

**MARKET RELEASE****MedAdvisor raises AUD \$5.25 million, signs term sheet for funding facility**

**Melbourne, Australia, 6 May, 2021** - Medtech company, MedAdvisor Limited (**MedAdvisor** or the **Company**) (ASX: MDR) today announces it has closed a AUD \$5.25 million raise led by Perennial Value Management Limited (**Placement**). The equity raise was done at AUD \$0.30 per share, representing a 7.1% premium to the last traded price of MedAdvisor shares and a 4.4% discount to the 5 day VWAP of AUD \$0.31.

"This capital injection puts MedAdvisor in a strong cash position as we continue to execute on significant growth opportunities and fast-tracking strategic digital US initiatives," said MedAdvisor CEO and Managing Director, Robert Read.

**Placement details**

- The Placement was supported by existing institutional shareholders, Perennial Value Management Limited and Jencay Capital Pty Limited.
- The new shares will be issued at AUD \$0.30 per share and are expected to be allotted on 12 May 2021.
- Approximately AUD \$5.25m (17,500,001 shares) was raised.
- The shares under the Placement will be issued within MedAdvisor's Listing Rule 7.1 placement capacity.
- MDR shares will resume trading on ASX from market open today.

MedAdvisor has also executed a non-binding term sheet with San Francisco-based Partners For Growth VI, L.P. (**PFG**) for a 3-year loan facility of up to USD \$9 million (AUD \$11.7m)<sup>1</sup> (**Loan Facility**).

**Loan facility details**

- The Loan Facility includes a USD \$5m (AUD \$6.5m) term loan to be funded at closing of the transaction (**Closing**) and an up to USD \$4m (AUD \$5.2m) revolving line of credit.
- The facility will be used to repay the USD \$5m (AUD \$6.5m) in outstanding convertible notes on issue to Syneos, issued as part of the Adheris Health acquisition and continue the investment in growth following the payment of the CY20 Earn Out.
- The Loan Facility term is 3 years at an annual interest rate of 10.25% of the drawn amount.

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<sup>1</sup> Based on a AUD:USD exchange rate of \$0.77

- Other fees include a 1.65% establishment fee and a fee of USD \$0.338m paid at maturity.
- PFG will be granted a first-ranking security interest over all assets of MedAdvisor and its subsidiaries.
- The Company will covenant to PFG that for the period to 31 December, 2021:
  - Accounts Receivables (less than 90 days) plus cash of at least AUD \$5m on the balance sheet at all times; and
  - the Company to achieve revenue of at least AUD \$3.3m revenue per month (approximately 70% of forecasted monthly revenue) on a rolling 6 months basis,
 with the covenants to be re-negotiated for future periods, but failing agreement, will be not less than the covenants for the period to 31 December, 2021.
- The loan facility will contain typical events of default on which the loans become repayable, including for breach of representations or covenants.

"This funding structure provides MedAdvisor with the capital to execute on our strategy in a manner that minimises dilution for our existing shareholders and drives us towards cashflow breakeven. Given MedAdvisor's strong forward bookings and pipeline, the board has a high degree of confidence in our outlook," Read said. "We are delighted that the integration of Adheris Health has proceeded smoothly and that the full 2020 earnout has been achieved."

In the Board's opinion, the two financial covenants provide significant headroom for MedAdvisor. Specifically, the covenant that Accounts Receivables (less than 90 days) plus cash do not drop below AUD \$5m for the period to 31 December 2021 is about one-third of the Company's guidance (provided on 30 April 2021) for such period. With respect to the revenue covenant, the Company has already contracted over 76% of full year revenue for CY21, as well as contracted AUD \$12.5m for Q1 CY21 (as noted in the recent quarterly update)

In addition, MedAdvisor will grant PFG at Closing 7-year options to purchase up to approximately AUD \$1.74m of Medadvisor shares at exercise prices of between AUD \$0.40 and AUD \$0.58 (**Warrants**) resulting in less than 1% dilution. The key terms of the Warrants are set out on the following page.

The Loan Facility and Warrants are subject to the execution of final documentation on the terms set out in the terms sheet within 45 business days.

### **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 preferred pharmacy. In Australia, MedAdvisor has connected over 1.8 million patients through more than 65% of Australian pharmacies. MedAdvisor has partnered with HMS in the US, Zuellig Pharma in Asia, and is 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](http://mymedadvisor.com/investors)*

## Warrant Terms

The key terms of the Warrants to be issued to PFG at Closing are:

<b>Warrants</b>	<ul style="list-style-type: none"><li>i. An option to purchase up to 659,091 shares at a strike price of \$0.40 per share;</li><li>ii. An option to purchase up to 608,392 shares at a strike price of \$0.43 per share;</li><li>iii. An option to purchase up to 1,054,545 shares at a strike price of \$0.50 per share; and</li><li>iv. An option to purchase up to 1,205,195 shares at a strike price of \$0.58 per share.</li></ul>
<b>Expiry Date</b>	Seven years from the date of Closing. Warrants may be exercised at any time during this period.
<b>Treatment of Warrants upon Acquisition</b>	Upon an "Acquisition" (including any sale or other disposition of all or substantially all of the assets of the Company in whatever form, however effected, or any reorganization, consolidation, or merger of the Company (whether in a single transaction or multiple related transactions), the surviving entity shall, as condition to the Acquisition and at their option, either: (i) assume the obligations of the Warrants or (ii) purchase the Warrants at their fair value, which shall be determined using a Black-Scholes Option-Pricing Model.
<b>Exchange of Warrants for shares (Net Exercise)</b>	If the fair market value of the Company's shares exceeds the exercise price of any Warrants, PFG may exchange those Warrants for that number of the Company's shares obtained by dividing (x) the intrinsic value of the Warrants (i.e. the Fair Market Value of the shares on the date of the exchange less the Exercise Price), by (y) the Fair Market Value (defined as the highest fair market value per share in the 90 days prior to the exchange of the Warrants).
<b>Optional Exercise of Warrants for Cash</b>	PFG may, at its option, exercise Warrants by paying the Exercise Price in cash.
<b>Automatic Exercise of Warrants</b>	To the extent not exercised in advance, Warrants will be automatically net exercised for shares immediately before expiry.

- ENDS -

*This document has been authorised for release by Robert Read, MedAdvisor CEO.*

### **For more information:**

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