



Acquisition of Adheris Health and capital raising

MedAdvisor Limited ACN 145 327 617

6 November 2020

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The information contained in this Replacement Presentation (**Replacement Presentation**) has been prepared by MedAdvisor Limited ACN 145 327 617 (**MedAdvisor**). The Replacement Presentation replaces the presentation issued by MedAdvisor on 2 November 2020.

This Replacement Presentation has been prepared in relation to:

- MedAdvisor's acquisition of Adheris, LLC (**Adheris** or **Adheris Health**), a company that provides dynamic patient performance programs that aim to activate patients, improve outcomes and elevate brand performance (**Acquisition**); and
- A placement of MedAdvisor fully paid ordinary shares (**New Shares**) to sophisticated and professional investors, and an accelerated non-renounceable entitlement offer of New Shares to be made to eligible institutional shareholders of MedAdvisor (**Institutional Entitlement Offer**) and eligible retail shareholders of MedAdvisor (**Retail Entitlement Offer**) under section 708AA of the *Corporations Act 2001 (Cth)* (**Corporations Act**) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* (**Offer**).

The Replacement Presentation reflects changes arising from a change to the issue price of New Shares under the Offer.

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All references to currency are to Australian currency, unless otherwise indicated.

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Transaction highlights: Combined entity offers strong latent potential

MedAdvisor has entered into a binding agreement to acquire **Adheris**, LLC from Syneos Health US, Inc.

Implies an acquisition enterprise value between **USD \$27.5M** (AUD \$39.1M) and **USD \$34.5M** (AUD \$49.0M) assuming all earnout hurdles are met.

A deposit of **USD \$1.375M** (AUD \$1.95M) has been paid to Syneos Health with a further **USD \$21.125M** (AUD \$30.0M) to be paid at closing.

Deferred Payment (Convertible Notes) of **USD \$5.0M** (AUD \$7.1M) due May 2021 (or conversion at any time within 3 months after the AGM, subject to shareholder approval).

Valuation of approx. **1.04 - 1.18 x revenue multiple** for MDR to secure a highly adjacent business with strong latent potential.

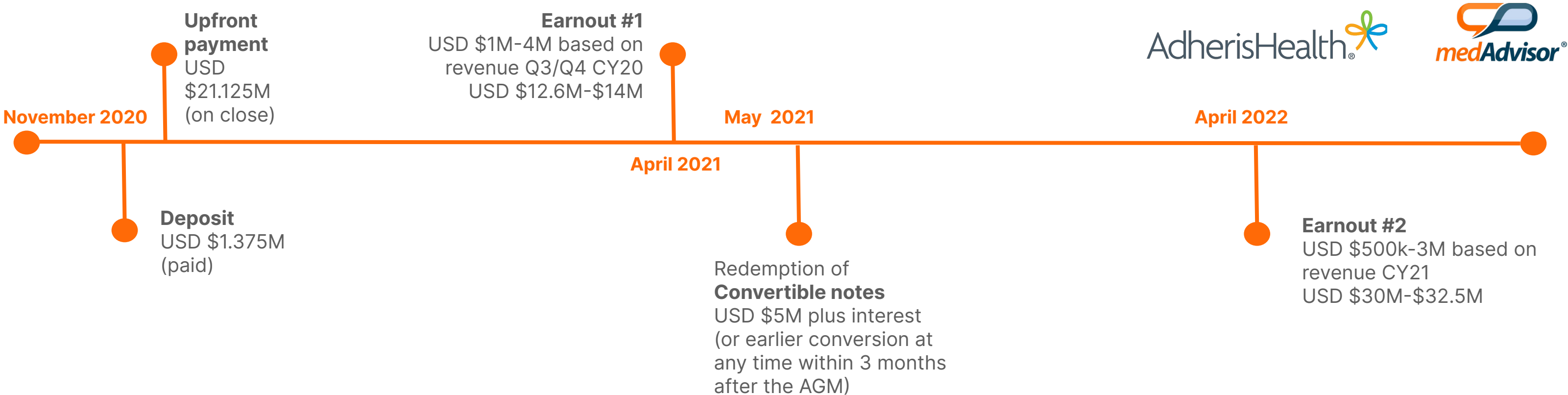
MedAdvisor will undertake a target equity raising of AUD \$45.0M at an issue price of \$0.38 per share to fund the acquisition and provide additional working capital comprising:

- institutional placement; and
- 1 for 2.5 Entitlement Offer to existing shareholders

The acquisition is subject only to the successful completion of the institutional component of the equity raising of at least AUD \$35.0M under the placement and accelerated institutional component of the Entitlement Offer.

The acquisition is expected to complete on or around 16 November 2020.

MDR due diligence process leveraged experienced ex-Adheris team working for MDR, including co-founder Luke Merrow and several former Adheris employees.



Understanding medication adherence and the MedAdvisor business



Non-adherence statistics

125K

Annual deaths in US
from medication
non-adherence¹

50%

1 in 2 people have a
chronic condition²

USD \$2.3B

Estimated TAM for
global adherence
market³

USD \$6B

Spent by pharma
companies annually
on TV & consumer
marketing⁴

Medication adherence: Understanding the global problem

One of the easiest ways to improve the health of people is to improve medication adherence

Adherence is taking medication as you have been prescribed and in most global markets, patients are non-adherent to some degree

Average adherence tracks in the 50-60%⁶ range for key chronic medications, meaning patients are not getting the health benefits their prescribers are intending

Today medication non-adherence costs health systems USD \$630B⁵ every year

Medication adherence represents opportunities for pharmaceutical companies to enhance return on investment (ROI) from R&D in new drug development

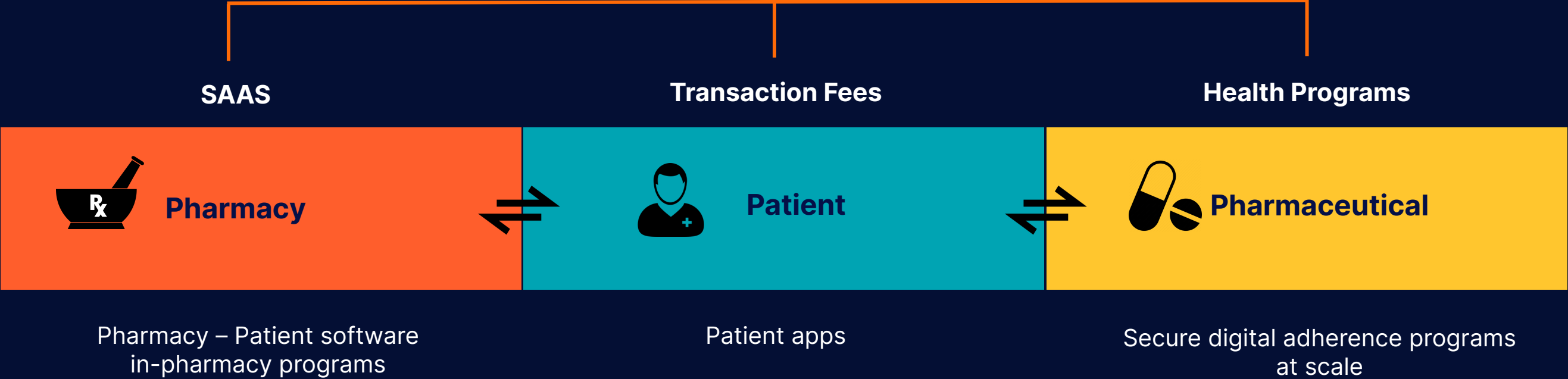
1. "Medication Adherence: Helping Patients Take Their Medicines As Directed", National Center for Biotechnology Information (www.ncbi.nlm.nih.gov/pmc/articles) , Jan-Feb 2012
2. Department of Health, Australian Government; (<https://www.health.gov.au/health-topics/chronic-conditions-in-australia>)
3. "Medication Adherence Market Overview", PS Market Research, September 2020 (<https://www.psmarketresearch.com/market-analysis/medical-adherence>)
4. <https://arstechnica.com/science/2019/01/healthcare-industry-spends-30b-on-marketing-most-of-it-goes-to-doctors>
5. "Medication Nonadherence Costs Billions in Lost Revenue", Drugs Discovery & Development, November 2016 (<https://www.rdmag.com/news/2016/11/medication-non-adherence-costs-billions-lost-revenue>)
6. Adherence to Long-Term Therapies, World Health Organisation, 2003 (<https://apps.who.int/medicinedocs>)



MedAdvisor: Understanding our existing business



The MedAdvisor revenue model



MedAdvisor: Executing globally

	UK	SEA	US	AU
Go-to-market strategy	<p>SaaS</p> <p>Launched Day Lewis app</p> <p>Formally endorsed by National Pharmacy Association</p> <p>Stand alone MedAdvisor app to be initially available in Q2 and Q3 FY21</p> <p>Programs</p> <p>Working with UK pharmacy chains to deliver DAPs</p>	<p>SaaS</p> <p>Launched MedExpress App in the Philippines</p> <p>Developing new non dispense app product PlusOne Mobile</p> <p>Programs</p> <p>Launched Digital Health Programs in Philippines and Malaysia through agreements with Klinify & Alpro</p> <p>Now operating digital health Programs with several clients across global markets</p>	<p>Programs</p> <p>Launched initial program via Adheris. This program has been extended by the client</p> <p>Integration with HMS progressing on plan</p> <p>Expecting to go-to-market in Q3 with HMS to deliver secure digital</p> <p>SaaS</p> <p>Scoping and business development underway</p>	<p>SaaS</p> <p>Grew pharmacy network to 62%+. Used by 3 of the 4 largest pharmacy groups</p> <p>Added ePrescribing, remote patient verification and in app payments</p> <p>Programs</p> <p>Grew addressable patient base to 1.7m users</p> <p>Highest value contract to date signed in Q4 FY20</p> <p>16 clients with multi-year experience with health programs</p>
MDR partnerships & clients	 		  <small>a SYNEOS HEALTH company</small>	 
MDR global clients	  	  	   	     

**Adheris Health
acquisition adds
distribution and
analytics capability**



Highlights

180M

Patients

2.2B

Scripts per annum

~25K

Preferred pharmacies

618K

Prescribers (60% of US)

\$26.4M²

Revenue USD (2020E)

Adheris Health: Company overview

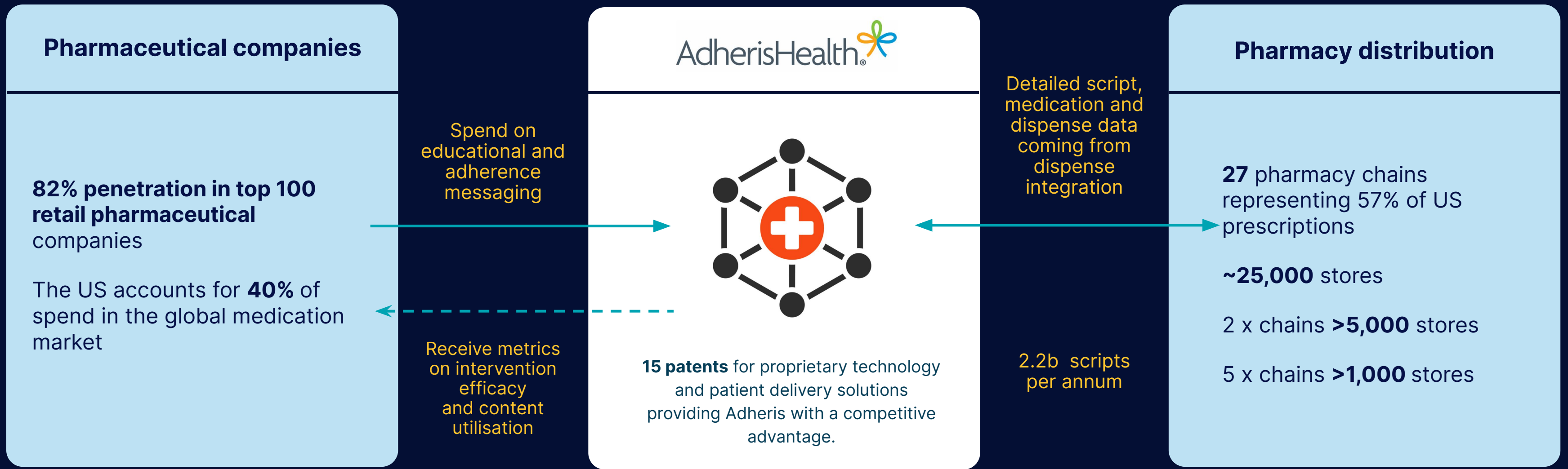


- 25+ years experience and a US leader in tailored opt-out direct-to-patient medication adherence programs
- Suite of products that deliver multi-channel patient communications, including deep integrations with 8 US pharmacy dispensing systems
- Wide distribution with 82% penetration rate in top 100 retail pharmaceutical¹ brands. The top 5 pharmaceutical clients ran 73 programs via Adheris in 2019
- Engaged with 27 preferred pharmacy chains. Range of services embedded in pharmacy workflow creates additional entrenchment of chains
- 90 staff with a team of 11 data scientists dedicated to pharmaceutical brands including a number with PhDs
- Adheris business owned by Syneos Health since 2006, a large NASDAQ listed company (NASDAQ:SYNH).

1. Syneos Health website <https://www.syneoshealth.com/solutions/commercialization/medication-engagement>

2. Revenue 2020E represents MedAdvisor estimates of 12 months ended 31 December 2020

Adheris Health: A highly integrated health programs network of scale



Proven product suite powered by data and analytics, engaging patients and HCPs

Patient inOffice® - Dr's office

Directly communicate with the Dr within the Dr's workflow



Brands can deliver information via prescriber messaging, in a naturally occurring flow within the e-prescribing platform

Messages are delivered once a drug is selected and at specialty HCP sign-in, to notify of changes

22:1 x ROI for sponsors through reducing abandonment

Patient inPharmacy®

Engage the patient at the moment of dispensing



As pharmacist dispenses, directly engage with target patients.

Leveraging advanced dispense integrations and access through 25K pharmacies

Timely interventions to drive patient acquisition and adherence

7:1 x ROI for sponsors through increasing acquisition, reducing the one and done and improving adherence

Patient inHome®

Engage the Patient in their home via direct mail



Improve adherence with supportive education and resources delivered to their homes on behalf of their pharmacist

Delivered via direct mail and using advanced program design to time according to patient needs

Patient inMotion - Digital

Secure, digital communications to patients

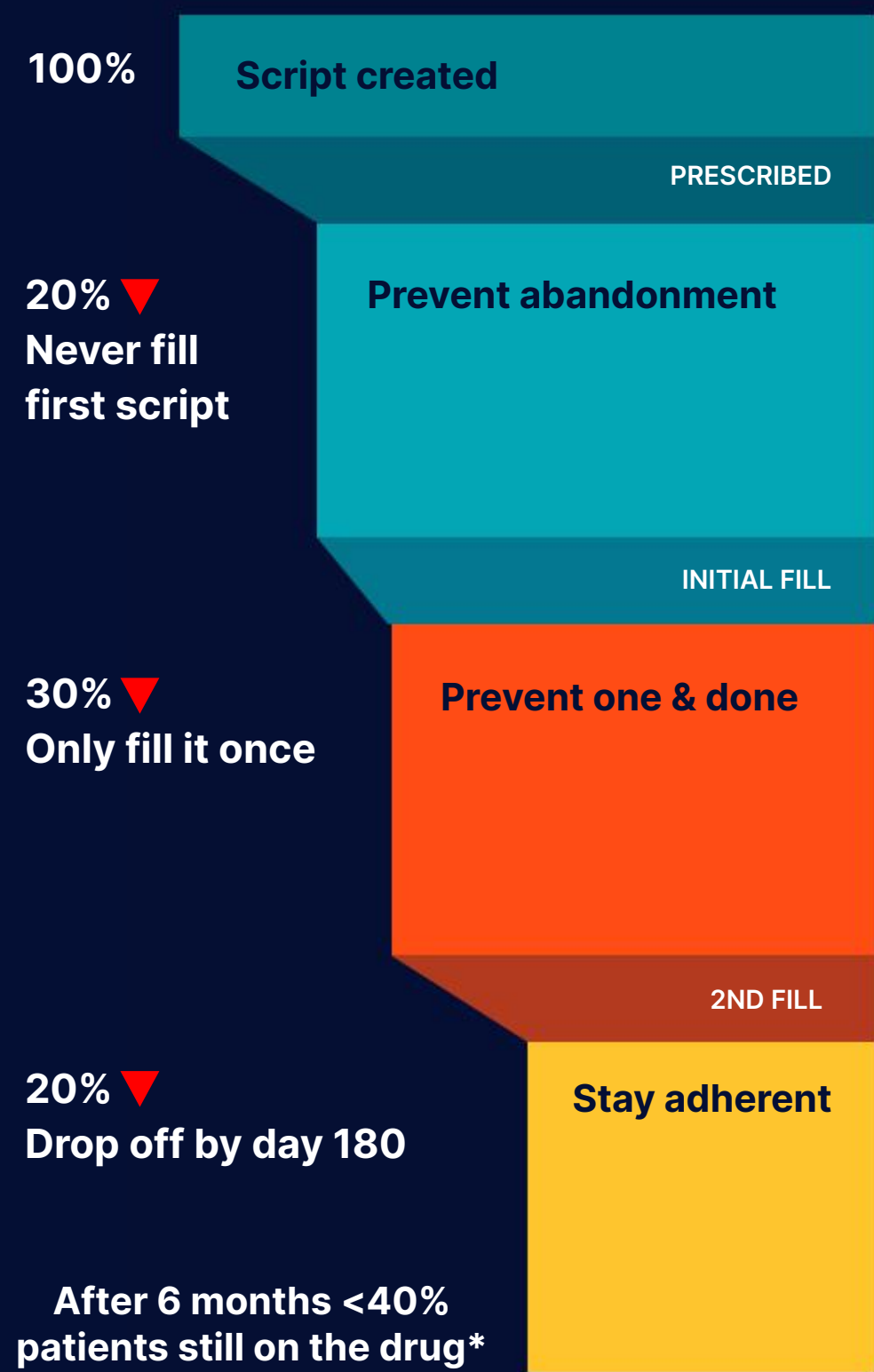
Securely message patients via text and secure web to enable timely, targeted communications direct into their pocket

Based on patient response data, refine campaigns. Drive adherence, surveys and other relevant content delivery directly to the patient's smartphone or device

First pilot live in June 2020, has since been expanded

**New
product
with MDR**

Adheris Health: Plugging a leaky funnel to improve pharma ROI and patient outcomes



By targeting known areas of patient non-adherence and compliance, Adheris can improve patient outcomes and strengthen pharma ROI.

Patient inOffice
Letter delivered to patient via physician, worked into inOffice workflows

Patient inPharmacy - 1st script
Delivered at POS

Patient inPharmacy - New patient retention and late/lapsed
Targeted to specific patients based on specific timing of script fills

Patient inHome and Patient inMotion
Drive adherence through in home mail and targeted digital comms direct to their pocket

Patient
Delivered at POS

inHome
Encouraging repeat scripts

Patient inMotion
MedAdvisor digital

Enhanced by MedAdvisor's digital product suite

Saas – Digital medication management

In store pharmacist delivered health programs

Next-generation paperless medication guides

Highlights

5 years+
of patient and
prescriber
longitudinal data

2.2B
unique
scripts per
annum

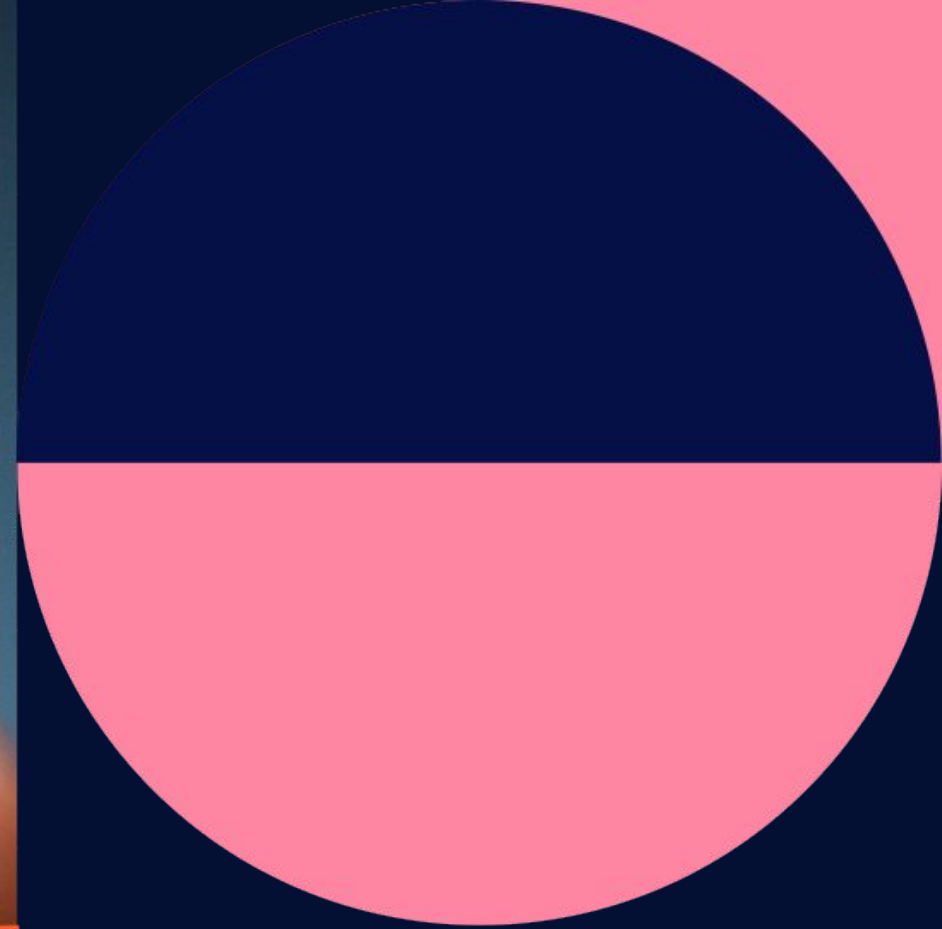
180M
patients

Adheris: Data analytics capability powers programs

Proven ROI and campaign effectiveness	<p>Average program ROI (2016 – 2019) of 7.1x (inPharmacy and inHome) and 22.5x (inOffice)¹</p> <p>ROIs significantly higher than that of a typical marketing campaign which usually consist of general consumer advertising and television commercial</p> <p>ROI underpins stickiness of pharmacy relationships (average duration of ~15 years)</p>
Patient and prescriber data	<p>Large granular data asset covering 5 broad areas (patient, prescription, disease, prescriber and payer)</p> <p>Enables targeted and timely interventions based on statistically significant insights. Creating the right message, delivered to the right patient at the right time, using multiple channels</p>
Data product opportunity	<p>Competitively priced and bespoke standalone data products leverage a subset of the Adheris network (~30%) to provide actionable insights for pharmaceutical companies and pharmacies ²</p> <p>Revenues in this segment were previously >USD \$3.0M, currently USD \$0.5M believed by MedAdvisor to be a result of de-prioritisation by legacy management. This presents an opportunity to create more value for the combined group and uplift MedAdvisor's global data capability</p>
Data and analytics team	<p>Acquisition of well-credentialed team affords MedAdvisor the opportunity to leverage this capability post-acquisition.</p>

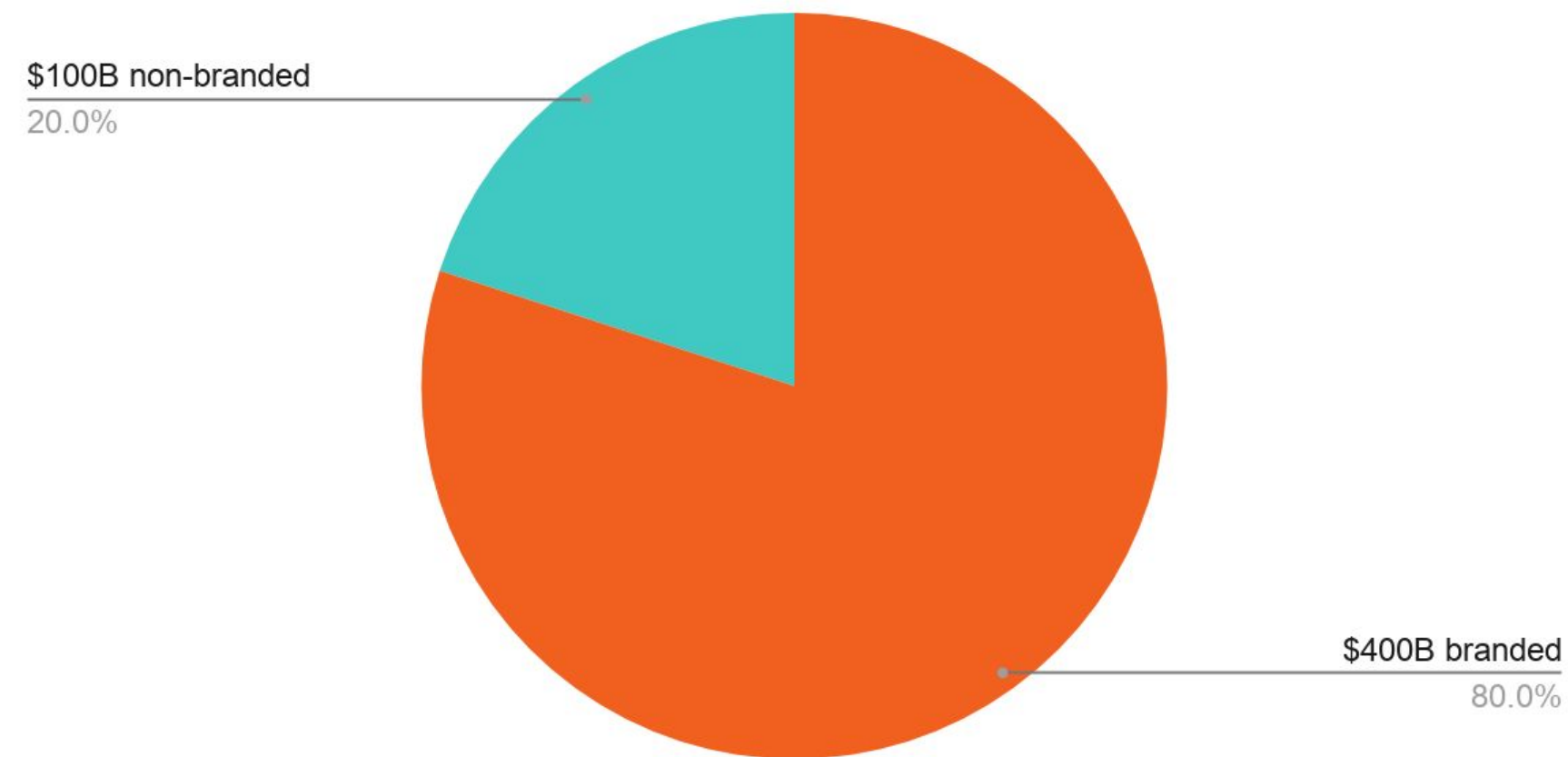
1. Over the period of 2016 – 2019. Patients prospectively randomized into program and control groups (receive no program communication), similar to FDA clinical trial design. n = 200 programs.
2. Data analysis performed on sample of pharmacy chain partners in the Adheris Health network

MedAdvisor acquisition rationale for Adheris Health



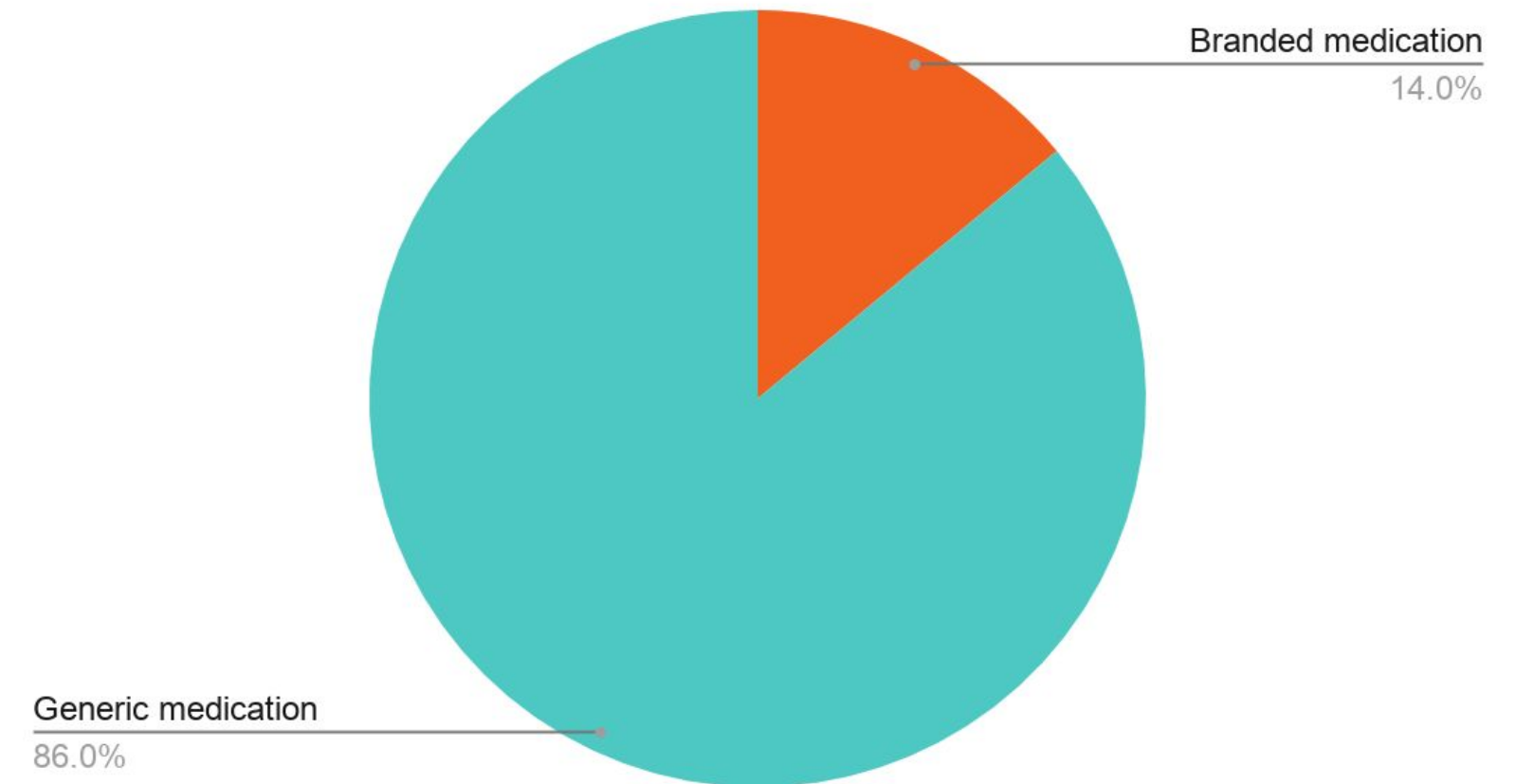
US pharmaceutical market: Two stakeholders - pharmaceutical companies and insurers

Value of branded medication spend



- Significant budget is allocated by pharmaceutical companies to invest in sales and marketing. The cost of non-adherence is most important to them - this is Adheris' core market.

Volume of generic 'low cost' medication



- Generic pharmaceutical companies typically don't invest in adherence. Many of the most common chronic medicines are generic.
- Health insurers and payers are most incentivised to ensure patients remain adherent. STAR Ratings help drive this.

Highlights

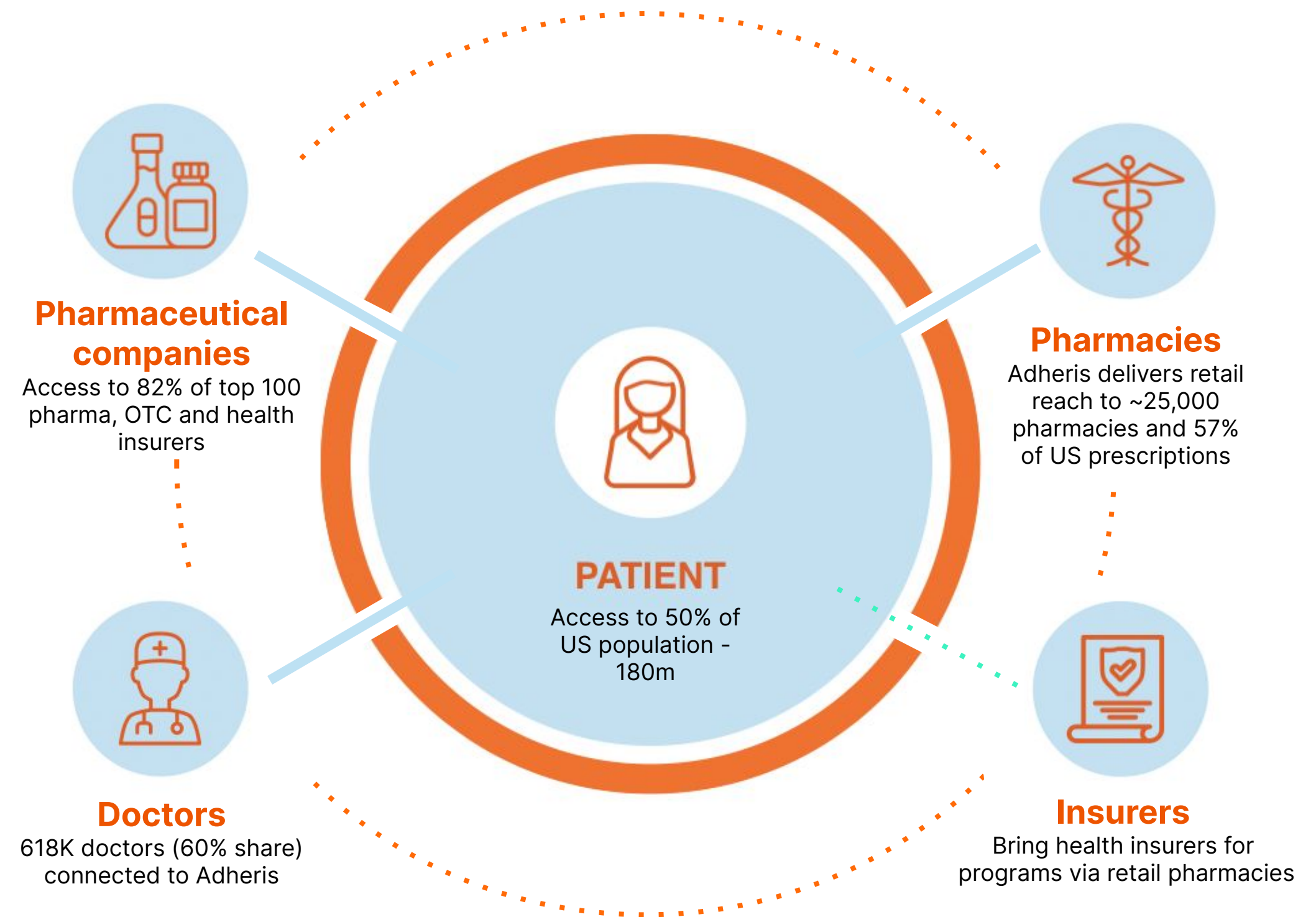
Reach of ~1:2 Americans attracts sponsors wanting to reach the patient network. Adheris primarily works with pharmaceutical companies

Sponsors of programs help grow revenue for retail pharmacy, thereby strengthening network

Increasing reach via digital and partnerships will attract new sponsors

MedAdvisor to bring SaaS offering and accelerate adoption via Adheris pharmacy network

MedAdvisor: Digital solutions and increased distribution enhances network effect








Growth initiatives

Adheris has significant latent potential, which has not been realised to date

MedAdvisor brings digital capability that we believe is the missing piece in the Adheris product suite, along with the HMS partnership to unlock payer-sponsored programs

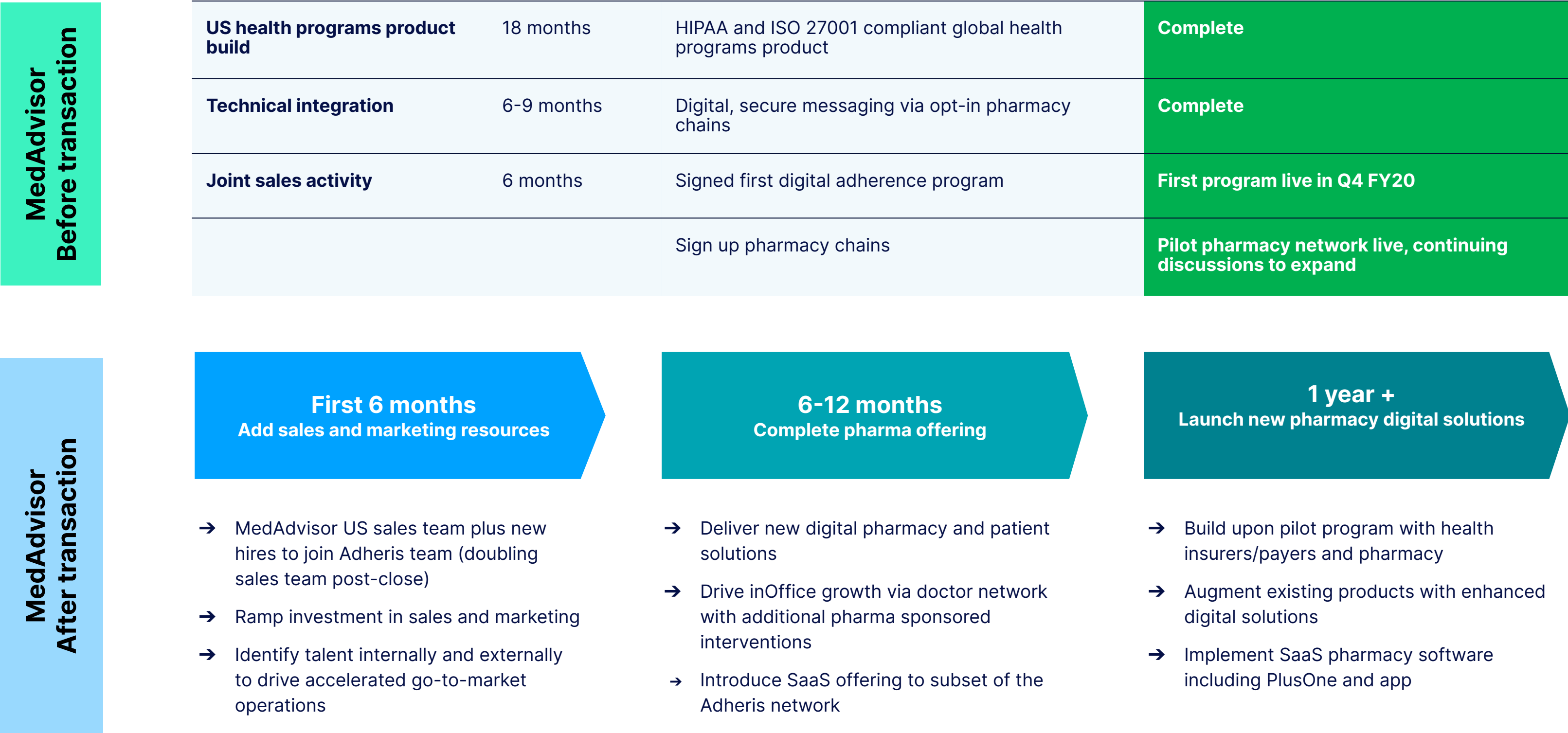
Approximately 33% of the Adheris pharmacy network use only one tactic, either inHome or inPharmacy, creating a cross sell opportunity.

Acquisition rationale: Unlocking latent potential

		Current state	Future state
	People	Changes in leadership Headcount freeze Under-investment in BD	Combined strong global leadership Incremental and targeted headcount investments in marketing and sales
	Digital transformation	Leveraging data-driven programs via pharmacy POS print and direct mail	Introduction of digital channels to augment omni-channel strategy “ <i>Dynamic Engagement</i> ”. Opportunity to sell MDR SaaS to Adheris network
	Customer mix	Mostly pharmaceutical retail brands Limited BD to attract OTC brands	Health insurer sponsored programs, including targeting STAR ratings Attract more OTC brands Increased exposure to specialty brands
	Network reach	~57% US Retail Rx 60% of all active US prescribers	Access to specialty patients and additional retailers
	Financial profile	USD\$26.4M ² revenue FY20E (Adheris only) Monetise based on patient messaging model	Target USD \$50M+ revenue (MDR US + Adheris) ¹ Margin expansion via dynamic engagement model

1. Estimated target timing is three-to-four years
2. Revenue 2020E represents MedAdvisor estimates of 12 months ended 31 December 2020

Acquisition rationale: Existing partnership lays foundations, execution already underway



Highlights

The MedAdvisor team and external advisors have experience working across both businesses

John Ciccio was originally VP of Business Analytics & Development, spending 9 years at Adheris between 2005 and 2014. He returned to Adheris as President in August 2019

Assisting with US execution on the ground will be **Luke Merrow**, Adheris and HMS Eliza founder. As well as MedAdvisor founder, **Josh Swinnerton**, who is based in the US working on product

RoW supported by key sales leads in target regions

Jim Rotsart, MedAdvisor executive advisor and Adheris Business Development consultant - he will also drive business development and sales efforts in the US

MedAdvisor: Combined global leadership team

John Ciccio
President & CEO, USA



Ruba El-Afifi
EGM People and Culture



Simon Glover
CFO



Robert Read
CEO



Craig Schnuriger
Interim CTO



Naomi Lawrie
General Counsel,
Company Secretary



Acquisition rationale: Adheris accelerates MedAdvisor US expansion plans

Creating scale	Existing integration	Relationships	Data and analytics	Products	Growth
<p>MedAdvisor aims to be the leader in tailored opt-out direct-to-patient medication adherence in the USA</p> <p>Network of over 180M patients, 25,000 pharmacies (>57%) and 618,000 prescribers</p>	<p>Technical integration with Adheris already completed</p> <p>Adheris has integrated with 27 chains receiving live or nightly data feeds</p> <p>Removes need for MedAdvisor to individually integrate with all underlying pharma, pharmacy and EHRs</p>	<p>Long term relationships with pharmacy and pharma</p> <p>US network of Adheris with access to ~25,000 pharmacies</p> <p>Existing relationship with key Adheris management and HMS relationship creates near term opportunities</p>	<p>Highly experienced team of 11 data scientists</p> <p>Demonstrated ROI of 7.1x and 22.5x for inPharmacy and inOffice programs respectively</p> <p>Extensive patient and prescriber data asset enables actionable insights</p>	<p>Proven products combine capabilities for a multi-channel solution</p> <p>SaaS product launch and acceleration via Adheris customer base</p> <p>MedAdvisor aims to provide the final piece to create an omni-channel digital health company</p>	<p>Launch dynamic engagement and expand digital connectivity and messaging</p> <p>Expand health insurer/ payer-sponsored programs</p> <p>Drive OTC/CPG awareness via inPharmacy Solution</p>

Financials



Adheris financial performance

FY18 saw revenue of USD \$49.5m and ~USD \$5m EBITDA - MDR has set targets to reinvigorate the US business back to these levels within 3-4 years.

FY20 1H saw performance stabilise as the business recovered from the loss of revenue due in a large part to patent expiry of medications and clients shifting investment to digital options. Expected patent expiry for existing FY20 programs is -2% CY21 and -3% CY22.

FY20 1H saw an impact of program delay due to COVID-19 which has subsequently resumed.

2H20 has seen the business recover lost ground, with 2H20E expected to deliver growth of ~33% on 2H19.

Financials: Adheris performance (USD \$M)*

	Adheris (USD)	Adheris (USD)	Adheris (USD)	Adheris (USD)	Adheris (USD)	Adheris (USD)	1H20A	2H20E	FY20E v FY19A
Adheris Proforma Income Statement	1H19A	2H19A	FY19A	1H20A	2H20E	FY20E	% Var +ve/(-ve)	% Var +ve/(-ve)	% Var +ve/(-ve)
Operating Revenue	14.9	10.4	25.3	12.6	13.8	26.4	(15.3%)	32.7%	4.4%
Other Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
Total Revenue	14.9	10.4	25.3	12.6	13.8	26.4	(15.3%)	32.7%	4.4%
Direct Expenses	(10.8)	(7.9)	(18.7)	(9.5)	(10.0)	(19.5)	4.1%	(26.1%)	4.2%
Gross Margin¹	4.1	2.5	6.6	3.1	3.8	6.9	(4.7%)	53.4%	4.9%
Operating Expenses	(4.5)	(4.6)	(9.1)	(4.1)	(4.6)	(8.7)	(4.0%)	(1.2%)	(3.8%)
EBIT	(0.4)	(2.1)	(2.4)	(1.0)	(0.8)	(1.8)	(37.7%)	60.9%	(27.4%)
EBITDA	(0.6)	(1.7)	(2.3)	(0.9)	(0.5)	(1.4)	(69.0%)	72.5%	(40.8%)
Profit/(Loss) Before Income Tax	(0.4)	(2.1)	(2.4)	(1.0)	(0.8)	(1.8)	(37.7%)	60.9%	(27.4%)

*Pro-forma non-GAAP results

Highlights

Adheris' inPharmacy and inHome products provide a strong platform to grow the digital offering

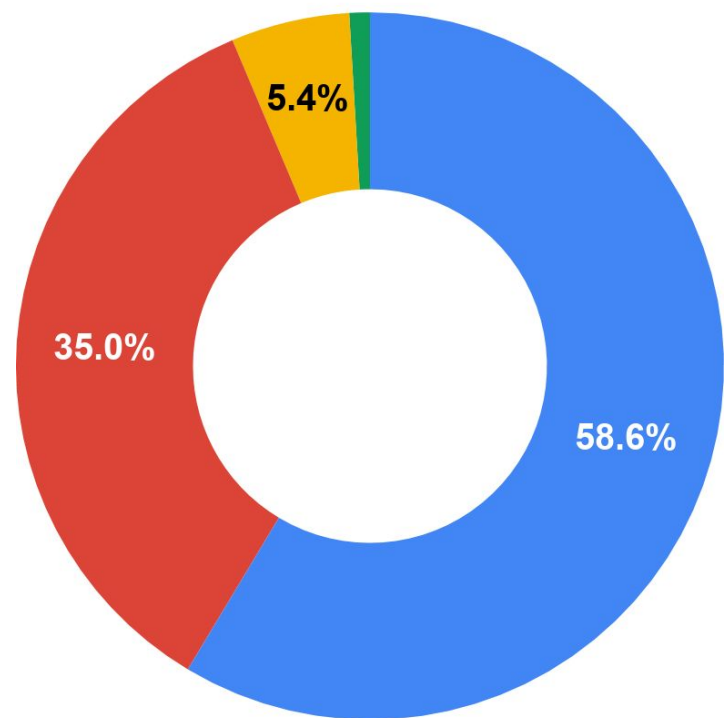
MedAdvisor's revenue is allocated 100% digital

Combining the two platforms, we can offer data-driven, personalised communication - using the most appropriate channel for each specific patient

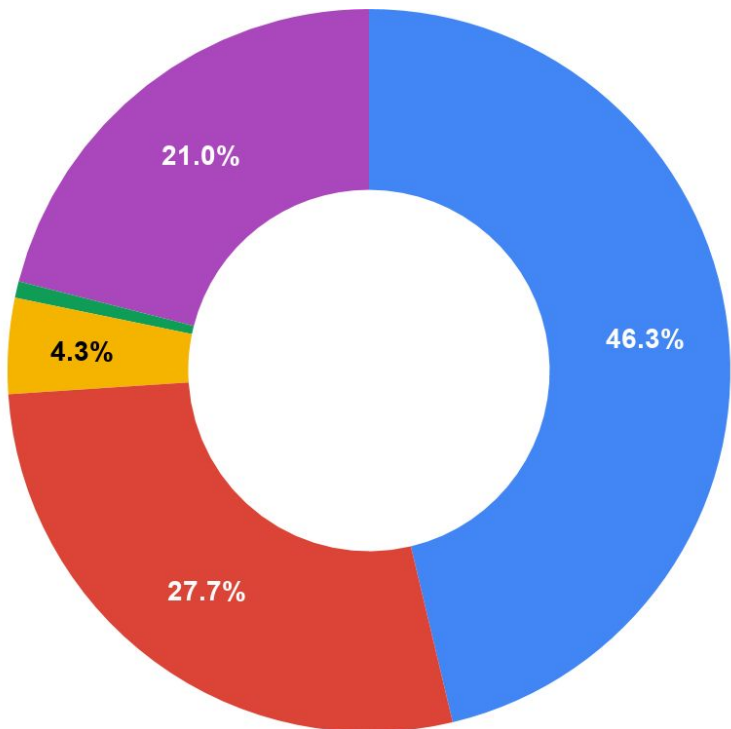
By enhancing personalised, digital channels, we can expand revenue and margins, through dynamic engagement

Financials: Revenue breakdown by product

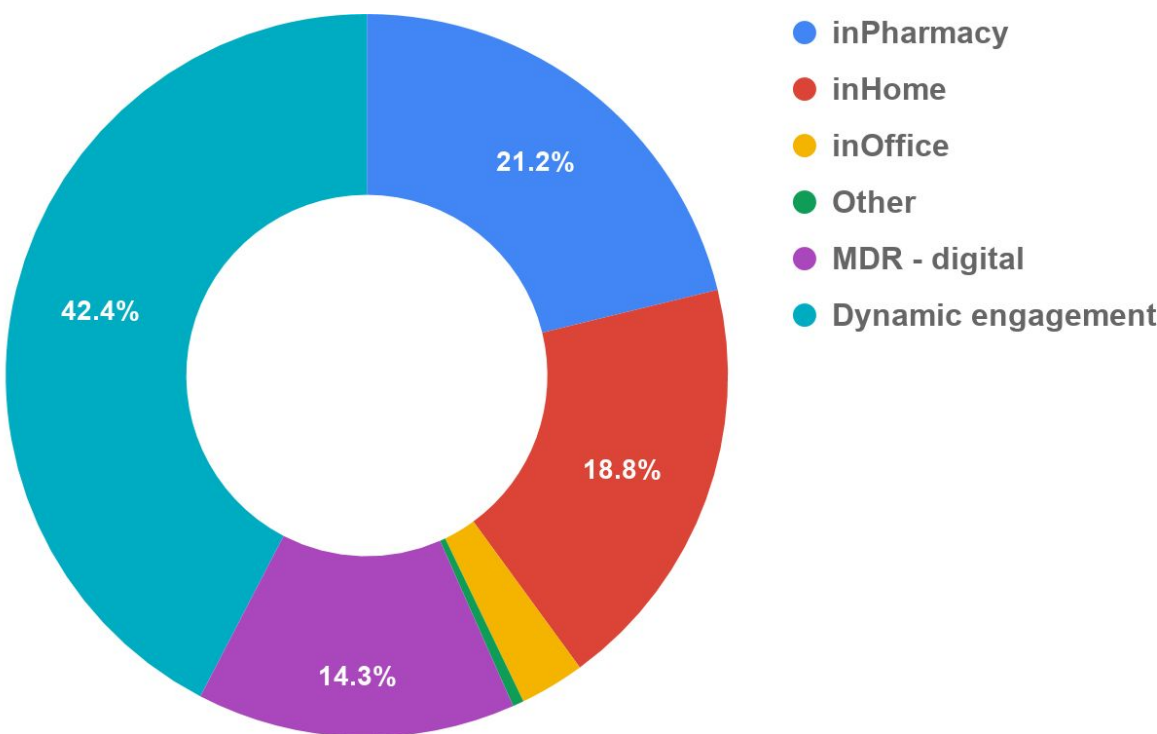
Current Adheris product mix



Post acquisition product mix



Expected future product mix



- inPharmacy
- inHome
- inOffice
- Other
- MDR - digital
- Dynamic engagement

Dynamic engagement:

Multi-channel solution to drive right message to the right patient at the right time and in the right way to maximise impact.

Highlights

Strong contracted revenue to close out Q4 CY20 and lay foundations for CY21

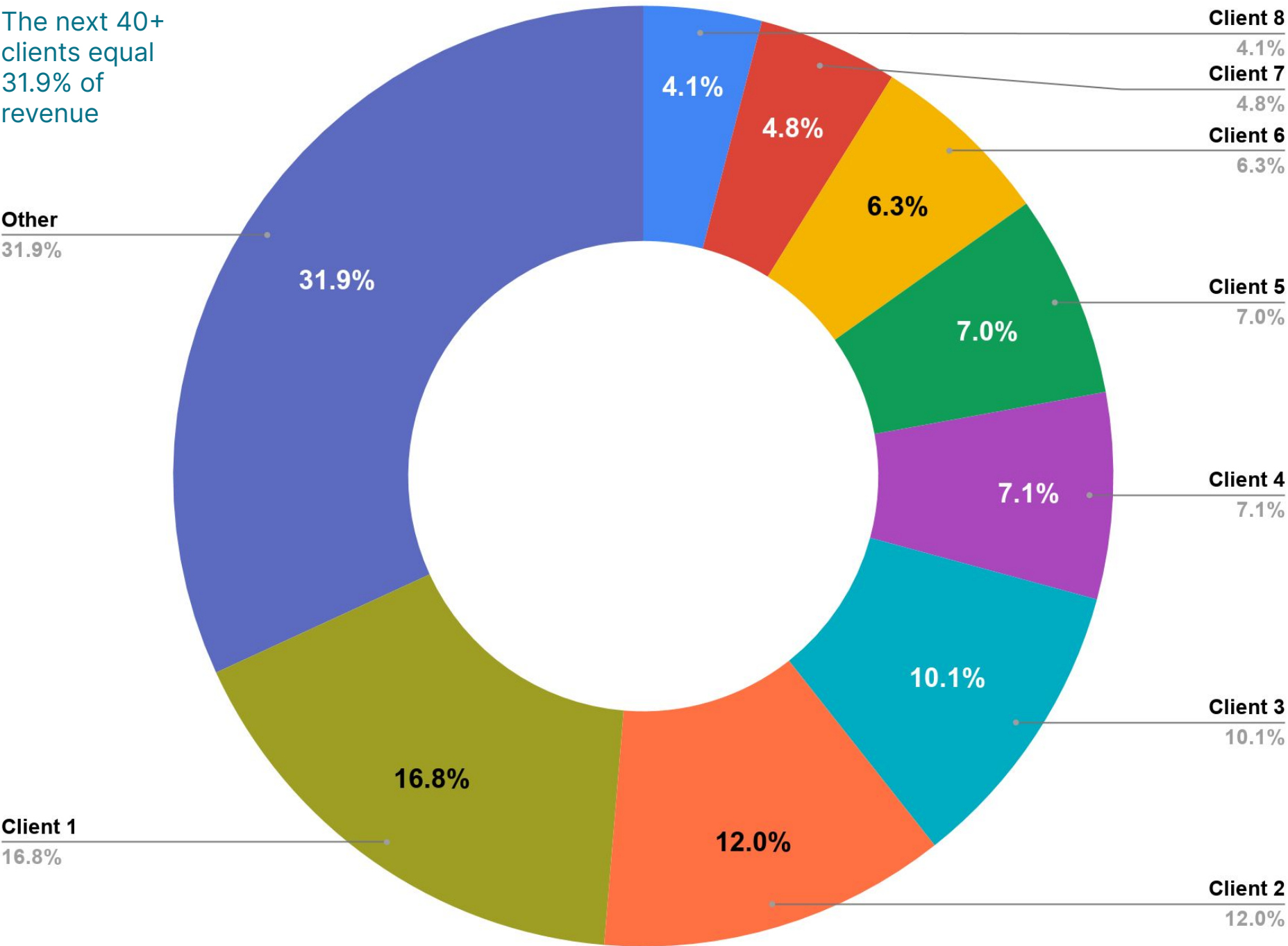
Additional resourcing in business development to execute (currently just 3.33% of headcount)

Realignment of MedAdvisor and Adheris incentives under MedAdvisor ownership to drive sales conversions

MedAdvisor has invested in building digital capability over the past 8 years. This investment can be leveraged by the Adheris network

Financials: Opportunity to invest for growth

Revenue by client (2019 actual)



Highlights

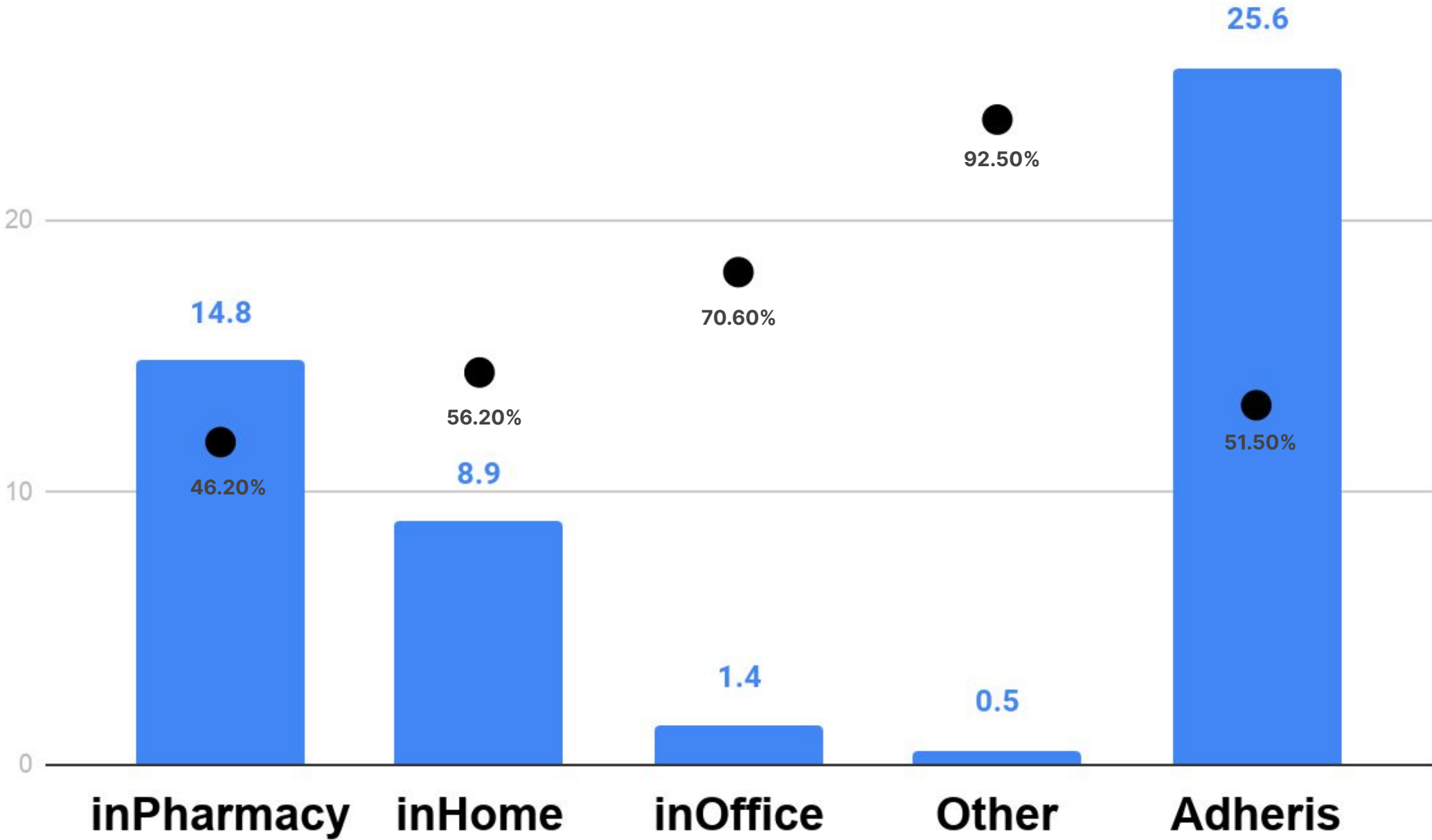
Adheris plan to offer dynamic patient engagement to enable optimisation of spend to drive pharmaceutical ROI

Introduction of digital products is expected to increase margins as they reach scale

Growth in ex-US markets of AU, UK and SEA expected to continue

Potential for combined business to be ~AUD \$100m+ in 3-4 years post acquisition

Financials: Pro forma revenue and product margin (2019 actual, USD \$M)



Pro-forma financials



Financial commentary

MedAdvisor results have been restated to align to fiscal year of Adheris for comparative purposes (31 December)

CY19A represents 12 months to 31 December 2019, with MedAdvisor based on reported results for the 12 month period to 31 December 2019, and Adheris Pro-forma Management Accounts for the same period

CY20E represents the 12 months to 31 December 2020

No adjustment has been made for project and integration costs, or amortization associated with fair value adjustments for acquisition accounting

Financials: Combined MedAdvisor and Adheris income statement pro-forma (AUD \$M)

	Consolidated 12 Months ended 31 Dec 2020	Consolidated 12 Months ended 31 Dec 2019	FY20E v FY19A % Var +ve/(-ve)
Adheris Proforma Income Statement	CY20E	CY19A	
Operating Revenue	48.1	44.9	7.1%
Other Revenue	1.5	0.9	53.8%
Total Revenue	49.6	45.9	8.1%
Direct Expenses	(29.5)	(27.8)	(6.3%)
Gross Margin¹	18.6	17.2	8.4%
Operating Expenses	(33.6)	(30.5)	(9.9%)
EBIT	(13.5)	(12.3)	(10.2%)
EBITDA	(12.9)	(11.7)	(10.5%)
Profit/(Loss) Before Income Tax	(13.5)	(12.4)	(8.7%)

Financial commentary

The combined MedAdvisor and Adheris balance sheet as at 30 June 2020 is based on the reported MedAdvisor Balance Sheet and Adheris pro-forma pre-acquisition balance sheet as at 30 June 2020

Capital raise and acquisition adjustments:

- Cash and equivalents - \$45.0M net of advisor's fees, acquisition costs, and upfront purchase consideration
- Intangible assets – net adjustment for identifiable assets and liabilities assumed and total purchase consideration (note, classification of identifiable assets subject to independent valuation post close)
- Deferred consideration current includes convertible notes (USD \$5.0M), and earn out (USD \$4.0M)
- Deferred consideration non current includes earn out for CY 21 of USD \$3.0M

Financials: Combined MedAdvisor and Adheris balance sheet pro-forma

	MDR Reported	Adheris Proforma Pre Acquisition	Capital Raise & Acquisition	Combined MedAdvisor + Adheris Proforma
	30-Jun-20 \$M	30-Jun-20 \$M	\$M	30-Jun-20 \$M
Year ended 30 June 2020 (AUD \$M)				
Current Assets				
Cash and cash equivalents ¹	12.3	0.0	9.7	22.0
Trade and other receivables	1.8	5.1	0.0	7.0
Other assets	0.4	0.9	0.0	1.3
Total Current Assets	14.6	6.0	9.7	30.3
Non-Current Assets				
Other assets	0.0	4.5	0.0	4.5
Fixed assets	0.4	2.6	0.0	3.0
Right-of-use assets	1.1	2.8	0.0	3.8
Intangible assets ²	5.2	0.0	44.5	49.7
Total Non-Current Assets	6.7	9.9	44.5	61.1
Total Assets	21.3	15.9	54.2	91.3
Current Liabilities				
Trade and other payables	1.2	5.9	0.0	7.1
Employee benefits	1.0	1.3	0.0	2.3
Income in advance	0.5	4.5	0.0	5.0
Leases	0.3	1.0	0.0	1.3
Deferred Consideration - Current ³	0.0	0.0	12.9	12.9
Total Current Liabilities	3.0	12.7	12.9	28.6
Non-Current Liabilities				
Employee benefits	0.1	0.0	0.0	0.1
Leases	1.2	1.8	0.0	3.0
Deferred Consideration - Non Current ⁴	0.0	0.0	0.9	0.9
Total Non-Current Liabilities	1.2	1.8	0.9	3.9
Total Liabilities	4.3	14.5	13.7	32.5
Net Assets	17.0	1.4	40.4	58.8

Highlights

Transaction structure includes performance-based contingent consideration

Upfront consideration of 1.04 x CY20E revenue of USD \$26.4M

Earnout hurdles payable on success, with a maintaining of revenue in CY20 and a large increase in revenue required to receive the respective earnout payments

Converted at USD\$1 = AUD\$1.42

Acquisition terms

Purchase price	MedAdvisor's US subsidiary, MedAdvisor Welam USA, Inc. has entered into a binding agreement to acquire 100% of the equity interests of Adheris, LLC from Syneos Health US, Inc. (Syneos Health) for USD \$27.5M (AUD \$39.1M) plus an earn-out (of up to USD \$7.0M (AUD \$9.9M), subject to performance milestones), subject to the successful completion of the institutional component of the equity raising.
Upfront consideration	<p>A deposit of USD \$1.375M (AUD \$2.0M) in cash has been paid to Syneos Health.</p> <p>USD \$21.125M (AUD \$30.0M) is payable in cash at the completion of the Transaction.</p> <p>Convertible notes will be issued to Syneos Health on closing of the Acquisition, with a face value of USD \$5.0M (AUD \$7.1M) and a redemption date of May 2021. The convertible notes will bear interest at a rate of 2.5% per annum and convert to equity at the issue price under the capital raise at any time within 3 months after the AGM (subject to shareholder approval, which MedAdvisor will seek at its upcoming Annual General Meeting) or are redeemable in cash in May 2021, at the election of Syneos Health.</p> <p>If shareholder approval for conversion is not granted and the Medadvisor shares price closes at or above the capital raise price (AUD \$0.38) on any one trading day in the five trading days prior to the date that is 10 business days prior to the redemption date, the redemption amount will be 115% of the face value (USD \$5.75M (AUS \$8.2M)) plus interest. If the share price closes below the capital raise price on each of the five trading days immediately prior to the date that is 10 business days prior to the redemption date, the redemption amount will be the face value (USD \$5.0M) (AUD \$7.1M) plus interest.</p>
Contingent consideration	<p>Earnout 1: USD \$1.0M - USD \$4.0M, payable in cash to Syneos Health if Adheris achieves between USD \$12.6M and USD \$14.0M revenue in Q3/Q4 of CY20, payable in April 2021.</p> <p>Earnout 2: USD \$0.5M up to USD \$3.0M, payable in cash Syneos Health if Adheris achieves between USD \$30.0M and USD \$32.5M of revenue in CY21, payable in April 2022.</p>
Total consideration	USD \$34.5M (AUD \$49.0M), assuming all earnout hurdles are met.
Closing conditions	The Acquisition is subject only to the successful completion of the institutional component of the equity raising. The deposit will be retained by Syneos Health if the Acquisition does not complete (other than due to Syneos Health's default).
Completion date	The Acquisition is expected to complete on or around 16 November 2020.
Representations and warranties	The transaction documents include customary representations and warranties. MedAdvisor is securing representation and warranty insurance.

Offer summary



Offer details

Source of funds	AUD\$ million	Use of funds	AUD\$ million
Institutional Placement	23.5	Upfront Purchase consideration	32.0 ¹
Institutional Entitlement	16.7		
Retail Entitlement offer	4.8	Working capital	10.4 ²
		Costs of acquisition	2.6
Total	45.0	Total	45.0

¹ Upfront payment of USD \$22.5m (AUD:USD \$1.42)
² Additional funding will go to working capital; any raising below target will have a negative impact on working capital, and positive impact on cost of acquisition.

Offer Summary: Offer details

Offer structure and size	<p>Target equity raising of AUD \$45.0M comprising:</p> <ul style="list-style-type: none"> - an institutional placement to raise up to a maximum of AUD \$23.5M approximately; and - a 1 for 2.5 accelerated non-renounceable rights issue (Entitlement Offer) to raise up to a maximum of AUD \$37.7M. <p>A maximum of 161.1M fully paid ordinary shares (New Shares) may be issued under the offer. However, it is anticipated that between 92.1M and 118.4M New Shares will be issued (based on the minimum and target amounts). The Offer is not underwritten.</p>
Offer price	<p>The Placement and Entitlement Offer will be conducted at \$0.38 per share:</p> <ul style="list-style-type: none"> – 5.0% discount to the last closing share price – 7.3% discount 30 day VWAP
Institutional offer	<p>The institutional offer comprises both the Institutional Placement and the Institutional Entitlement Offer.</p> <p>Entitlements not taken up in the Institutional Entitlement Offer will be offered to eligible institutional investors concurrently with the Institutional Offer by way of an Institutional Bookbuild.</p> <p>The Institutional Offer and Institutional Bookbuild will be conducted between 6 November and 9 November, 2020 and is subject to MedAdvisor receiving binding commitments for at least AUD \$35.0M from institutional and sophisticated investors and shareholders.</p>
Retail offer	<p>Existing eligible retail shareholders will have the ability to participate via the Retail Entitlement Offer.</p> <p>Eligible shareholders registered by 7:00pm (AEST) on Tuesday, 10 November, 2020 will be entitled to purchase 1 share for every 2.5 shares held under the Entitlement Offer. The Retail Entitlement Offer may raise up to AUD \$21.0M.</p> <p>In addition to each shareholders’ entitlement under the Retail Entitlement Offer, eligible retail shareholders will also be offered the opportunity to subscribe for additional New Shares to the extent there is a shortfall to the Retail Entitlement Offer.</p>

Ranking New shares issued under the placement and Entitlement Offer will rank equally with existing fully paid ordinary shares in MedAdvisor from their time of issue.

Offer summary

Post-capital raise market capitalisation of AUD \$139.2M

Additional working capital to be raised as part of offer AUD \$10.4M

AUD \$7.1M convertible notes to be redeemed in May 2021 or (subject to shareholder approval) converted to ordinary shares at any time within 3 months after the AGM at Syneos Health's election

Anticipated capital structure

Company data

	Value
Current number of shares (M)	247.9
Options (M) ¹	5.4
Performance rights (M) ²	2.0
Market capitalisation (undiluted) ³	AUD \$94.2M
Market capitalisation (fully diluted) ⁴	AUD \$97.0M
Placement shares (M) ⁵	61.9
Entitlement Offer shares (M) ⁶	56.6
Convertible notes (USD \$5.0M)	AUD \$7.1M
Market capitalisation (undiluted, post offer)	AUD \$139.2M
Market capitalisation (fully diluted, post offer)	AUD \$142.0M

Trading (as at 30 October 2020)

	Value
Last close	\$0.40
5 day VWAP	\$0.40
30 day VWAP	\$0.41
12 month high	\$0.68
12 month low	\$0.33
Average daily volume (last month, in shares)	205,812

NOTES: 1. Refer to ASX release of 19/10/20 for details. 2. Refer to ASX release of 19/10/20 for details. 3. At \$0.38 capital raise price. 4. At \$0.38 capital raise price. 5. Assuming max. subscription 6. Assumes partial participation in Entitlement Offer to \$21.5M.

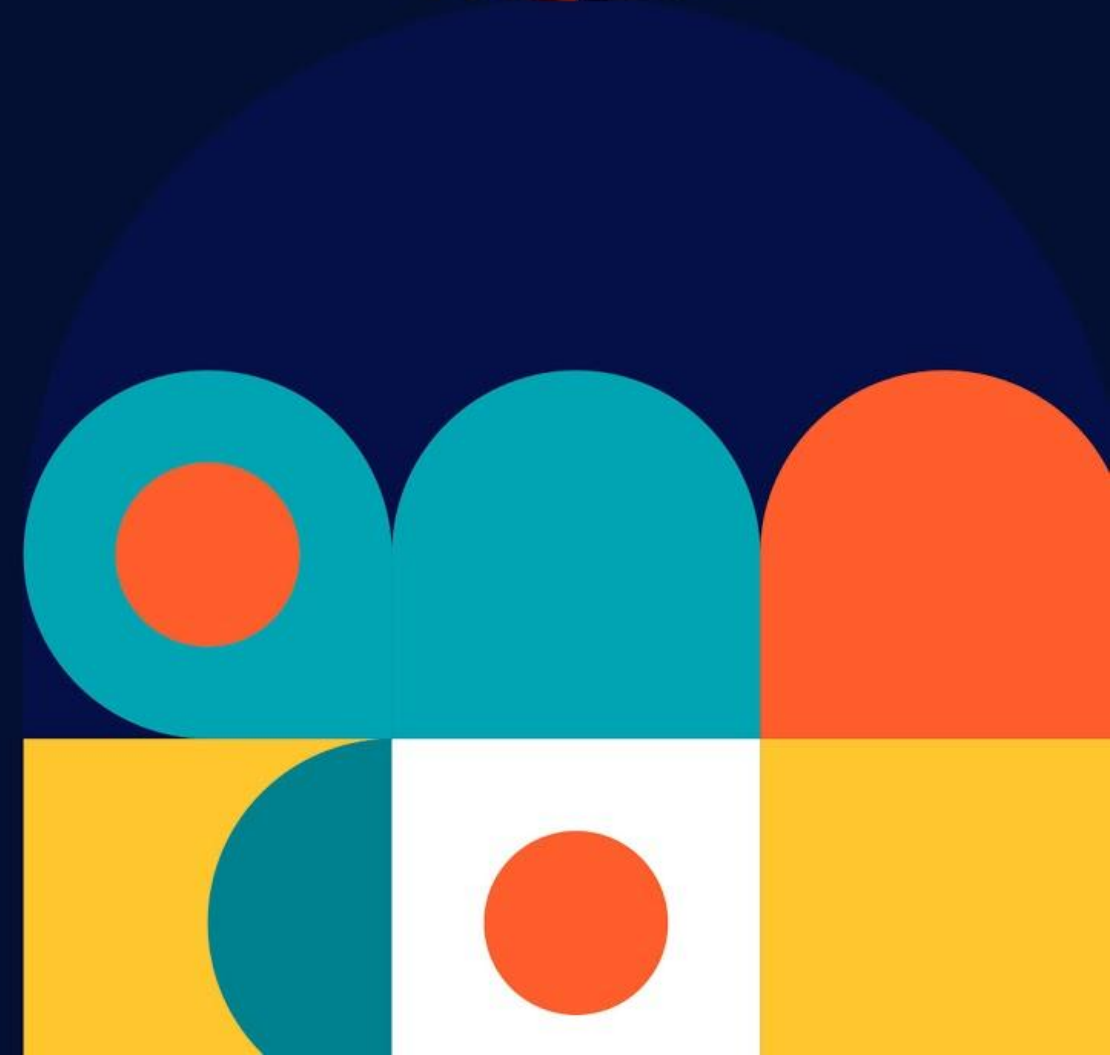
Offer summary

Offer timetable

Timetable ¹	Date
Announcement of Acquisition and Offer. MedAdvisor enters back to back trading halt with two additional days of voluntary suspension	Monday, 2 November 2020
Institutional Entitlement Offer and bookbuild	Friday, 6 November 2020
MedAdvisor comes out of trading halt/suspension and announces results of Placement and Institutional Entitlement Offer (before market opens)	Tuesday, 10 November 2020
Record Date for participation in Entitlement Offer	7:00pm (AEST) on Tuesday, 10 November 2020
Retail Entitlement Offer opens and despatch of Retail Offer Booklet	Friday, 13 November 2020
Settlement of Placement and Institutional Entitlement Offer	Friday, 13 November 2020
Closing of Acquisition and issue of Convertible Notes	Monday, 16 November 2020
Allotment of Placement and Institutional Offer shares	Monday, 16 November 2020
Retail Entitlement Offer closes	Friday, 27 November 2020
Settlement of Retail Entitlement Offer	Wednesday, 2 December 2020
Allotment of Retail Entitlement Offer shares	Friday, 4 December 2020
Normal trading resumes on all shares	Monday, 7 December 2020
Annual General Meeting	Monday, 21 December 2020

Note: 1. The timetable is indicative only and may be subject to change. MedAdvisor reserves the right to amend any or all of these dates and times without notice, subject to the *Corporations Act 2001 (Cth)* and the ASX Listing Rules and other applicable laws. In particular, MedAdvisor reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

Key risks



Key Risks

This is not intended to be an exhaustive list of the risk factors to which MedAdvisor is exposed.

Acquisition and offer risks

Completion risk

MedAdvisor or Syneos Health may terminate the Acquisition if the institutional placement and institutional entitlement offer fail to raise at least AUD \$35.0M. If such termination rights are exercised, completion of the Acquisition will not occur and Syneos Health will be entitled to retain the deposit of USD \$1.375M (AUD \$2.0M). If the Acquisition does not complete, MedAdvisor will need to consider alternative uses for the proceeds from the Offer, including applying them towards working capital, reviewing alternative investment opportunities and/or considering ways to return the proceeds from the Offer to shareholders. Any failure to consummate the Acquisition could materially and adversely affect MedAdvisor and the price of its shares.

Adheris performance, execution and integration risks

There is an inherent risk that the underlying assets of Adheris do not ultimately produce the financial returns anticipated due to:

- the potential disruption and diversion of management’s attention from day-to-day operations;
- the inability to effectively integrate the operations, products, systems and technologies;
- the inability to effectively execute on strategies for the combined group;
- the inability to maintain uniform standards, controls, procedures and policies;
- the loss of key personnel; and
- the potential impairment of relationships with customers and suppliers, resulting in loss of contracts.

In addition, there is a risk that Adheris may suffer loss or damage flowing from unforeseen events in relation to the underlying assets and liabilities of Adheris, which may not be able to be recovered from the vendor or insurance.

Network risk

There is risk of the loss of key customers and clients of Adheris, whether due to increased competition, customer or client choice or potential impairment of relationships with customers and clients arising from the acquisition.

HIPAA compliance and regulatory risk

Adheris is required to comply with the *Health Insurance Portability and Accountability Act (HIPAA)* in the United States where it retains, handles or shares protected health information of individuals.

Adheris is required to maintain:

- physical, technical and administrative safeguards;
- auditing and tracking of certain activity involving Protective Health Information (**PHI**);
- policies covering the integrity of the controls and measures in place;
- disaster recovery plans; and
- network security, to protect against unauthorised public access to the data.

A breach of the security of data held or transmitted by Adheris could result in significant financial penalties, as well as the loss of contracts and reputational damage impacting the ability to secure new contracts. A breach of other US federal and state legislation with respect to privacy, data security and other matters could also result in such consequences.

Risk of dilution

If you do not take up all of your entitlement under the Entitlement Offer, your percentage security holding in MedAdvisor will be diluted (in addition to any dilution as a result of the Placement).

Key Risks

This is not intended to be an exhaustive list of the risk factors to which MedAdvisor is exposed.

MedAdvisor risks

Loss making and future capital requirements

MedAdvisor reported a loss (before income tax) from continuing operations of AUD \$9.8M for the FY20 financial year. Adheris reported an operating loss of USD \$2.4M for CY2019. The ability to return the MedAdvisor group to profitability can be affected by all the risk factors stated in this document. MedAdvisor's continued ability to effectively implement its business plan over time may depend in part on its ability to raise additional funds for future growth opportunities.

MedAdvisor may require further financing to fund the earn out components of the Adheris purchase price, if these earn out payments exceed the cash available at such time. MedAdvisor may also require further financing in the future to progress its other projects and existing operations of the group. Any additional equity financing will likely be dilutive to shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit MedAdvisor's operations and business strategy.

Although the Directors believe that additional capital can be obtained if it becomes required, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to MedAdvisor or at all. If MedAdvisor is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on MedAdvisor's activities and could affect MedAdvisor's ability to continue as a going concern.

MedAdvisor may undertake additional offerings of shares and of securities convertible into shares in the future. The increase in the number of shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of shares. In addition, as a result of such additional shares, the voting power of MedAdvisor's existing shareholders will be diluted.

Access to patient prescription data

The successful continuation of the MedAdvisor platform will depend on continued access to patient prescription data. Access to the data is dependent on permissions given by both the pharmacy and the patient. At present there are no legal impediments to accessing the data as long as MedAdvisor has the necessary consents from both the pharmacy and the patient and MedAdvisor continues to comply with requirements of privacy, data security and other laws in the jurisdictions in which it operates.

There is a risk that either a pharmacy or a patient withdraws consent to access the prescription data. In the case of a pharmacy withdrawing consent this would be in the form of the pharmacy discontinuing their subscription of MedAdvisor, in which case their patients would have the opportunity to switch their favourite pharmacy to a pharmacy that continues to support MedAdvisor.

There is also a risk that the governments in the jurisdictions in which MedAdvisor operates may legislate to prohibit the access of prescription data by commercial organisations such as MedAdvisor.

Loss or theft of data and failure of data security systems

Our products involve the storage of our customers' confidential and proprietary information including health information. Our business could be materially impacted by security breaches of our customers' data by unauthorised access, theft, destruction, loss or misappropriation.

There is a risk that any measures taken may not be sufficient to prevent or detect unauthorised access to, or disclosure of, such confidential or proprietary information. Any of these events may cause significant disruption to our business and operations and trigger mandatory data breach notification obligations under applicable privacy and data protection laws. This may also expose us to reputational damage, customer claims, regulatory scrutiny and fines, any of which could materially impact our operating and financial performance.

Key Risks

This is not intended to be an exhaustive list of the risk factors to which MedAdvisor is exposed.

MedAdvisor risks (continued)

Disruption or failure of technology and software systems

MedAdvisor and our customers are dependent on the performance, reliability and availability of our platform, data centres and communications systems (including servers, the internet, hosting services and the cloud environment in which we provide our solutions). There is a risk that these systems may be adversely affected by disruption, failure, service outages, improper configuration, maintenance error, data corruption (as a result of computer viruses, “bugs” or “worms”, malware, internal or external misuse by websites, cyber-attacks) or other disruptions including natural disasters and power outages.

In part, some of these disruptions may be caused by events outside of our control and may lead to prolonged disruption to the MedAdvisor platform, or operational or business delays and damage to our reputation. This could potentially lead to a loss of customers, legal claims by customers, and an inability to attract new customers, any of which could adversely impact our operating and financial performance.

Reliance on third party service providers

The MedAdvisor platform is a cloud-based, SaaS platform, and we rely on a number of third-party technology service providers to facilitate the use of our platform and deliver services to our customers. In particular:

- the core application is hosted in data centres that are owned and operated by third parties;
- we use third party service providers to manage system documentation and software layers; and
- we engage third parties to provide security monitoring and auditing of our IT infrastructure and network.

Our reliance on third parties means that some important aspects of our service delivery model are outside of our direct control. There is a risk that our service delivery capability and operational performance may be impacted by issues that originate from our third-party service providers, such as application errors, improper configuration, failure of communications service, improper configuration and traffic overloading.

There is also a risk that our critical technology supply arrangements may be disrupted by commercial factors that are outside of our control, such as a technology supplier's decision to unilaterally modify or discontinue a particular service that we use. Some of our contracts with critical technology suppliers also allow the supplier to terminate on short notice, which may not allow sufficient time for us to procure a replacement provider in a timely manner and at an equivalent cost.

Any failure of, or disruption to, the technology services provided by these third-party service providers could negatively impact our operating and financial performance. It could also expose us to claims for loss and damage from our customers that may exceed the amounts that we are entitled to recover from the third-party service providers.

Loss of key personnel or skilled workers

MedAdvisor’s ability to remain productive, profitable and competitive and to implement planned growth initiatives depends on the continued employment and performance of senior executives and other key members of management. MedAdvisor’s performance also depends on its ability to attract and retain skilled workers with the relevant industry and technical experience.

If any one of these individuals resigns or becomes unable to continue in his or her present role and is not adequately replaced in a timely manner, business operations and the ability to implement MedAdvisor’s strategies could be materially disrupted. The loss of a number of key personnel or the inability to attract additional personnel may have an adverse impact on MedAdvisor's financial and operating performance.

There can be no assurance that MedAdvisor will be able to attract and retain skilled and experienced employees and, should it lose any of its key management personnel or fail to attract qualified personnel, its business may be harmed and its operational and financial performance could be adversely affected.

Competition risk

Increased competition in the areas in which MedAdvisor operates could result in price reductions, under-utilisation of personnel, assets or infrastructure, reduced operating margins and/or loss of market share, which may have a material adverse effect on MedAdvisor's future financial performance and position.

Key Risks

This is not intended to be an exhaustive list of the risk factors to which MedAdvisor is exposed.

MedAdvisor risks (continued)

Attracting customers to the platform	<p>MedAdvisor's revenue is affected by its ability to attract customers to the MedAdvisor platform. Various factors can affect the level of customers using the MedAdvisor platform, including:</p> <ul style="list-style-type: none">• Marketing and promotions: if MedAdvisor's marketing and promotion efforts are not effective this may result in fewer customers using the MedAdvisor platform.• Brand damage: if MedAdvisor suffers from reputational damage, customer numbers could be affected.• Pharmacies and GP: MedAdvisor's continued ability to attract pharmacies and GPs to the platform.
Customer service	<p>MedAdvisor's ability to maintain relationships with major customers is integral to its financial performance. This in turn depends on its ability to offer competitive service standards and pricing. Poor performance in either area may lead to a loss of major customers which may have a material impact on MedAdvisor's financial performance.</p>
Intellectual property	<p>There can be no assurances that the validity, ownership or authorised use of intellectual property (including technology, know-how, trademarks, designs and patents (both owned and licensed) relevant to MedAdvisor's business (including those relating to Adheris) will not be challenged, which could adversely affect MedAdvisor's financial and operating performance.</p>

Key Risks

This is not intended to be an exhaustive list of the risk factors to which MedAdvisor is exposed.

General risks

General market and share price risks

General economic factors such as interest rates, exchange rates, inflation, business and consumer confidence and general market factors may have an adverse impact on MedAdvisor's performance, prospects or the value of its assets. The market price of MedAdvisor shares will fluctuate due to various factors, many of which are non-specific to MedAdvisor, including recommendations by brokers and analysts, Australian and international general economic conditions, inflation rates, interest rates, exchange rates, changes in government, fiscal and monetary and regulatory policies, changes to laws, global investment markets, global geo-political events and hostilities, investor perceptions and other factors that may affect MedAdvisor's financial performance and position. In the future, these factors may cause MedAdvisor shares to trade at or below their current price.

COVID-19

The coronavirus (COVID-19) pandemic may make it more difficult to execute the integration of Adheris into the MedAdvisor group. The impact of the pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, this may have on the performance of MedAdvisor or Adheris. The situation is rapidly developing and is dependent on measures imposed by the Australian and US Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and economic stimulus that may be provided.

Force majeure

MedAdvisor's projects now or in the future may be adversely affected by risks outside the control of MedAdvisor, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, pandemics, explosions or other catastrophes, epidemics or quarantine restrictions.

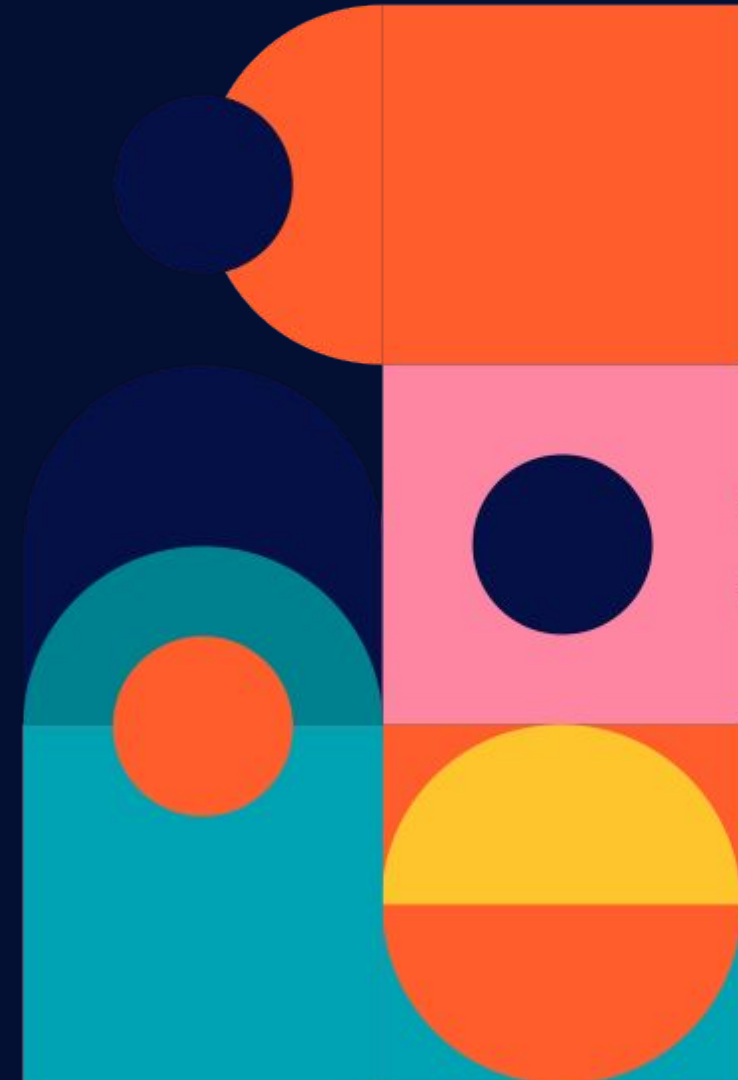
Liquidity risk

The market for MedAdvisor's shares may be illiquid. As a consequence, investors may be unable to readily exit or realise their investment.

Economic risk

Changes in Australian, US and world economic conditions may adversely affect the financial performance of MedAdvisor. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

Offer jurisdictions



Offer jurisdictions

General restrictions

Neither the Placement nor the Entitlement Offer will be made in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, any offer documentation may not be distributed to any person, and shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

The distribution of this document in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons who come into possession of this document outside Australia and New Zealand should seek advice on and observe any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws.

New Zealand

New Shares will not be offered to the public within New Zealand other than to existing shareholders of MedAdvisor with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

Offer documentation will be prepared in compliance with Australian law and will not be registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013*.

United States of America

New Shares to be issued under the Placement and the Entitlement Offer have not been and will not be registered under the *US Securities Act 1933*, as amended (**Securities Act**), or any state securities laws, and will be offered and sold in reliance upon United States federal and state exemptions from registration and qualification requirements for transactions not involving a public offering. New Shares will be offered and sold in the U.S., if at all, only to Accredited Investors, as that term is defined in Rule 501 of Regulation D promulgated under the Securities Act.

Appendix



Delivering an end-to-end solution improves competitive advantage

Adheris and MedAdvisor help pharmaceutical companies and pharmacies reach patients to improve patient outcomes

Adheris and MedAdvisor, through multi-channel behaviour, can reach larger, targeted audience

No competitor offers the same scale or breadth of solutions

Competitors for pharmaceutical adherence spend

Competitor	Deliver HCP intervention	Direct-to-patient digital comms, opt-out	Direct mail to patient	Deliver secure digital messaging to patient	Comment
OptimizeRx	Yes via prescriber	No	No	No	NASDAQ listed: USD \$25m revenue New partner for Adheris
Connective Rx	Yes via pharmacy and prescriber	No	No	No	Private Equity Owned.
Dr First	Yes via prescriber	Yes	No	SMS	Work in partnership with Adheris
Mscripts	Messaging via pharmacy	Yes	No	For app users only	Patient population in the order of 5-6m patients
MedAdvisor + Adheris	Yes via prescriber and pharmacy	Yes with MedAdvisor	Large network in the USA	Yes (app, SMS, or email)	Addressable patients of 180m+ and ability to interact via mail, POS, digital

Competitors for SaaS pharmacy patient solutions

Competitor	Patient medication apps (web + native formats)	In pharmacy services – including booking system, form pre-fill	Grouped reminders and ordering	4-5 star app reviews
Mscripts	Yes (native)	Yes (promote only)	No	No
Markettouch media	Yes (native)	No	No	No
Digital pharmacist	Yes (native)	No	No	No
MedAdvisor + Adheris	Yes (web + native)	Yes (promote, book, patient forms, record, claim)	Yes	Yes

Key definitions

CPG: Consumer Packaged Goods

Dynamic engagement: Multi-channel solution to drive right message to the right patient at the right time and in the right way to maximise impact.

Insurer: A person or company that underwrites an insurance risk; the party in an insurance contract undertaking to pay compensation.

OTC: Over The Counter

Payer: A payer, or sometimes payor, is a company that pays for an administered medical service. An insurance company is the most common type of payer. A payer is responsible for processing patient eligibility, enrollment, claims, and payment.

ROI: Return on Investment

SAAS: Software as a Service.

STAR ratings: The star ratings are part of a push to increase the quality of care provided by private plans that contract with Medicare in the US. The ratings are based on 36 measures, ranging from rates of hospital readmissions to the volume of consumer complaints a plan gets. Medication adherence is integral to an organisation's Medicare Advantage Star Rating. Analysis conducted illustrates that 50% of the weighting for the aggregate rating is tied to a health plan's support of consumers in taking their prescription medications. Medication adherence has become critical to a health plan's ability to improve health outcomes as well as lower total costs. Medication adherence has more influence on a plan's performance than preventative screenings, member appeals and other aspects of quality measured in the Star ratings.



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