

MARKET RELEASE

Half Year Results 2021

MedAdvisor reports record operating revenue of \$12.9m, up 191% YOY, with USA half-year revenue 40% above expectations

Melbourne, Australia, 25 February, 2021 - Medtech company, MedAdvisor Limited (**MedAdvisor** or the **Company**) (ASX: MDR) today released its half year results for the six-month period to 31 December 2020 and is pleased to provide an update of the progress during the period.

Key highlights

- **Purchased strategic partner Adheris, LLC** creating immediate scale in the USA
- **Recognised revenue of AUD\$12.9m for the half-year** to 31 December 2020, up AUD\$7.7m on the p.c.p. (+191%), with Adheris contributing 6 weeks
- **Full year CY20 pro-forma revenue of AUD\$56m up 24.3%** on CY19 (AUD \$45.1m)
- **MedAdvisor US (incorporating Adheris) achieved USD\$19.3m pro-forma in sales for the December half-year** (up 85% on the prior corresponding period (p.c.p) and +60% on MedAdvisor's initial forecast of USD\$13.8m pro-forma for the half-year)
- **US gross profit margin** of 48%, up 90% y.o.y., with almost \$1 in every \$2 dropping to the bottom line
- **Increased operating cash inflows to AUD\$13.8m** for the half-year to 31 December, up 185% on the p.c.p.
- **Signed contracts in the US to deliver 50%+ of CY21 Adheris earnout revenue hurdle** of USD\$32.5m (~AUD\$40m) and pipeline for CY21 is strong
- **Raised AUD\$42.3m equity** from a number of existing shareholders, including HMS, and new institutional investors

MedAdvisor CEO and Managing Director Robert Read said: "The results for the half represent a significant uplift in the profile of the MedAdvisor business. Commercialising our partnerships and technology across the world presents a significant growth opportunity. Acquiring Adheris has fast-tracked MedAdvisor's entry into the largest medication market in the world. The Adheris analytics engine ingests 2.2 billion prescriptions per year and powers successful health programs for global pharmaceutical companies. The contribution Adheris has made to the MedAdvisor business in the first 6 weeks of ownership has exceeded our expectations. Whilst Australia is 2% of the global medicine market, it is a market that can demonstrate the power of digital health. MedAdvisor's experience in Australia will translate

to longer term success in larger markets globally - especially as we work to release market-leading solutions like ePrescribing and remote customer verification."

Adheris acquisition + US expansion

During the half, MedAdvisor completed the acquisition of US-based Adheris for US\$27.5 million (<1x revenue) plus earnout payments that, if achieved, would result in a purchase price of US\$34.5m. The Adheris business delivers significant US scale via a pharmacy network of 25,000. This scale, combined with MedAdvisor's digital offering, is a significant opportunity for the Company with the US pharmaceutical market.

Full-year CY pro-forma revenue for MedAdvisor and Adheris was AUD\$56.1m, up 24% on the p.c.p. The December half pro-forma revenue was AUD\$31.4m, up 64%. .

The Group reported AUD\$12.9m operating revenue for the 6 month period ending 31 December 2020, an uplift of 191% from H2 FY20 (AUD\$5.2m), driven by strong Adheris performance, generating AUD\$7.9m in revenue in the 6 weeks to 31 December. Australian health programs also grew 56% over the half.

"MedAdvisor is becoming a truly global player in medication adherence and digital medication management. Our revenues are up 191% year-on-year and approximately 80% of our revenue is now generated in the US. We are now working with our global customers, including pharmaceutical companies, at scale across multiple regions," Read said.

The Group reported operating cash receipts of AUD\$13.8m in H1 FY21, up 185% on H2 FY20 (AUD\$4.8m). The December half results were driven by strong performance by Adheris health programs post-acquisition. The Company closed the half with AUD\$21.2m in cash, ensuring the business can execute on its integration and growth plans globally.

The market for Adheris Health's services is robust, with strong booking activity in the December quarter which is continuing into 2021. Demand for vaccination delivery via retail pharmacies is expected to grow - this will accelerate opportunities to market MedAdvisor/Adheris Health services, especially with multiple vaccine manufacturers.

First project live under strategic alliance with HMS

MedAdvisor has commenced go-to-market activities with HMS who has signed some initial health insurer clients for this half, building a pipeline of secure digital programs with HMS' customers. This will be the first time that MedAdvisor has run secure digital programs for the US insurer market and will be an important first step in opening up this market opportunity.

Our first joint project under the company's strategic alliance with US-based HMS has gone live. MedAdvisor has completed the technical integration for Sydney's Westmead Hospital secure digital discharge program. The project is supported by the Australian Government

Digital Health Cooperative Research Centre and will test if atrial fibrillation patients can be supported by digital health engagement.

Atrial fibrillation (AFib) is a heart condition that affects between 2% to 4% of the overall Australian population. Powered by HMS' health engagement solution Eliza, the six-month program will use digital tools to provide personalised support and outreach for Sydney-based patients to navigate their condition and drive better health outcomes.

Australian growth driven by health programs

Total revenue for Australian operations was up 13% for H1 FY21 compared to H1 FY20, largely through pharmacy network growth which was up to 3,600+ representing approximately 64% of the pharmacy market. As MedAdvisor continues to grow its network and reach, the opportunity to generate an increasing amount of revenue from patients within the network, and through health programs, will be a key growth driver for future periods.

Health programs revenue was up 56% on the p.c.p. as patient volumes grow and more sponsors are attracted to the scale and reach of MedAdvisor. Our ability to improve adherence and persistence to medication is a significant attraction for pharmaceutical companies. We had 10 new programs signed during the three months to 31 December 2020..

Relative to Q2 FY20, total digitally connected patient numbers passed 1.8 million, up 41%. Patient numbers are a key leading indicator to health program revenues as they enable engagement with a larger group of people.

Patient app orders and items per order were up nearly 52% and 56% respectively year-on-year for Q2 FY21 vs Q2 FY20.

Electronic prescribing recently went live, with MedAdvisor the first conformant patient app for electronic prescribing in Australia. The workflows make it extremely easy for patients to handle multiple scripts whilst providing pharmacy with a more efficient workflow than with paper scripts.

UK

The December half saw continued R&D and investment in our UK product and market development. This included enhanced functionality for the UK market and a consumer web product to complement that patient app.

MedAdvisor launched its white label app with Day Lewis. The roll out was paused in the December Quarter due to issues relating to COVID in the UK but will resume in the second half of FY21.

The UK variant of the MedAdvisor app, which is supported by the National Pharmacy Association (NPA) for its pharmacy members, is expected to go live in Q4 FY21 following with NHS accreditation.

The solution provided will integrate with NHS systems. MedAdvisor has a growing pipeline of pharmacies engaged for when the product goes live.

Asia

Through the Group's joint venture with Zuellig Pharma (ZP MedAdvisor Pte Ltd.) in the Philippines and Malaysia, our first pharmacy customer, MedExpress, went live with a white label MedAdvisor app across 65 of its stores. Patient volumes are increasing but have not yet achieved meaningful scale. The joint venture will continue to develop in a new variant of the pharmacy software, PlusOne that doesn't require a dispense integration.

Additional health programs also went live in the Philippines and Malaysia over the half. The product focus for this business is building a stand-alone version of the MedAdvisor app that is not integrated to a dispense system, given many pharmacies don't have computers, but can operate in a mobile mode.

Results call

MedAdvisor will host a call for investors today at 2pm AEDT. You can register for the call here: https://us02web.zoom.us/webinar/register/WN_n4PM5otiSJCRWn1h6XYJqQ

This document has been authorised for release by Chris Ridd, Chairman.

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About MedAdvisor

MedAdvisor is a world-class medication management platform that empowers users to more simply manage their medication and improve adherence. MedAdvisor's highly automated and intuitive software system connects users to tools and education materials from their local/preferred pharmacy. In Australia, MedAdvisor has connected over 1.6 million users through more than 60% of Australian pharmacies and a network of thousands of GPs.

MedAdvisor has recently partnered with HMS in the US, Zuellig Pharma in Asia and launched into the UK on track to become one of the largest players in the global digital adherence market. In 2018 and 2020, MedAdvisor was recognised in the AFR Fast 100. Visit: mymedadvisor.com/investors