Microcap Research INDEPENDENT EQUITY ANALYSIS AVCR-2026-06

Avricore Health Inc.

TSXV: AVCR · HEALTHCARE / POINT-OF-CARE DIAGNOSTICS (PHARMACY TECHNOLOGY) · JUN 11, 2026

RATING	12-MO TARGET	AT PUBLICATION	IMPLIED UPSIDE	MARKET CAP
Spec. Buy	C$0.11	C$0.05	120%	C$5.1M

Bottom line: Microcap Research rates Avricore Health Inc. (TSXV: AVCR) Spec. Buy with a 12-month price target of C$0.11, about 120% above the C$0.05 share price at publication on Jun 11, 2026. Market capitalisation at publication: C$5.1M.

A deliberate, high-stakes pivot: Avricore walked away from the Shoppers Drug Mart contract (~97% of revenue) to bet entirely on the UK NHS pharmacy market, collapsing revenue ~90% and triggering going-concern doubt. At a ~C$5M market cap with ~700 analyzers staged, blue-chip NHS partners, and a September 2026 national independent-prescriber rollout, the stock is a cheap option on UK execution — with first subscription revenue expected H2 2026.

KEY STATISTICS — AS OF JUN 11, 2026

Market Cap	C$5.1M
Cash (Q1 2026)	C$0.20M
Revenue (FY2025)	C$0.53M (-89%)
Net Loss (FY2025)	C$(1.86)M
UK HealthTab Systems	59 (Mar 2026)
Insider Ownership	~8.0%

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Executive Summary

Avricore Health Inc. (TSXV: AVCR; OTCQB: AVCRF) is a Vancouver-based pharmacy-technology company whose wholly owned HealthTab™ platform turns community pharmacies into point-of-care diagnostic centres — pairing Abbott Afinion™ 2 and ID Now™ analyzers with a cloud platform that captures results, runs quality control, and integrates into electronic health records. The platform screens for chronic disease (HbA1c, lipids, eGFR; up to ~27 biomarkers) and monetizes through system/subscription fees, consumables, and prospective program and data revenue.

The setup is a deliberate, high-stakes pivot. The Company allowed its Shoppers Drug Mart contract — which represented roughly 97% of revenue from a single customer — to expire on March 31, 2025, and redirected the entire business toward the UK NHS pharmacy market. Reported revenue consequently collapsed 89% to C$533,884 in FY2025 (from C$4.79M in FY2024) and a further 90% year-over-year in Q1 2026 to C$44,315. The auditors flag material going-concern uncertainty, and working capital fell to just C$11,574 at March 31, 2026 against C$200,301 of cash. This is, unambiguously, a story-stage turnaround with a near-empty balance sheet.

What makes it interesting at a ~C$5M market capitalization is the asymmetry. The UK opportunity Avricore is building into is larger, more recurring, and backed by unusually specific government funding and dated regulatory deadlines. The Company has staged ~700 analyzers into the UK (requiring no new device capex for 12–18 months), grown its UK installed base from 38 systems (December 2025) to 59 (March 2026), and assembled blue-chip NHS partners. A May 2026 C$1.25M private placement at C$0.05 (half-warrant at C$0.10) extends runway into the key catalyst window.

> We initiate coverage with a **Speculative Buy** rating and a 12-month price target of C$0.11, representing approximately 120% upside from current levels of C$0.05 (as of 2026-06-11, per StockAnalysis.com). At a ~C$5M market cap, AVCR is priced as a cheap option on UK NHS execution, with dated near-term catalysts (national independent-prescriber rollout from September 2026; first UK subscription revenue expected H2 2026) — explicitly gated by going-concern risk and the complete absence of proven UK revenue to date. This is a binary, speculative bet to be sized accordingly, not a core holding.

Company Overview

Avricore Health (formerly Vanc Pharmaceuticals; renamed in 2018) is incorporated in British Columbia and trades on the TSX Venture Exchange under AVCR and on the OTCQB as AVCRF. Its sole operating asset is HealthTab™, held through UK subsidiary HealthTab Ltd. The platform is a complete, turnkey POCT solution combining instruments, cloud software, standardized workflows, training, and a quality-management program run with CEQAL Inc. (a CDC Cholesterol Reference Method Laboratory Network member). As at the report date there were 101,289,664 common shares outstanding, 13,098,000 stock options, and no warrants; the Company carries no debt and had an accumulated deficit of C$34.3M at year-end 2025.

- **UK NHS (the focus, currently pre-revenue):** 59 HealthTab systems deployed at March 31, 2026 (46 in North East London, 6 in North Central London, 7 elsewhere), operating within grant-funded NHS pilots alongside Barts Health NHS Trust, UCLPartners, the British Heart Foundation, and HEART UK.
- **Canada (Rexall, residual):** 22 HealthTab systems at March 31, 2026 (14 Ontario, 7 Alberta, 1 Saskatchewan), plus an Ascensia Diabetes Care glucose-monitoring integration. Provincial reimbursement for HbA1c/lipid testing remains limited.

Investment Thesis — Five Pillars

1. THE UK REGULATORY TAILWIND IS REAL, DATED, AND SPECIFIC

This is the crux of the thesis. On May 29, 2026, the UK Department of Health and Social Care and NHS England agreed a £340M community-pharmacy funding deal for 2026–27 that rolls out NHS-funded Independent Prescribing nationally from autumn 2026. From September 2026, every newly qualified English pharmacist graduates as an independent prescriber. The deal builds on the Pharmacy First service, which delivered over 3.3 million consultations in the year to February 2026, up 43% year-over-year.

Independent prescribing structurally requires point-of-care testing to support diagnosis and monitoring — exactly what HealthTab sells. The health-economic case is already quantified: the NHS Confederation pegged community-based cardiovascular screening ROI at £7.52 per £1 spent (and £9 for diabetes), describing community-pharmacy CVD detection as providing the quickest return, within one year. With nearly 12,000 UK pharmacies, more than half already conducting ~250,000 blood-pressure screenings per month, the infrastructure and policy direction are aligned with Avricore's product. Few microcaps have a tailwind this concrete or this well-timed.

2. EARLY NHS TRACTION WITH BLUE-CHIP VALIDATION

The UK installed base grew from 38 systems (December 1, 2025) to 59 (March 31, 2026). More than 3,500 patients have been screened across North East and North Central London with Barts Health NHS Trust; in an initial 556-patient lipid cohort, roughly one in five was flagged as elevated cardiovascular risk. A one-month HbA1c pilot completed 2,295 tests across 57 sites — a per-location rate approximately 10x what the Company ever achieved in Canada.

Critically, HealthTab has moved beyond screening into secondary prevention via a British Heart Foundation grant-funded pilot delivering inclisiran cholesterol-lowering injections through community pharmacies (part of the ELoPE-CVD programme). The platform integrates with the NHS App via Patient Knows Best (4.8 million users) and into hospital clinical systems via Ortus-iHealth, positioning it as care-pathway infrastructure rather than a standalone screening tool. Independent evaluation by UCLPartners, attention from NHS England's Chief Pharmaceutical Officer, and BBC National News coverage are soft but real credibility signals for a company this small.

3. ASSET-LIGHT REDEPLOYMENT LOWERS THE CAPITAL BAR

Management staged ~700 analyzers and supporting hardware from the wound-down Canadian fleet to its London office and states it needs no new device capex for the next 12–18 months. For a company with ~C$0.2M of cash, this is the most important operational fact in the thesis: the UK scale-up is largely a deployment-and-monetization exercise rather than a capital-intensive hardware build. It also means the impairment taken on idle Canadian equipment (C$493,544 in FY2025) is reversible into income as devices are redeployed.

4. OPTIONALITY IS CHEAP AT THIS MARKET CAPITALIZATION

At C$0.05 and ~C$5M market cap, enterprise value is essentially the UK option net of ~C$0.2M cash. The published roadmap (“The Path Forward”) targets 100+ active UK sites in Q2 2026, monthly subscription revenue beginning in H2 2026, 500+ UK locations by mid-2027, and a stated return to profitability by Q3 2027 — against a long-term addressable market of 10,000+ pharmacies across 42 NHS integrated care boards. If even the mid-2027 target lands on a recurring-revenue model, revenue could exceed the prior ~C$4.8M Canadian peak, against which today's valuation looks small.

5. ALIGNED, DOMAIN-CREDENTIALED LEADERSHIP

CEO Rodger Seccombe (appointed June 4, 2025) is the founder/CTO who co-developed the technology and personally holds 4,880,611 shares; insiders and directors own ~8.0% (8,065,229 shares) and are expected to participate in the current financing. The board carries genuine pharmacy weight: Alan Arnstein scaled Medicine Shoppe from 28 to 175 stores; Christine Hrudka is a practising pharmacist and owner; Dr. Robert Sindelar is Dean Emeritus of UBC's Faculty of Pharmaceutical Sciences. Cash compensation is modest for the sector (CEO consulting fees of C$216,000; CFO C$128,400 in FY2025).

Financial Summary

METRIC	FY2024	FY2025	YOY CHANGE
Revenue (C$M)	4.79	**0.53**	-89%
Gross Profit (C$M)	1.88	**0.24**	-87%
Gross Margin	39.3%	**44.6%**	+530 bps
Net Loss (C$M)	(0.67)	**(1.86)**	n/m
Cash (period-end, C$M)	1.13	**0.23**	-80%

Q1 2026 (three months ended March 31, 2026): revenue C$44,315 (-90% YoY); gross loss C$(8,580); comprehensive loss C$204,218 — the smallest quarterly loss in two years as management eliminated former-CEO management fees and cut consulting, professional, and travel costs. Cash was C$200,301 and working capital just C$11,574. No debt. Customer concentration persists: ~71% of trade receivables from a single customer.

Valuation

Conventional multiples are not meaningful here — revenue is at a deliberate trough and EV/Revenue on trailing figures is distorted. The appropriate frame is a scenario range on UK execution and re-rating over a 12-month horizon. Note that management's own May 2026 financing was struck at C$0.05 with warrants exercisable at C$0.10 over 24 months, anchoring C$0.10 as an insider-endorsed multi-year aspiration. Our C$0.11 base-case target sits just above that warrant strike and roughly at the stock's 52-week high (C$0.045–C$0.10 range).

SCENARIO	BASIS	PRICE / SHARE	VS. CURRENT
Bear Case	Financing underwhelms, monetization slips, further dilution / going-concern impact	**C$0.02–0.03**	-40% to -60%
Base Case	100+ UK sites by Q2'26, subscription revenue starts H2'26, Sept'26 prescriber catalyst drives re-rate toward warrant strike	**C$0.11**	+120%
Bull Case	Clear, accelerating UK monetization; credible path to a national network re-rates to ~C$18–22M cap	**C$0.18–0.20**	+260% to +300%

The C$1.25M placement (if fully subscribed) adds ~25M shares (~25% dilution) plus up to ~12.5M warrants at C$0.10; scenario prices are on a pre-/early-dilution basis and would compress modestly on full warrant exercise.

Key Risks

- **Going Concern / Liquidity (HIGH):** At March 31, 2026 the Company had C$200,301 of cash and just C$11,574 of working capital, with auditors flagging material going-concern uncertainty. The C$1.25M financing, if fully subscribed, buys an estimated 12–18 months; anything short of full subscription puts the Company back in the market quickly, likely at dilutive prices.
- **No Proven UK Revenue (HIGH):** Every UK system today operates within grant-funded NHS pilots. Monthly subscription revenue is "expected" to begin in H2 2026 and is entirely unproven — the single most important unvalidated assumption in the thesis. If the pilots do not convert to a commissioned, paid service, there is no business model behind the installed base.
- **Execution / Single-Market Concentration (MEDIUM):** The Company has bet its future on the UK NHS, where procurement and commissioning cycles are slow and the independent-prescriber rollout could slip. Having already exited its Canadian anchor customer, there is no fallback revenue base.
- **Dilution / Warrant Overhang (MEDIUM):** The May 2026 placement adds ~25M shares and up to ~12.5M warrants struck at C$0.10, plus broker warrants — capping near-term upside around the warrant strike and likely necessitating further raises to reach the mid-2027 targets.
- **Microcap Liquidity (MEDIUM):** Average daily volume is roughly 30,000 shares with frequent zero-movement days. Building or exiting a position of any size is difficult without materially moving the price.
- **Customer Concentration (MEDIUM):** Despite the SDM exit, ~71% of trade receivables remained tied to a single customer at March 31, 2026, leaving residual concentration risk in the legacy Canadian business.

Conclusion

Avricore is a binary, story-stage speculation: a company that intentionally surrendered ~97% of its revenue to chase a larger, recurring, government-funded opportunity, and now must prove it can monetize that opportunity before its cash runs out. The bear case is a genuine near-zero. The bull case is a multi-bagger if the UK NHS network scales on a subscription model as outlined.

What tilts the risk/reward favourably at these levels is the convergence of cheap optionality and dated catalysts. The downside is small in absolute dollars; the upside is several multiples if UK monetization lands. The September 2026 national independent-prescriber rollout, the £340M community-pharmacy funding deal, and the first expected UK subscription revenue in H2 2026 are concrete, near-term tests of the thesis. Investors should watch three things in order: the financing closing in full, the installed base crossing 100+ UK sites, and the first dollar of recurring UK revenue actually printing.

At C$0.05 per share and a ~C$5M market cap, AVCR is priced as a distressed option rather than a company sitting on a policy tailwind this specific. We rate AVCR **Speculative Buy** with a C$0.11 price target. A defensible alternative is Hold until the raise closes and the first UK subscription revenue is confirmed.

Avricore Health Inc. (AVCR) — key questions

What is Microcap Research's rating and price target on Avricore Health Inc. (AVCR)?

Microcap Research rates Avricore Health Inc. (TSXV: AVCR) Spec. Buy with a 12-month price target of C$0.11, about 120% above the C$0.05 share price at publication on Jun 11, 2026. Market capitalisation at publication: C$5.1M.

What does Avricore Health Inc. (AVCR) do?

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How is Avricore Health Inc. (AVCR) valued?

Conventional multiples are not meaningful here — revenue is at a deliberate trough and EV/Revenue on trailing figures is distorted. The appropriate frame is a scenario range on UK execution and re-rating over a 12-month horizon. Note that management's own May 2026 financing was struck at C$0.05 with warrants exercisable at C$0.10 over 24 months, anchoring C$0.10 as an insider-endorsed multi-year aspiration.

What are the key risks for Avricore Health Inc. (AVCR)?

Risks flagged in this report — Going Concern / Liquidity (HIGH); No Proven UK Revenue (HIGH); Execution / Single-Market Concentration (MEDIUM); Dilution / Warrant Overhang (MEDIUM); Microcap Liquidity (MEDIUM); Customer Concentration (MEDIUM)

What are the key financial metrics for Avricore Health Inc. (AVCR)?

As of Jun 11, 2026 — Market Cap: C$5.1M · Cash (Q1 2026): C$0.20M · Revenue (FY2025): C$0.53M (-89%) · Net Loss (FY2025): C$(1.86)M · UK HealthTab Systems: 59 (Mar 2026) · Insider Ownership: ~8.0%.

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