

Market Release

27 August 2024

PharmX FY24 Results announcement

PharmX Technologies Ltd (ASX: PHX) (**PharmX**) is pleased to announce its full year results for the year ended 30 June 2024.

Key Financial Highlights

Key Metrics – Continuing Operations		vs PCP
Underlying Revenue	\$6.7m	+9%
Underlying EBITDA	\$1.8m	+17%
Underlying NPAT	\$0.5m	+34%
Underlying Operating Cashflow excl. net R&D tax incentive	\$2.0m	+97%
Cash On Hand	\$13.1m	+2%

Key Business Highlights

- Divestment of Legacy Pharmacy Software Business:** In July 2023, PharmX signed an agreement to sell its legacy pharmacy software business to Jonas Software AUS Pty Ltd. This sale was approved by shareholders during an Extraordinary General Meeting on September 20, 2023. The transaction was completed on September 30, 2023, resulting in an initial receipt of \$4.75 million. An additional amount, after completion adjustments, of \$1.26 million will be received on the first anniversary of the transaction.
- Capital Distribution to Shareholders:** In December 2023, PharmX distributed \$4.49 million to shareholders, amounting to \$0.75 cents per share, reflecting the Company's commitment to returning value to its investors.
- Legal Proceedings Update:** On May 30, 2024, the Victorian Supreme Court heard the appeal by Fred IT Group Pty Ltd (Fred IT) against the previous judgment awarded in the Group's favour in June 2023. The appeal judgment, delivered on August 8, 2024, favoured Fred IT. PharmX has now repaid the original judgment amount of \$8.13 million, and the costs and interest of \$1.77 million agreed in final Orders issued by the Court. No further costs are expected to be incurred in relation to this matter. Despite the payment of these amounts, PharmX remains financially robust, with cash reserves forecast to exceed \$4 million by the end of 2024.
- PharmX Gateway & Marketplace:** The PharmX Gateway continues to exhibit strong growth, driven by targeted marketing efforts that have resulted in a 4% increase in account connections between suppliers and pharmacies. Marketplace has experienced strong month on month revenue growth of 20% plus in 2024. Across its Gateway and Marketplace product suite PharmX now provides pharmacies with access to 140 leading suppliers and wholesalers.

- **Strategic Partnerships and Business Expansion:** PharmX's continued success is exemplified by the renewal of key contracts, including with the National Diabetes Services Scheme (NDSS), and the establishment of exclusive agreements in fast-growing sectors like nicotine replacement therapy for vaping products and beauty. Partnerships with prominent beauty brands like MCo Beauty and Natio further highlight PharmX's strategic expansion and market influence.
- **Strengthened Leadership and Investment in Talent:** To support its strategic objectives, PharmX has made significant investment in its leadership team. Key appointments include Tom Culver as CEO in November 2023, alongside the introduction of a new Head of Brand & Marketing, Chief Technology Officer, Head of Data and Analytics, and Head of Product, all of whom bring specialised knowledge to drive the business forward.

Key Financial Highlights

- **Revenue Growth:** PharmX reported statutory revenues of \$8.09 million, marking a 32% increase over the previous corresponding period. The increase in revenue includes \$1.44 million recognised in relation to the finalisation of the PharmX legal case. Excluding this amount revenues grew by 9% to \$6.65 million driven mainly by the increase in account connections and transaction value across the PharmX product suite.
- **EBITDA Impact:** Statutory EBITDA was \$1.45 million, representing a 340% increase from the previous corresponding period. In addition to the revenue recognised above, \$1.82 million of costs have been recognised in the year relating to the finalisation of the PharmX legal case. Excluding the impact of the legal case from both years, EBITDA grew by 17% to \$1.83 million compared with the previous period, which underlines the ongoing prudent cost management within the business.
- **Strong Cash Position and Cash Flows:** PharmX concluded the year with a strong cash balance of \$13.14 million. Despite the financial impact of the recent conclusion of the legal proceedings, after repaying the original judgement amount of \$8.13 million and costs and interest of \$1.77m following the Victorian Supreme Court's decision, PharmX is forecast to have over \$4 million in cash reserves by the end of 2024. Excluding net R&D tax incentives operating cash flows increased by 100% compared with the prior year and by more than 40% when the net R&D tax incentives are included. This solid financial footing highlights the Company's resilience and ability to fund its growth ambitions and navigate challenges while maintaining fiscal strength.

PharmX Chairman, Nick England, commented: "2024 was a transformative year for PharmX. With the successful sale of our legacy pharmacy software business to Jonas, the resolution of a long-standing legal case, and continued growth across our Gateway and Marketplace solutions, we are well-positioned for future success. The enhancement of our leadership team and planned expansion of our services further strengthens our ability to drive innovation and growth. We approach FY25 with great optimism and confidence in our strategic direction."

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This announcement has been authorised for lodgement by the Board

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About PharmX Technologies Ltd.

PharmX Technologies Limited (ASX: PHX) is an Australian-owned, publicly listed company dedicated to advancing healthcare through transformative technology. Positioned at the heart of the pharmacy network, PharmX drives growth by connecting the industry, streamlining inventory management, and enabling smarter business decisions through data-driven solutions.

With a strong legacy of nearly two decades, PharmX optimises connectivity between pharmacies, suppliers, and key stakeholders in the government, technology, and healthcare sectors. Renowned for its supply-chain Gateway launched in 2006, PharmX has evolved to enable a breadth of communications across the entire pharmacy eco-system, being used by 99% of Australian pharmacies with a growing network in New Zealand.

In addition to the Gateway, the PharmXchange Marketplace offers an advanced e-commerce platform that allows pharmacists to easily access a wide range of products and promotions, while providing suppliers with an innovative marketing and distribution channel. Supporting these offerings is a robust analytics solution that provides comprehensive insights into market dynamics, enhancing trade, reducing costs, and improving accuracy, ultimately fostering business expansion and elevating the Australian healthcare industry.