

## Appendix 4D

MedAdvisor Limited  
ABN 17 145 327 617



### Results for Announcement to the Market

#### Half-year ended 31 December 2021

(Previous corresponding period: Half-year ended 31 December 2020)

	Half-year ended	Half-year ended		Movement	
	31 Dec 2021	31 Dec 2020		%	\$'000
	\$'000	\$'000			
<b>Revenue from ordinary activities</b>	38,652	12,929	Up	199%	25,723
<b>Loss from ordinary activities after tax attributable to the members of MedAdvisor Limited</b>	(7,524)	(7,765)	Down	-3%	241
<b>Loss for the half-year attributable to the members of MedAdvisor Limited</b>	(7,524)	(7,765)	Down	-3%	241
	Half-year ended	Year ended			
	31 Dec 2021	30 June 2021			
	(cents)	(cents)			
<b>Net tangible assets per ordinary security</b>	(3.67)	(2.13)			

#### Dividends

Not applicable

#### Control Gained or Lost over Entities

Not applicable

#### Other

Additional disclosure requirements in accordance with ASX Listing Rule 4.2A are contained in this report.

This report should be read in conjunction with the annual report for the year ended 30 June 2021, investor presentation for the half-year ended 31 December 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The financial statements have been subject to a review by the auditors and the review report is included in the Interim Financial Report. The Review conclusion contains a Material Uncertainty paragraph in relation to going concern.

The information set out above and in the attached half-year Financial Report is provided to the ASX in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Robert Read'.

#### Robert Read

CEO & Managing Director

25 February 2022  
Camberwell, VIC



**MedAdvisor**

Appendix 4D

**Half-year Report**

For the six months ended 31 December 2021

# Contents

	<b>Page</b>
<b>Directors' Report</b>	1
<b>Auditor's Independence Declaration</b>	5
<b>Consolidated Financial Statements</b>	
Consolidated Statement of Profit or Loss and other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
<b>Notes to the Consolidated Financial Statements</b>	
1. Basis of Preparation	10
2. Critical accounting judgements, estimates and assumptions	10
<i>Key Performance</i>	
3. Earnings per Share	11
4. Operating Segments	12
5. Revenue	13
6. Expenses	14
<i>Assets</i>	
7. Cash and Cash Equivalents	15
8. Trade and Other Receivables	15
9. Other Assets	15
10. Property, Plant & Equipment	16
11. Right-of-Use Assets	16
12. Intangible Assets	17
<i>Liabilities</i>	
13. Trade and Other Payables	18
14. Borrowings	18
15. Other Liabilities	19
16. Lease Liabilities	19
17. Employee Benefits	19
<i>Equity</i>	
18. Issued Capital	20
<i>Other Disclosures</i>	
19. Contingent Liabilities & Contingent Assets	20
20. Events after the Reporting Date	20
<b>Directors' Declaration</b>	21
<b>Independent Auditor's Review Report</b>	22
<b>Corporate Directory</b>	24

## Directors' Report

The Directors present their report, together with the interim consolidated financial statements and notes for MedAdvisor Limited (the **Company** or **MedAdvisor**) and its subsidiaries (together, the **Group**) for the half-year ended 31 December 2021 and the Auditor's review report thereon.

### Directors

The names of the Directors of MedAdvisor during or since the end of the financial half-year were:

- Chris Ridd (Non-Executive Director & Chair)
- Robert Read (Executive Director and Chief Executive Officer)
- Joshua Swinnerton (Executive Director and Founder)
- Sandra Hook (Non-Executive Director)
- Jim Xenos (Non-Executive Director)
- Lucas Merrow (Non-Executive Director – appointed 10 August 2021)
- Peter Bennetto (Non-Executive Director – resigned 26 November 2021)
- RaeAnn Grossman (Non-Executive Director – appointed 1 February 2022)

### Principal Activities

The principal activities of the Group continue to be the enhancement and growth of the MedAdvisor medication and adherence platform. The platform is focused on improving health outcomes by connecting health professionals with their patients using technology and enhancing medication adherence through health programs.

### Review of Results and Operations

MedAdvisor has again continued to perform strongly in the half with a focus on delivering a step change in its engagement with customers in both the US and Australia. The half saw record revenues, growth in gross profit dollars and a reducing EBITDA loss.

MedAdvisor has become the backbone of COVID-19 in pharmacy vaccinations in Australia and in the US has augmented its revenue model with digital programs being the catalyst.

### Market Performance: United States of America (US)

#### Financial highlights

The US business continues to perform strongly, generating US\$39.6 million of revenue against an Earn Out level of US\$32.5 million for CY21. 1H FY22 revenue of US\$23.5 million (A\$32.1 million) was up 21.8% on a like-for-like basis (1H FY21: US\$19.3 million), underpinned by a continued focus on increasing digital programs. As at 31 December 2021, 9 digital programs were live through the pharmacy network already activated for digital programs.

#### Dynamic engagement (*Thriv*)

As part of MedAdvisor's investment in the US business to utilise the Company's extensive knowledge and expertise and improve margins, the Dynamic Engagement model (marketed as "Thriv") has been a key focus. Thriv leverages advanced algorithms and predictive analytics to ensure the right patient gets the right message at the right time, through the most effective channel.

## Directors' Report (continued)

Thriv will be focused on adherence programs during FY22. This new offering delivers an improved revenue model and expanding margins, and is now live with the first program launched as planned in January 2022. We have good engagement with our customers and over the next 12 months expect Thriv to become MedAdvisor's largest product line.

### Digitalisation

In addition to implementing Thriv, the focus in the US is to continue to digitalise the pharmacy network. At 31 December 2021, approximately 37% of the network had agreed to go digital including the recently announced Walmart deal. Once live, this represents a digital patient reach in excess of 40 million patients in the US. We are working closely with these pharmacy chain partners to make the necessary systems' configuration to facilitate digitalisation.

### Payer programs

During the half MedAdvisor invested in a new line of business in the payer market, including its partnership with Cotiviti and a new eHealth partnership. A significant portion of the revenue generated relates to a program to support seniors navigate health insurance plans that allow them to keep their doctor, pharmacist, and drug coverage, whilst maintaining affordability.

MedAdvisor invested significantly in the launch of the program to ensure its success, with results in line with expectations. Included in the revenue result for the first-half was payer revenue of US\$6.1 million (A\$7.7 million). This revenue was at a lower initial margin impacting overall gross margin. Moving forward, this revenue will be largely generated in the first half of the financial year, with future margins expected to be higher due to the introduction of digital enhancements and leveraging better predictive targeting.

## Market Performance: Australia and Rest of World

### Financial highlights

Following the appointment of a new General Manager of Sales & Marketing in June 2021, MedAdvisor invested in the sales capability and capacity of the team. This has delivered positive momentum in the growth of the network, patient sign ups and an improved health program pipeline. Revenue for the period was up 33.0% to \$6.6 million (1H FY21: \$5.0 million), reflecting the increased network capacity from signing Australian Pharmaceutical Industries (API) in July and returns from investment in sales capability and capacity. Gross margin was up to 82.7%, reflecting a lower cost to serve post re-platforming.

### Pharmacy Network & API Contract

During the half the pharmacy network grew from approximately 3,700 stores at 30 June 2021 to over 4,000 as at 31 December 2021. This has been driven in part by the signing of a 5-year contract with API in July and the Company's investment in its sales capability and capacity.

Annual Recurring Revenue was up 30.4% to \$7.7 million (1H FY21: \$5.9 million). Following the price rise and introduction of the premium pricing model in June 2021, pharmacy churn has remained low at less than 3% on an annualised basis.

Patient growth has been significant and is up from 2 million at 30 June 2021, to 2.4 million as at 31 December 2021. Working with our pharmacy network and partner groups, patients per store has increased around 10% to 585, and is an area the Company will continue to work on in the second half.

## Directors' Report (continued)

### COVID-19

With pharmacies becoming part of the vaccination frontline, MedAdvisor was proud to play a key role in assisting with the roll out. COVID-19 vaccinations utilise the MedAdvisor PlusOne booking functionality. To date more than 3.8 million COVID-19 vaccinations have been administered through pharmacies in the MedAdvisor network. This has contributed to a significant increase in transaction revenue and it has also provided an important source of patient sign ups.

### V6 Launch

During 1H FY22, MedAdvisor upgraded to its new V6 platform, providing greater speed, responsiveness and an improved user interface. It also deals with patient feedback and importantly has significant automation and a lower cost to serve. To date, feedback has been very positive.

### United Kingdom (UK) Update

MedAdvisor has launched new functionality for PlusOne in the UK. The customer feedback continues to be strong in reducing follow up with GPs and efficient ordering. MedAdvisor will be investing in sales capability in 2H FY22 to drive adoption which has been slower than planned. COVID-19 has been a headwind for pharmacies assessing and adopting new technology in the UK, whilst they focus on adapting to the changing conditions. MedAdvisor is positive about the opportunity in the UK, a market that is 3 times the size of Australia.

### New Zealand (NZ)

Post balance date, MedAdvisor announced its entry into the NZ market via an agreement with Green Cross Health (NZX: GXH) that represents 350 community pharmacies approximating 40% of the NZ market. This will make Green Cross MedAdvisor ANZ's third largest customer.

## Financial Position

The Group has \$5,336,890 in cash plus \$115,757 in cash on deposit as security, bringing a total cash balance of \$5,452,647 at 31 December 2021, following a net cash decrease of \$1,813,975 for the half-year. The net assets of the Group at 31 December 2021 were \$42,918,093, a decrease of \$5,927,057 since 30 June 2021.

## Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group that occurred during the financial half-year that are not otherwise disclosed in this report.

## Proceedings

No person has applied for leave of Court under section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings in the financial half-year.

## Directors' Report (continued)

### Matters subsequent to the end of the financial half-year

There have been no matters or circumstances which have arisen since the end of the financial half-year period that significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future years.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on the following page.

Signed in accordance with a resolution of the Directors:



**Robert Read**

CEO & Managing Director

25 February 2022  
Camberwell, VIC

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of MedAdvisor Limited for the half year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



**RSM AUSTRALIA PARTNERS**



**B Y CHAN**  
Partner

Dated: 25 February 2022  
Melbourne, Victoria

# Consolidated Statement of Profit or Loss and other Comprehensive Income

for the half-year ended 31 December 2021

				Consolidated	
		31 December 2021	31 December 2020		
		\$	\$		
	Notes				
Revenue from continuing operations	5(a)	38,652,398		12,929,247	
Direct expenses	6(a)	(20,354,694)		(5,536,598)	
<b>Gross margin</b>		<b>18,297,704</b>		<b>7,392,649</b>	
Development costs		(3,113,858)		(1,793,774)	
Employee benefits expenses	6(b)	(16,334,910)		(8,859,425)	
Directors fees	6(b)	(146,996)		(144,506)	
Marketing expenses		(1,223,802)		(1,164,637)	
Other expenses		(1,994,327)		(2,727,582)	
Other income	5(b)	1,415		156,034	
<b>Earnings before interest, taxes, depreciation &amp; amortisation</b>		<b>(4,514,774)</b>		<b>(7,141,241)</b>	
Depreciation and amortisation expense	6(c)	(2,431,165)		(435,250)	
Interest expense	6(d)	(711,055)		(339,847)	
<b>Loss before income tax</b>		<b>(7,656,994)</b>		<b>(7,916,340)</b>	
Income tax (expense) / benefit		-		-	
<b>Loss for the half-year</b>		<b>(7,656,994)</b>		<b>(7,916,340)</b>	
Other comprehensive income		946,191		(1,603,389)	
<b>Total comprehensive loss for the half-year</b>		<b>(6,710,803)</b>		<b>(9,519,729)</b>	
<b>Loss for the half-year is attributable to:</b>					
Owners of MedAdvisor Limited		(7,523,554)		(7,764,627)	
Non-controlling Interest		(133,440)		(151,713)	
		(7,656,994)		(7,916,340)	
<b>Total comprehensive loss for the half-year is attributable to:</b>					
Owners of MedAdvisor Limited		(6,591,851)		(9,301,797)	
Non-controlling Interest		(118,952)		(217,932)	
		(6,710,803)		(9,519,729)	
<b>Loss per Share</b>					
Basic loss per share	3	\$ (0.020)	\$	\$ (0.029)	
Diluted loss per share	3	\$ (0.020)	\$	\$ (0.029)	

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Consolidated Statement of Financial Position

as at 31 December 2021

Consolidated			
	Notes	31 December 2021 \$	30 June 2021 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	5,336,890	7,150,865
Trade and other receivables	8	12,265,719	12,464,259
Other assets	9	2,697,783	1,702,250
<b>Total current assets</b>		<b>20,300,392</b>	<b>21,317,374</b>
<b>Non-current assets</b>			
Property, plant & equipment	10	1,821,456	2,231,152
Right-of-use assets	11	1,755,498	2,341,328
Intangible assets	12	55,014,726	54,546,789
Other assets	9	254,782	481,695
<b>Total non-current assets</b>		<b>58,846,462</b>	<b>59,600,964</b>
<b>Total assets</b>		<b>79,146,854</b>	<b>80,918,338</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	12,771,291	10,704,727
Borrowings	14	-	299,762
Other liabilities	15	12,733,502	9,198,936
Leases	16	1,115,210	1,265,476
Employee benefits	17	1,094,967	1,795,609
<b>Total current liabilities</b>		<b>27,714,970</b>	<b>23,264,510</b>
<b>Non-current liabilities</b>			
Borrowings	14	6,506,199	6,093,539
Leases	16	1,016,239	1,502,525
Employee benefits	17	141,009	122,739
Other payables	13	92,614	357,875
Deferred tax liabilities		757,730	732,000
<b>Total non-current liabilities</b>		<b>8,513,791</b>	<b>8,808,678</b>
<b>Total liabilities</b>		<b>36,228,761</b>	<b>32,073,188</b>
<b>Net assets</b>		<b>42,918,093</b>	<b>48,845,150</b>
<b>EQUITY</b>			
Contributed equity	18	91,114,645	90,992,487
Reserves		3,280,893	1,687,602
Retained earnings / (losses)		(51,754,718)	(44,231,164)
<b>Equity attributable to the owners of MedAdvisor Limited</b>		<b>42,640,820</b>	<b>48,448,925</b>
Non-controlling interests		277,273	396,225
<b>Total equity</b>		<b>42,918,093</b>	<b>48,845,150</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

# Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2021

	Attributable to owners of MedAdvisor Ltd.					Total Equity
	Contributed Equity	Share Options Reserve	Foreign Currency Translation Reserve	Retained Earnings / (Losses)	Non- Controlling Interests	
	\$	\$	\$	\$	\$	\$
<b>Consolidated Balance at 1 July 2021</b>	90,992,487	2,710,595	(1,022,993)	(44,231,164)	396,225	48,845,150
<i>Transactions with owners in their capacity as owners:</i>						
Ordinary shares issued	-	-	-	-	-	-
Capital raising costs (net of GST)	(52,500)	-	-	-	-	(52,500)
Share Options issued	-	836,246	-	-	-	836,246
Share Options exercised	174,658	(174,658)	-	-	-	-
<i>Total comprehensive income for the half-year:</i>						
Exchange differences on translation of foreign entities	-	-	931,703	-	14,488	946,191
Loss after tax	-	-	-	(7,523,554)	(133,440)	(7,656,994)
<b>Balance at 31 December 2021</b>	<b>91,114,645</b>	<b>3,372,183</b>	<b>(91,290)</b>	<b>(51,754,718)</b>	<b>277,273</b>	<b>42,918,093</b>
<b>Consolidated Balance at 1 July 2020</b>	45,369,890	1,574,072	-	(30,281,714)	358,361	17,020,609
<i>Transactions with owners in their capacity as owners:</i>						
Ordinary shares issued	42,278,470	-	-	-	525,457	42,803,927
Capital raising costs (net of GST)	(2,194,173)	-	-	-	-	(2,194,173)
Share Options issued	-	615,051	-	-	-	615,051
Share Options exercised	351,929	(351,929)	-	-	-	-
<i>Total comprehensive income for the half-year:</i>						
Exchange differences on translation of foreign entities	-	-	(1,537,170)	-	(66,219)	(1,603,389)
Loss after tax	-	-	-	(7,764,627)	(151,713)	(7,916,340)
<b>Balance at 31 December 2020</b>	<b>85,806,116</b>	<b>1,837,194</b>	<b>(1,537,170)</b>	<b>(38,046,341)</b>	<b>665,886</b>	<b>48,725,685</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# Consolidated Statement of Cash Flows

for the half-year ended 31 December 2021

	Consolidated	
	31 December 2021	31 December 2020
	\$	\$
<b>Cash Flows From Operating Activities</b>		
Receipts from customers (inclusive of GST)	42,358,265	13,733,819
Payments to suppliers and employees (inclusive of GST)	(42,463,565)	(16,014,159)
Interest received	1,415	31,034
Interest and other costs of finance paid	(373,337)	(40,122)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(477,222)</b>	<b>(2,289,428)</b>
<b>Cash Flows From Investing Activities</b>		
Payment for acquisition of subsidiary	-	(29,211,940)
Payments for property, plant and equipment	(123,535)	(161,159)
Proceeds from sale of property, plant and equipment	21,029	-
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(102,506)</b>	<b>(29,373,099)</b>
<b>Cash Flows From Financing Activities</b>		
Repayment of lease liabilities	(756,538)	(231,454)
Repayment of borrowings	(299,762)	-
Proceeds from new share issue	-	42,278,470
Capital raising costs (net of GST)	(52,500)	(1,960,848)
Receipts from non controlling entities	-	525,457
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(1,108,800)</b>	<b>40,611,625</b>
<b>Net increase/(decrease) in cash held</b>	<b>(1,688,528)</b>	<b>8,949,099</b>
Cash and cash equivalents at the beginning of the financial year	7,150,865	12,345,164
Effects of exchange rate changes on cash and cash equivalents	(125,447)	(86,123)
<b>Cash and cash equivalents at the end of the financial half-year</b>	<b>5,336,890</b>	<b>21,208,140</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Consolidated Financial Statements

These condensed consolidated interim financial statements (hereinafter referred to as 'financial statements') incorporate the assets and liabilities of all subsidiaries of MedAdvisor Limited for the half-year ended 31 December 2021. MedAdvisor Limited is a publicly listed company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 25 February 2022 by the Directors of the Company.

## 1. Basis of Preparation

MedAdvisor Limited is a for-profit entity for the purpose of preparing financial statements.

The financial statements for the half-year ended 31 December 2021:

- i. Have been prepared in accordance with Accounting Standard *AASB134 Interim Financial Reporting* and the *Corporations Act 2001*.
- ii. Do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.
- iii. Adopt accounting policies consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.
- iv. Have been prepared on a going concern basis.

## 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are detailed in the notes to the 30 June 2021 consolidated Group financial statements.

### Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss after income tax of \$7,656,994 and had net cash outflows from operating activities of \$477,222 for the half-year ended 31 December 2021. As at that date the Group had net current liabilities of \$7,414,578.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

## Notes to the Consolidated Financial Statements (continued)

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The directors have reviewed the forecasts which show that the existing cash reserves and funding facilities held by the business, including the PFG funding facility, should be sufficient to fund the business until it is able to generate sufficient cash from its operating activities.
- The directors have confidence that given the successful execution of the US strategy to date, that should they form the opinion the company needs additional capital in the future, the equity capital markets are available to raise additional cash to support the ongoing growth of the business.
- The company has a proven track record of raising funds from the listed market for acquisitions and expansion purposes.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the half-year financial report.

The half-year financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

### 3. Earnings per Share

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Earning per share for half-year loss attributable to the ordinary equity holders of of MedAdvisor Limited</b>		
Half-year loss attributable to equity holders of MedAdvisor Limited	(7,523,554)	(7,764,627)
Basic loss per share	<b>\$ (0.020)</b>	<b>\$ (0.029)</b>
Diluted loss per share	<b>\$ (0.020)</b>	<b>\$ (0.029)</b>
<b>Weighted average number of ordinary shares</b>		
Weighted average number of ordinary shares used in calculating basic earnings per share	377,474,353	270,817,618
<b>Adjustment for calculation of diluted earnings per share</b>		
Options over ordinary shares	23,886,376	11,162,056
Performance rights vested but not exercised	2,014,283	2,014,283
	<b>403,375,012</b>	<b>283,993,957</b>

## Notes to the Consolidated Financial Statements (continued)

### 4. Operating Segments

The Board has determined that the Company has five reporting segments. The first being the business activities of the Australian MedAdvisor medication management and adherence platform, followed by activities associated with operations in the USA, UK and Asia, and lastly the corporate function associated with being an ASX listed company. The Board monitors the Company based on actual versus budgeted revenue and expenditure incurred. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Company and its ongoing activities.

<b>31 December 2021</b>	<b>AU Operations \$</b>	<b>USA Operations \$</b>	<b>UK Operations \$</b>	<b>Asia Operations \$</b>	<b>Corporate \$</b>	<b>Total \$</b>
<b>Segment revenues</b>	<b>6,540,643</b>	<b>32,055,783</b>	<b>24,050</b>	<b>33,337</b>	<b>-</b>	<b>38,653,813</b>
Segment operating loss	(2,497,196)	(2,397,790)	(979,509)	(266,881)	(1,515,618)	(7,656,994)
Segment assets	8,285,900	70,135,797	62,993	570,861	91,303	79,146,854
Segment liabilities	6,685,394	25,126,793	133,534	10,290	4,272,750	36,228,761
<b>Segment net assets</b>	<b>1,600,506</b>	<b>45,009,004</b>	<b>(70,541)</b>	<b>560,571</b>	<b>(4,181,447)</b>	<b>42,918,093</b>

<b>31 December 2020</b>	<b>AU Operations \$</b>	<b>USA Operations \$</b>	<b>UK Operations \$</b>	<b>Asia Operations \$</b>	<b>Corporate \$</b>	<b>Total \$</b>
<b>Segment revenues</b>	<b>5,081,558</b>	<b>7,974,238</b>	<b>21,321</b>	<b>8,164</b>	<b>-</b>	<b>13,085,281</b>
Segment operating loss	(4,444,637)	(1,503,430)	(1,009,901)	(303,426)	(654,946)	(7,916,340)
Segment assets	21,942,513	66,216,431	74,281	1,182,594	283,640	89,699,459
Segment liabilities	11,366,498	29,061,807	44,684	62,781	438,001	40,973,771
<b>Segment net assets</b>	<b>10,576,015</b>	<b>37,154,624</b>	<b>29,597</b>	<b>1,119,813</b>	<b>(154,361)</b>	<b>48,725,688</b>

## Notes to the Consolidated Financial Statements (continued)

### 5. Revenue

	Consolidated	
	31 December 2021	31 December 2020
	\$	\$
<b>Disaggregation of Revenue</b>		
a. From continuing operations		
<i>Major service lines:</i>		
SaaS Revenue	3,672,620	3,114,729
Transaction & Development Fees	2,044,434	1,168,785
Health Programs	32,935,344	8,645,733
	<b>38,652,398</b>	<b>12,929,247</b>
<i>Timing of revenue recognition:</i>		
Goods transferred at a point in time	3,672,620	3,114,729
Services transferred over time	34,979,778	9,814,518
	<b>38,652,398</b>	<b>12,929,247</b>
b. Other Income		
Interest Received	1,415	31,034
Sundry Income - Government Grants	-	125,000
	<b>1,415</b>	<b>156,034</b>

Revenue by geographical region has been disclosed in Note 4.

## Notes to the Consolidated Financial Statements (continued)

### 6. Expenses

	Consolidated	
	31 December 2021	31 December 2020
	\$	\$
Loss before income tax from continuing operations includes the following specific expenses:		
a. Direct Costs		
Direct transaction costs	19,312,356	4,712,009
Direct costs of SMS services	414,689	288,252
Managed services costs for the MedAdvisor Platform	627,649	536,337
	<b>20,354,694</b>	<b>5,536,598</b>
b. Employee Benefits Expenses:		
Development	6,512,965	3,339,954
Administration	5,301,031	2,186,772
Sales & Marketing	3,245,335	2,463,740
People and Culture	439,333	257,060
Share based employee remuneration	836,246	611,899
	<b>16,334,910</b>	<b>8,859,425</b>
Governance - Directors fees	146,996	144,506
	<b>16,481,906</b>	<b>9,003,931</b>
c. Depreciation & Amortisation		
Depreciation		
Right-of-use assets	634,371	119,247
Office furniture and equipment	494,125	179,827
Leasehold improvements	39,654	21,278
Motor vehicles	-	2,934
Total depreciation	<b>1,168,150</b>	<b>323,286</b>
Amortisation		
Software	896,794	105,574
Relationships	359,660	-
Intellectual property	6,561	6,390
Total Amortisation	<b>1,263,015</b>	<b>111,964</b>
	<b>2,431,165</b>	<b>435,250</b>
d. Finance costs		
Interest and finance charges paid/payable	711,055	339,847
e. Superannuation expense		
Defined contribution superannuation expense	771,454	487,966

## Notes to the Consolidated Financial Statements (continued)

### 7. Cash and Cash Equivalents

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
Cash at bank	5,336,890	7,150,865
	<b>5,336,890</b>	<b>7,150,865</b>

### 8. Trade and Other Receivables

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
Trade debtors	11,140,618	11,062,583
Other debtors	1,125,101	1,401,676
	<b>12,265,719</b>	<b>12,464,259</b>

### 9. Other Assets

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
<b>Current</b>		
Prepayments	2,582,026	1,575,975
Security deposits	115,757	126,275
	<b>2,697,783</b>	<b>1,702,250</b>
<b>Non Current</b>		
Prepayments	254,782	481,695
	<b>254,782</b>	<b>481,695</b>

## Notes to the Consolidated Financial Statements (continued)

### 10. Property, Plant & Equipment

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
<b>Office Furniture and Equipment</b>		
Cost	4,480,758	4,291,315
Accumulated depreciation	(2,830,145)	(2,284,305)
<b>Net Book Value</b>	<b>1,650,613</b>	<b>2,007,010</b>
<b>Leasehold Improvements</b>		
Cost	519,515	509,261
Accumulated depreciation	(348,673)	(301,723)
<b>Net Book Value</b>	<b>170,842</b>	<b>207,538</b>
<b>Motor Vehicles</b>		
Cost	-	28,462
Accumulated depreciation	-	(11,858)
<b>Net Book Value</b>	<b>-</b>	<b>16,604</b>
<b>Total Property, Plant and Equipment</b>	<b>1,821,456</b>	<b>2,231,152</b>

### 11. Right-of-Use Assets

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
<b>Building - Right-of-use</b>		
Cost	5,363,847	5,238,395
Accumulated depreciation	(3,608,349)	(2,897,067)
<b>Net Book Value</b>	<b>1,755,498</b>	<b>2,341,328</b>

## Notes to the Consolidated Financial Statements (continued)

### 12. Intangible Assets

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
<b>Goodwill</b>		
Cost	35,695,176	34,619,363
<b>Net Book Value</b>	35,695,176	34,619,363
<b>Software</b>		
Cost	10,356,461	10,062,688
Accumulated amortisation	(3,225,408)	(2,268,259)
<b>Net Book Value</b>	7,131,053	7,794,429
<b>Relationships</b>		
Cost	7,254,845	7,008,490
Accumulated amortisation	(816,171)	(438,031)
<b>Net Book Value</b>	6,438,674	6,570,459
<b>Brands</b>		
Cost	5,708,505	5,514,659
<b>Net Book Value</b>	5,708,505	5,514,659
<b>Intellectual property*</b>		
Cost	131,219	131,219
Accumulated amortisation	(89,901)	(83,340)
<b>Net Book Value</b>	41,318	47,879
<b>Total Intangible Assets</b>	<b>55,014,726</b>	<b>54,546,789</b>

\*Intellectual property includes copyright and trademarks

## Notes to the Consolidated Financial Statements (continued)

### 13. Trade and Other Payables

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade payables	2,685,916	3,789,702
Accrued abatements	5,991,441	3,561,521
Other payables	4,093,934	3,353,504
	<b>12,771,291</b>	<b>10,704,727</b>
<b>Non Current</b>		
Other payables	92,614	357,875
	<b>92,614</b>	<b>357,875</b>

### 14. Borrowings

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Current	-	299,762
Non Current	6,506,199	6,093,539
	<b>6,506,199</b>	<b>6,393,301</b>

At 31 December 2021, MedAdvisor Limited had a 3-year loan facility comprising of:

<b>Facility</b>	<b>Commitment (AUD)</b>	<b>Drawn at close</b>	<b>Maturity Date</b>
Tranche A	6,891,000	6,891,000	28-May-24
Tranche B	5,512,800	-	28-May-24
<b>Total</b>	<b>12,403,800</b>	<b>6,891,000</b>	

The difference between the drawn down Tranche A facility of AUD 6,891,000 and the Book Value of AUD 6,506,199 represents Fair Value adjustments made in accordance with AASB9 *Financial Instruments*.

The loan facilities have an interest rate of 10.25% paid monthly on amounts borrowed. Principal is due at maturity. Other fees included an upfront 1.65% establishment fee and a back-end fee of USD 338,000 payable at maturity. Our financier has been granted first-ranking interest over all assets of MedAdvisor Limited and its subsidiaries. MedAdvisor Limited has complied with all debt covenants throughout the reporting period.

## Notes to the Consolidated Financial Statements (continued)

### 15. Other Liabilities

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
<b>Current</b>		
Income in advance:		
Gross pharmacy subscriptions in advance	261,214	137,275
Patient engagement program (PEP) fees in advance	8,298,871	5,029,962
Deferred consideration	4,173,417	4,031,699
	<b>12,733,502</b>	<b>9,198,936</b>

The deferred consideration relates to the second and final performance-based payment ('earn-out') included as part of the acquisition of Adheris in November 2020: USD 3,000,000 payable 18 months after acquisition, in May 2022, as the performance-based criteria has been met in CY21.

### 16. Lease Liabilities

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
<b>Current</b>		
Lease Liability	1,115,210	1,265,476
	<b>1,115,210</b>	<b>1,265,476</b>
<b>Non Current</b>		
Lease Liability	1,016,239	1,502,525
	<b>1,016,239</b>	<b>1,502,525</b>

### 17. Employee Benefits

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
<b>Current</b>		
Provision for employee leave	1,094,967	1,795,609
	<b>1,094,967</b>	<b>1,795,609</b>
<b>Non Current</b>		
Provision for employee leave	141,009	122,739
	<b>141,009</b>	<b>122,739</b>

## Notes to the Consolidated Financial Statements (continued)

### 18. Issued Capital

	Consolidated	
	Number of Shares	\$
<b>Shares</b>		
Opening balance at 1 July 2021	377,370,639	90,992,487
New Share Issue	-	-
Employee Share Options exercised	505,223	174,658
Share issue transaction costs, net of tax	-	(52,500)
<b>Closing balance as at 31 December 2021</b>	<b>377,875,862</b>	<b>91,114,645</b>
<b>Options</b>		
Opening balance at 1 July 2021	17,481,320	
MedAdvisor Zero Cost Options issued under the Employee Incentive Plan:	7,668,752	
Employee incentive options exercised:	(505,223)	
Employee incentive options expired:	(758,473)	
<b>Closing balance as at 31 December 2021</b>	<b>23,886,376</b>	

### 19. Contingent Liabilities & Contingent Assets

The Group had no contingent liabilities or contingent assets as at 31 December 2021 and 31 December 2020.

### 20. Events after the Reporting Date

There have been no matters or circumstances which have arisen since the end of the financial half-year period that significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future years.

## Directors' Declaration

The Directors of the Company declare that:

- a) The consolidated financial statements and notes set out on pages 6 to 20 are in accordance with the *Corporations Act 2001* and:
  - i. comply with Accounting Standards, the *Corporations Regulations 2001*, and other mandatory professional reporting requirements.
  - ii. give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance of the financial half-year ended on that date.
- b) There are reasonable grounds to believe the Company will be able to pay its debts when they become due and payable. The basis of preparation confirms that the consolidated financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Board of Directors.



**Robert Read**

CEO & Managing Director

25 February 2022

Camberwell, VIC

**RSM Australia Partners**

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## INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of MedAdvisor Limited

### *Conclusion*

We have reviewed the accompanying half-year financial report of MedAdvisor Limited which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of MedAdvisor Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of MedAdvisor Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Material uncertainty related to going concern*

We draw attention to Note 2 in the half-year financial report, which indicates the consolidated entity incurred a net loss of \$7,656,994 and had net cash outflows from operating activities of \$477,222 for the half-year ended 31 December 2021. As at that date the consolidated entity had net current liabilities of \$7,414,578. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### *Responsibility of the Directors' for the Financial Report*

The directors of the MedAdvisor Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**RSM AUSTRALIA PARTNERS**



**B Y CHAN**  
Partner

Dated: 25 February 2022  
Melbourne, Victoria

# Corporate Directory

## Directors

### Chris Ridd

Non-Executive Director and Chair

### Robert Read

Executive Director and Chief Executive Officer

### Joshua Swinnerton

Executive Director and Founder

### RaeAnn Grossman

Non-Executive Director

### Sandra Hook

Non-Executive Director

### Lucas Merrow

Non-Executive Director

### Jim Xenos

Non-Executive Director

## Company secretary

### Naomi Lawrie

## ABN

17 145 327 617

## Website

[www.mymedadvisor.com](http://www.mymedadvisor.com)

## Stock exchange

MedAdvisor Limited is a public company listed with the Australian Securities Exchange.

**ASX: MDR**

## Registered office

Level 2, 971 Burke Road

Camberwell VIC 3124

T: +613 9095 3036

## Share register

### Computershare Investor Services Pty Ltd

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Abbotsford VIC 3067

T: 1300 850 505 (within Australia)

+613 9415 4000 (outside Australia)

## External auditor

### RSM Australia Partners

Level 21, 55 Collins Street

Melbourne VIC 3000

## Lawyers

### HWL Ebsworth

Level 26, 530 Collins Street

Melbourne VIC 3000