

## Trading update Market Release

29 October 2021

### ASX Announcement

## Trading Update following Q1 FY22

Corum Group Limited (ASX: COO) (Corum or the Company) is pleased to announce a trading update following the first quarter of FY22.

### Key Highlights

- Total group revenue for the quarter<sup>(1)</sup> of \$3.3m up 7% on pcp. **Health Services revenue of \$3.0m for the quarter<sup>(1)</sup>**, up 11% on pcp, primarily attributable to PharmX. Real Estate eCommerce decline in line with expectations with revenue for the quarter of \$0.3m<sup>(1)</sup>, down 20% on pcp.
- Important **new customer wins** include:
  - **Go Vita** operate 130 health and vitamin stores across Australia. Corum has entered an agreement to be their preferred operational software provider. Go Vita are the first major non-pharmacy customer for Corum. In addition, they are a large supplier to the pharmacy market and will distribute via the PharmX platform.
  - Corum has extended its existing relationship with Sigma into the **WholeLife branded stores**. Corum has been providing head office software to Sigma's "Discount Drug Stores" for over 10 years and our expansion into WholeLife represents another extension of a broader relationship with Sigma.
  - Corum has also been selected by the group **Pharmacy Essentials** as one of their preferred Head Office suppliers.
- **Corum has launched a state-of-the-art cyber protection product for Australian pharmacies, CyberGuard**. This is a subscription-based service designed to prevent the increasingly prevalent ransomware attacks and ensure pharmacy patient data is protected with enterprise level technology.
- **The investment in PharmX has continued** with focus on both growing the number of suppliers on the platform and the utilisation of the service by pharmacies as measured by connections to the platform. Supplier numbers increased by 10% and connections by 12% compared to pcp.
- Corum has **entered into an agreement with DataMesh Group** to develop payment capabilities across our customer network.
- **TMT Partners** have been engaged as corporate advisors to **actively seek merger and acquisition opportunities**.
- **Closing cash balance as of 26 October 2021 is \$7.5m**, up 16% since 30 June 2021.

(1) Based on Corum Group's unaudited financials as of 30 September 2021.

## Key Activities

During the September 2021 quarter, Corum Group entered into several partnership agreements that will deliver meaningful growth opportunities. These include our first ever major agreement with a retailer outside of our core pharmacy market with Go Vita who operate 130 health and vitamin stores across Australia. In addition, Go Vita have partnered with PharmX to assist them in growing their wholesale business within pharmacy.

As previously announced, Corum has extended its relationship with the leading wholesaler Sigma Healthcare by becoming the preferred supplier of Head Office software for their WholeLife branded stores, building upon the long-term agreement with its Discount Drug Stores group.

As foreshadowed at the FY21 results, Corum has begun to make targeted investments in its growth strategy, with PharmX a particular area of focus. Our strategy for PharmX is threefold:

1. To grow the number of suppliers on the platform.
2. To increase the utilisation rates of pharmacies as measured by connections.
3. To develop new commercial services for PharmX users, both suppliers and pharmacies.

The number of suppliers using the PharmX platform has increased 10% YOY. The number of active connections between pharmacies and suppliers has increased 12% YOY. The growth this quarter has predominantly come from entering into a new supplier agreement with Integra Healthcare and increased utilisation of the platform by Blackmores and PharmaCare.

As part of the strategy to increase utilisation, we have progressed discussions with more than 20 of the leading pharmacy retail banner groups which has resulted in signed agreements with Alive Pharmacy Group, Good Price Pharmacy Group and Capital Chemist Group to drive supplier and pharmacy engagement with the PharmX platform.

Corum has recently signed an important partnership agreement with DataMesh Group, a payment solutions provider. DataMesh Group provide a range of services including the provision of streamlined, low cost and flexible integrated payment terminal solutions. This partnership will allow Corum Group to develop a payment capability for our customers and will further cement the relationships between PharmX and our customer network.

During the quarter we launched Corum CyberGuard. Designed to prevent ransomware attacks and ensure pharmacy patient data is protected with enterprise level technology, this product has been positively received in market. The health sector remains the highest reported industry sector for cyber breaches and cyber security is a key concern for pharmacists. Corum is addressing this market need with this new subscription-based service.

### Corum Group Managing Director and CEO, Julian Sallabank said:

"This quarter we have continued to invest in our product strategy across both PharmX and our retail software offering. We have added new people and launched new product initiatives. We have continued to concentrate our efforts on adding additional suppliers onto the PharmX platform through new agreements with suppliers and retail groups and we now have a healthy pipeline of suppliers awaiting to be onboarded.

We are delighted to have reached an agreement with the Go Vita group across both our PharmX and core software business which represents our first major win outside our core pharmacy vertical.

The launch of CyberGuard addresses a growing issue for all pharmacy businesses around cyber security and ransomware attacks. This new product further enhances our offering of a complete suite of pharmacy software products.

These achievements, combined with a closing cash balance as of 26 October 2021 of \$7.5m (up 16% since 30 June 2021) positions Corum Group well to now capitalise on our hard work over the last 12 months."

- ENDS -

*This notice has been authorised for release to the ASX by the Board of the Company.*

**For further information please contact:**

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## **About Corum Group**

Corum Group Limited [ASX:COO] (Corum) is an Australian company limited by shares that owns businesses in technology and software development.

For more than 30 years Corum has been using its deep industry expertise and extensive relationships to develop Point-Of-Sale, Dispensing and Management software for pharmacy head offices and retail stores and a range of eCommerce and ordering solutions throughout Australia. Corum Health now also includes PharmX, an electronic gateway that links pharmacies, pharmaceutical wholesalers and direct suppliers within the pharmacy market.

Corum is determined to offer the best solutions to its customers through the products, services and processes of each of its businesses.