

Market Release

22 February 2019

Half-Year Results December 2018

Key Highlights

- Revenue was \$5.8m a decrease of 8.4% on the prior period with both Health Services and eCommerce contributing profitably.
- Health Services revenue fell by 8.2%, a slower rate than previously and largely attributed to banner group losses in prior years still being implemented.
- Underlying operating profit for the period was \$0.5m (2017: \$0.4m) before restructuring costs, income tax and goodwill impairment. The net result after tax and goodwill impairment was a \$2.3m loss (2017: \$0.2m profit).
- Actions were undertaken during the half to further align costs with Corum's revenue base. This has reduced overhead costs by \$2.3m on an annualised basis, with this half contributing savings of \$0.4m. A one-off restructuring cost of \$0.2m was incurred.
- Corum has recognised a non-cash impairment charge for goodwill of \$2.5m. This charge will have no impact upon normalised EBITDA or cash flow. It reflects the view that the introduction of Corum Clear Dispense in FY19 will impact the return of existing legacy software over time.
- Cash held at the end of the period was \$4.8m, compared to \$5.0m at the end of June, 2018. The cash position is the result of investment in new product development of \$1.5m, restructuring payments of \$0.3m and other receivables due of \$0.5m, largely offset by an income tax refund received of \$1.8m.

Corum Clear Dispense, Australia's newest pharmacy dispense system, has been approved by the Department of Human Services for connection to PBS online. This critical regulatory milestone enables community pharmacies piloting Corum Clear Dispense to begin live transactions through the PBS online portal, a key step prior to full commercial release.

The vision for Corum's new dispense system is to simplify the dispensing process and provide an adaptable platform to meet evolving needs in community pharmacy.

During the half Corum invested \$1.5m in new product development and an additional \$0.7m in upgrading existing platforms.

Corum has continued to focus upon growth opportunities, some of which may necessitate additional funding. These opportunities are expected to drive future revenue and profitability over time.

For further information contact:

David Clarke

Chief Executive Officer

companysecretary@corum.com.au

About Corum Group:

Corum Group has been a pioneer in creating software solutions to Australian community pharmacies and pharmacy groups. Dedicated to the success of community pharmacy and the care of their patients, Corum has an enviable pedigree dating back to the pioneering days of pharmacy software. Corum's point of sale, dispense, head office and associated software systems are in use by thousands of pharmacies across Australia, underpinning their businesses and supporting the health care of millions of Australians.