legal case related cash flows, operating cash flow was \$4.1 million, in line with the previous year.

The statutory loss after tax and impairment, including discontinued operations for the financial year was \$1.05m against a profit of \$252,000 in 2022.

At the end of the financial year, cash on hand was \$12.8 million compared to \$5.8m in the previous year.

A second milestone was achieved in September 2022 when the Group launched and completed the pilot phase for PharmXchange, a digital sales and marketing platform for suppliers that builds on the functionality of PharmX and improves market access for suppliers and efficiency for pharmacies. This is the first major innovation for the PharmX platform in many years and in addition to PharmX's existing functionality, offers

suppliers tailored sales and marketing options and an integrated payments solution. In April 2023, the platform added an Education and Training hub, EduCentre, which provides a centralised repository for suppliers' product information and training materials. One of the key advantages of PharmXchange is that there is little integration required by suppliers to use the platform, which eliminates many of the onboarding barriers previously experienced with PharmX, especially for smaller suppliers.

Today, PharmXchange has over 240 brands on the platform covering nearly 11,000 products. Many of the leading pharmacy suppliers such as Haleon, Arrotex, Revlon, Blackmores, Pfizer, Bayer and Reckitt Benckiser have recognised the value that PharmXchange brings as a new channel to market. The reaction from pharmacies has also been extremely encouraging with over 2,000 now registered to PharmXchange.

The third major milestone was in relation to the long-running legal case related to Corum Systems Pty Ltd and PharmX Pty Ltd. In April, judgement was handed down in the Victorian Supreme Court and in May final orders were made. As a result, Fred IT Group Pty Ltd was ordered to pay PharmX the judgement sum of \$5.1million plus interest of \$1.5million. Fred IT also agreed to pay \$1.5million of costs. The judgement is subject to appeal following Fred IT filing an appeal that is expected to be heard in early 2024. No revenue has been recognised in relation to these proceeds pending the outcome of the appeal.

The outlook for the Group is very bright. Our focus remains on delivering profitable revenue growth and capitalising on the recent investments made in both PharmX and PharmXchange. The sale of the pharmacy software business will ensure strong focus on this market dominant gateway and its integrated and related activities. It will also remove any perceived conflicts between the business activities of PharmX and PharmXchange and those of the discontinued operations.

We have continued to add new suppliers to the PharmX gateway and provide both suppliers and software vendors with additional functionality as well as enhanced reliability and stability to better service the pharmacy market. Pharmacy faces some immediate challenges, posed, not least by the introduction of 60 day dispensing of Pharmacy Benefits Scheme prescriptions, and will be seeking to improve the efficiency of their operations. We see further utilisation of PharmX by pharmacies as a key part of their ability to address these challenges.

We are excited about the potential offered by the PharmXchange platform and are encouraged by its rapid take up by both pharmacies and suppliers. We believe it provides an excellent growth runway in the pharmacy sector as well as creating the opportunity to enter new market verticals.

We have also recently moved our registered address and offices to premises in Castlereagh St Sydney, taking advantage of the favourable environment for office rentals to right size for the new look business.

Finally, I am delighted to welcome Tom Culver to PharmX as the new CEO effective yesterday. Tom joins the Group with an extensive background leading innovative technology companies, driving sales and implementing growth strategies. He has over 20 years of experience as a founder and business owner, as well as senior leadership roles in organisations across the public and private sectors and in both B2B and consumer focussed enterprises. His technology, growth and leadership experience will be vital as the Company focuses on revenue growth, delivering exceptional customer engagement, and raising its profile with enterprise providers and pharmacists across Australia and New Zealand.

The simplification of Group activities and the resolution of some of the legacy issues mean that solid foundations have been established and I am confident that Tom will help us exploit the potential of the business.

Finally, as foreshadowed in the annual results presentation, the Board has examined capital management options and a resolution will be put to this meeting to approve a capital return of 0.75c per share. The Board will consider further capital management options once the results of the appeal in the legal proceedings are known.

I would like to thank you all for your continued support of PharmX.

This announcement has been authorised for lodgement by the Board.

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PharmX Technologies Limited

Annual General Meeting

Chairman Nick England
21 November 2023

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PharmX Technologies Board



Nick England

Chairman

- 35 years of senior executive experience
- Global roles in Australia, the UK and Europe
- Exec roles with Alliance UniChem PLC (now AB Walgreens)
- Responsible for strategy, sales and business performance.
- Pharmacist



Dennis Bastas

Non-Executive Director

- Majority shareholder and Executive Chairman of two of Australia's leading generic pharmaceutical companies, Arrotex Pharmaceuticals and Juno Pharmaceuticals.
- Chairman of myDNA - a world leading pharmacogenomic and health platform



Jon Newberry

Non-Executive Director

- 30 years experience in senior executive and Board roles for ASX listed companies
- Head of Corporate Finance & Projects for ASX listed Downer EDI
- Chairman of Repurpose It Pty Ltd
- Previously Chief Executive Officer of ASX listed Clarity OSS Limited



Jayne Shaw

Non-Executive Director

- Executive roles in two Australian private hospitals
- Founded consulting business sold to Healthsouth (US)
- Co-founder Vision Group, listed on the ASX.
- Board member Mable Technologies, Woolcock Institute, and Citadel

Key Achievements FY23



Name Change

Company name change from Corum Group Limited to **PharmX Technologies Limited** to better reflect the focus and operations of the business going forward.



Pharmacy Software Sold

A binding agreement was signed in July 2023 for the sale of the Pharmacy Software business for \$6.25m plus potential earnout payments. Completion occurred September 2023 with \$4.75m of the proceeds received at this time.



Financial Results

Revenue grew by 14% to \$6.1m. Statutory loss before tax of \$719k, against a profit of \$122k in the prior year, impacted by one-off legal costs related to the PharmX court case. Excluding these legal costs, underlying Profit Before Tax was \$518k. Cash on hand \$12.8m.



PharmXchange

Pilot program successfully completed in September 2022. Roll out from October 2022. Today, PharmXchange has over 240 brands, 11,000 products and 2,000 pharmacies.

Key Achievements FY23



PharmX Court Case

Judgement was handed down 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 an appeal, expected to be heard in 2024.



PharmX

We continue to increase the number of connections between pharmacies and suppliers, as well as develop enhanced functionality and reliability. PharmX offers pharmacies efficiency improvements in their operations which can help them address some immediate market challenges they are facing.



New CEO

Tom Culver has been appointed as the new PharmX Technologies CEO, effective 20 November 2023. Tom has extensive experience leading technology companies, driving sales and implementing growth strategies.



Capital Return

Capital management options have been considered and a resolution will be put to this meeting to approve a return of capital of 0.75 cents per share. This is a total return of approximately \$4.5m.



Thank You

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