

ASX RELEASE (ASX: AHE)

Adheris Health Q2 FY26 Report

Quarterly Activities Report and Appendix 4C¹

Key Highlights

- John Ciccio appointed as CEO and Managing Director during the period, with former CEO Rick Ratliff supporting transition through his notice period.
- Key focus of new leadership has been on stabilising the business, rebasing operating costs and converting pipeline opportunities.
- Achievements to date include enhancements to the executive management team; delivery of a material cost out program; and re-engagement with a number of former customers.
- Q2 FY26 operating revenue of \$13.7m, down 45.8% on prior corresponding period (pcp) (Q2 FY25: \$25.3m).
- Q2 FY26 gross profit of \$6.5m, down 57.5% on pcp (Q2 FY25: \$15.3m)
- Gross margin of 47.8%, down 12.7 ppts on pcp (Q2 FY25: 60.5%)
- Holdback payment relating to the sale of the ANZ business of \$6.1 million received on 27 January 2026.
- Net cash at period end of \$8.1 million. Pro-forma cash position following receipt of Holdback payment of \$14.2 million.
- Successful launch in December 2025 of new technology platform, providing more efficient omnichannel delivery of programs and a scalable mechanism to support growth. Additional features and functionality to be rolled out in Q3 FY26.
- Focus now shifts to delivering commercial and operational benefits – accelerating digital product innovation, improving delivery and execution, and embedding AI to drive enhanced personalization and deeper patient engagement.

¹ All references to prior periods are presented on a discontinued operations basis for comparative purposes.

Melbourne, Australia, 30 January 2026 – Adheris Health Limited (ASX: AHE) (“Adheris Health” or “the Company”) provides its quarterly activities report and Appendix 4C for the three months ended 31 December 2025 (Q2 FY26).

Financial Results

AUD (\$m)	Q2 FY26	Q2 FY25*	Change
Revenue	\$13.7m	\$25.3m	(\$11.6m)
Gross Profit	\$6.5m	\$15.3m	(\$8.8m)
Gross Margin	47.8%	60.5%	(12.7 pts)

*PCP figures represent the US business only and exclude the discontinued ANZ operations

- Q2 FY26 operating revenue of \$13.7 million was down 45.8% on pcp (Q2 2025: \$25.3 million), due to lower customer renewal rates, lower vaccine revenue driven by continued decline in US vaccination rates, and lower average deal sizes due to pharma budget pressures.
- Gross profit and gross margin decreased, reflecting the lower revenue, allocation of platform costs, and a shift in product mix versus pcp.
- Net operating cash outflow of \$4.7 million (Q1 FY26: \$0.7 million outflow) was influenced by the following movements:
 - Operating cash receipts were \$8.5 million (Q1 FY26: \$8.1 million).
 - Staff costs of \$5.3 million (Q1 FY26: \$2.2 million²), include \$1.1 million of non-recurring payments to departed or departing staff members. Full benefits of cost out program anticipated by Q4 FY26.
 - Administration and corporate costs of \$2.0 million (Q1 FY26: \$0.7 million³). Cost out program has already yielded results, and full benefits anticipated by Q4 FY26.
 - Other operating cash payments of \$5.9 million (Q1 FY26: \$5.8 million).
- The FX loss on group revenue was immaterial.
- Payments to related parties of the entity and their associates were \$464k. This includes fees and remuneration paid to the previous CEO (up to the date of his resignation on 7 November 2025), the current CEO (from the date of his appointment) and the CFO and Directors.

² Reported spend of \$2.2 million includes a \$2.1 million reversal of accruals relating to Australian staff long service leave and annual leave. On an underlying basis, actual spend was \$4.3 million.

³ Reported spend of \$0.7 million includes \$4.3 million reversal of accruals relating to Australian staff administration and corporate costs. On an underlying basis, actual spend was \$5.0 million

Operating Business Performance

While the quarterly financial performance was down significantly versus Q2 FY25, we've responded to evolving market conditions by implementing the following important initiatives:

- Appointed three commercial executives with proven track records and decades of combined experience in the market (including over 50 years' combined tenure with Adheris Health).
- Launched our new technology platform, which enables accelerated digital innovation and more efficient program execution.
- Delivered a substantial cost-out program that rebases operating expenses and creates improved scalability and a faster path to profitability.
- Re-engaged with customers whose spend declined or stopped in prior periods, resulting in the addition of over \$25 million in win-back opportunities to our pipeline.

Key Short-Term Priorities

- Build an increasingly scalable operation by continuing to optimize our cost base as we expand the use and capabilities of our new technology platform. For example, staff costs expected to drop to approximately \$3.6m in Q4 FY26 as the impact of recent changes flows through the business.
- Materially reduce our dependence on vaccine revenue by diversifying our pipeline toward high-growth categories like obesity (including GLP-1 medications), immunology, diabetes, respiratory, and complex specialty conditions.
- Refocus our business development efforts toward higher-margin solutions like THRiV and digital messaging, resulting in a more favourable revenue mix.
- Increase the breadth and scale of our pharmacy network by onboarding new partners and expanding channels across our existing footprint.
- Level up our digital engagement suite, incorporating richer content, AI agents, and deeper pharmacy integration to maximize behavioural impact.

Commenting on the quarter, CEO & Managing Director, John Ciccio said: *"I am proud of our team's achievements over the short period since my return to the business. We have responded decisively to changing market conditions and are laying the foundations for a more scalable, profitable and diversified business. Over the quarter, we strengthened our*

leadership team, launched our new technology platform, and delivered a substantial cost-out program.

Looking ahead, our focus is on building a more resilient revenue base by reducing our reliance on vaccine programs and expanding into high-growth therapeutic categories and complex specialty conditions. We are also prioritising higher-margin solutions such as THRiV and digital messaging, expanding our pharmacy network, and enhancing our digital engagement capabilities.

There is still much to do, but we are confident the business is now better positioned for improved performance and the eventual return to profitability.”

- ENDS -

This document has been authorised for release by the Board of Adheris Health Limited.

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About Adheris Health

Adheris Health (ASX: AHE) is a leader of pharmacy-driven patient engagement solutions that provide personalised patient experiences to help simplify the patient medication journey. Leveraging THRiV, a cloud-based, AI enabled platform, Adheris Health empowers the pharmacy of the future through improved pharmacy workflow and patient engagement solutions. Adheris Health works with over 25,000 pharmacies across the US with reach to over half of the population. For more information, please visit: investors.adherishealth.com.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Adheris Health Ltd

ABN

17 145 327 617

Quarter ended ("current quarter")

31 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,477	16,573
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(5,718)	(11,463)
(c) advertising and marketing	(174)	(278)
(d) leased assets	(2)	(2)
(e) staff costs	(5,320)	(7,564)
(f) administration and corporate costs	(1,986)	(2,727)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	26	36
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	4	4
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(4,692)	(5,420)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	24,113
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	24,113

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	375
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(23,190)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	(49)
3.10	Net cash from / (used in) financing activities	-	(22,864)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,995	12,552
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,692)	(5,420)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	24,113

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(22,864)
4.5	Effect of movement in exchange rates on cash held	(202)	(281)
4.6	Cash and cash equivalents at end of period	8,100	8,100

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,100	12,995
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,100	12,995

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	464
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
n/a		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(4,692)
8.2 Cash and cash equivalents at quarter end (item 4.6)	8,100
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	8,100
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.73
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: The Company received the holdback amount of \$6.1m on 27 January. These additional funds coupled with a decreased operating activity spend will mean the Company will have sufficient funds available.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a. Refer 8.6.1.	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes.	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2026

Authorised by: Board of Directors – Adheris Health Ltd
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.