



— FINANCIAL REVIEW —
LISTS 2018
100
FAST

MedAdvisor
Expanding
Globally

Important Notice



COMMERCIAL IN CONFIDENCE

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Executive Summary

MedAdvisor has validated the global opportunity with a high margin, recurring revenue SaaS business with +1.1m connected users and +55% of the Australian pharmacy market as customers.

In the past weeks MedAdvisor has announced its international expansion with a Co-Marketing and Licence Agreement with PDX Inc and US\$12bn business Zuellig Pharma for the South East Asian region.



Proven product

+1.1m Patients using the platform

14.6% user growth in HY19



Recognition from leading brands

>3,200 pharmacies using MedAdvisor

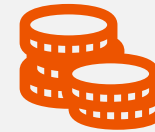
Leading global pharma manufacturers funding programs via MedAdvisor



Low customer churn & high engagement

<3% Pharmacy Churn p.a.

Medication ordering increased - \$260m of script value processed in HY19



Strong revenue growth and recurring revenue

HY19 - 19% revenue growth to \$3.88m

65% of revenue is recurring

Gross margins up to 87.6% in HY19



Profitable underlying business

Gross margin exceeds maintenance opex

Additional expenditure is targeting growth in new markets



Fully funded to execute target growth strategy

Cash reserves of \$7.5m (HY19) to fund existing expansion initiatives in Australia and the US

The Problems

Global medication non-adherence: a \$630bn problem

Medication adherence is the extent to which patients take their prescribed medication, that includes having prescriptions filled, remembering to take medication on time and understanding the directions.



50%

The WHO estimate adherence to long term therapies in developed nations to be 50%.

54%

In Australia, adherence to medication regimes for patients on chronic medications is only 54%¹ for those patients not using MedAdvisor

< 2%

Australia is < 2% of the world’s medicines market. America is 15-20x, UK 3x and the Big 5 in EU are ~6x the size of the Australian market.

Pharmacy Sector is under pressure: increasing price competition

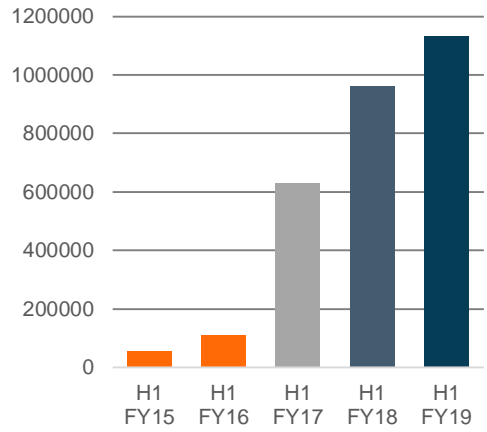
1. Governments are reducing dispensing fees so pharmacies need to sell more services
2. Pharmacy is under competitive pressure from big box, online and supermarkets
3. Threat of Amazon means that pharmacy needs improved links with patient and convenience services with digital technology which MedAdvisor provides.

1. MedAdvisor adherence data (2016), based on 12 month data taken at June 2016 from 3,200 pharmacies with a total patient pool of approx. 1.3 million
 2. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3934668/>
 3. <https://www.rdmag.com/news/2016/11/medication-nonadherence-costs-billions-lost-revenue>

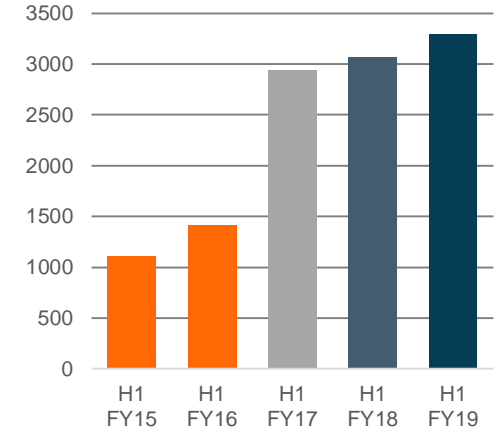
Key Milestones

Australia

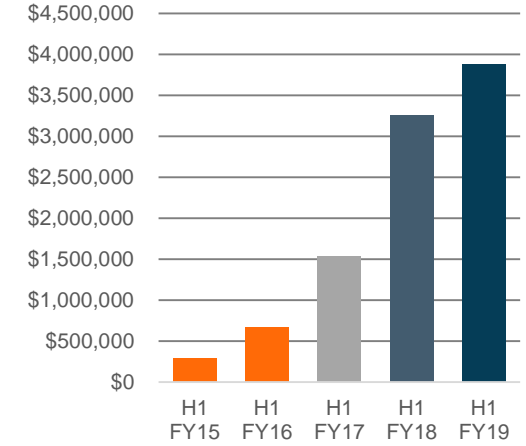
PATIENTS



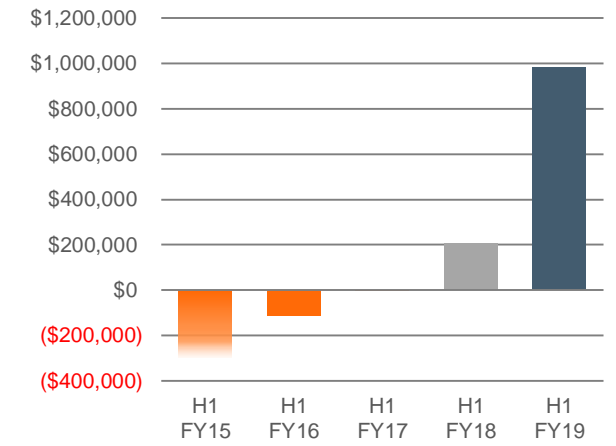
PHARMACIES



REVENUE



CORE EBITDA



MDR lists on ASX at \$0.03	Healthnotes acquisition & raise at \$0.04	OzDocsOnline acquisition	EBOS \$9.5m equity stake at \$0.0575	PDX US Dispense Vendor Agreement	HPS Hospital Deal	ISO27001 Compliant and HIPAA Alignment	Zuellig Pharma MOU for Asia	US Product Ready
Dec '15	Oct '16	Feb '17	Oct '17	Jun '18	Aug '18	Nov '18	Dec '18	Apr '19

Strong validation of value of medication network by customers & partners



Selected Manufacturers - Patient Engagement Programs

Key Pharmacy Customers

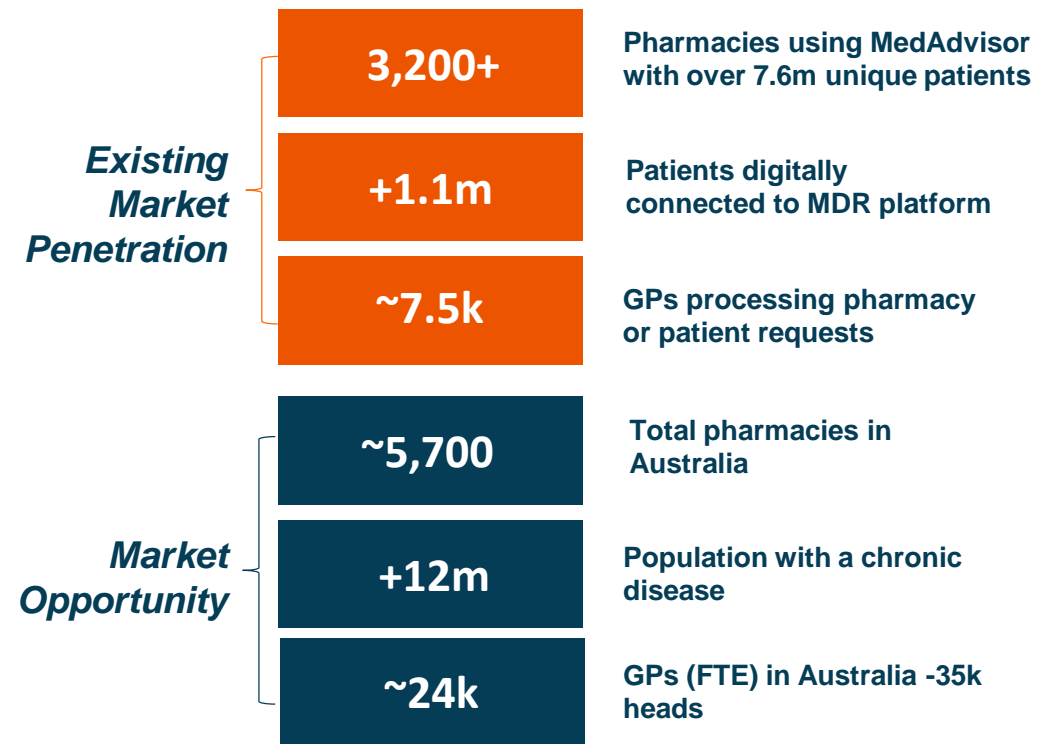
Partners





Significant potential in the Australian market through building a connected medication network

Proven business model domestically, with significant opportunity to scale further from existing pharmacy and growing hospital network.



Addressable Market

~A\$40-50m

Domestic revenue potential if MDR can attract 6m users (at \$8-\$9 ARPU)

MedAdvisor is driving SaaS & transactional revenue by adding value to pharmacy in Australia



\$264,000¹

In Pharmacy Revenue uplift from MDR



57%

Orders while shop is closed



97%

Patient Loyalty



33 programs

Health Services Market Place



SaaS Fees

65% of Revenue



SMS Fees

Medication Reminders & other



Program Fees

Pay for targeted comms delivered digitally or in store

1. Assumes 1320 patients with a 5 script uplift from adherence & loyalty



Australian Revenue Model: SaaS Revenue & User Based (Transactional) Revenue

Subscription revenue from
pharmacy (SaaS) – 65%

- ✓ 3,200+ Pharmacies
- ✓ Monthly subscription fees
- ✓ Value adding fees

User Based revenue – 35%

Transactional revenue

- ✓ SMS Revenue
- ✓ GP & other transactions

Connecting Program
Funders to eligible patients

- ✓ Digital adherence programs
- ✓ Clinical Trial Recruitment
- ✓ In Pharmacy Programs

GPs & Hospital (new)

- ✓ Fees for script requests
- ✓ Fees for hospital admission programs – HPS deal

MedAdvisor is empowering patients to be in control and improve how they manage their medication



Order repeat scripts & pick them up in pharmacy - no waiting



Carer Mode® means you can care for others on your app



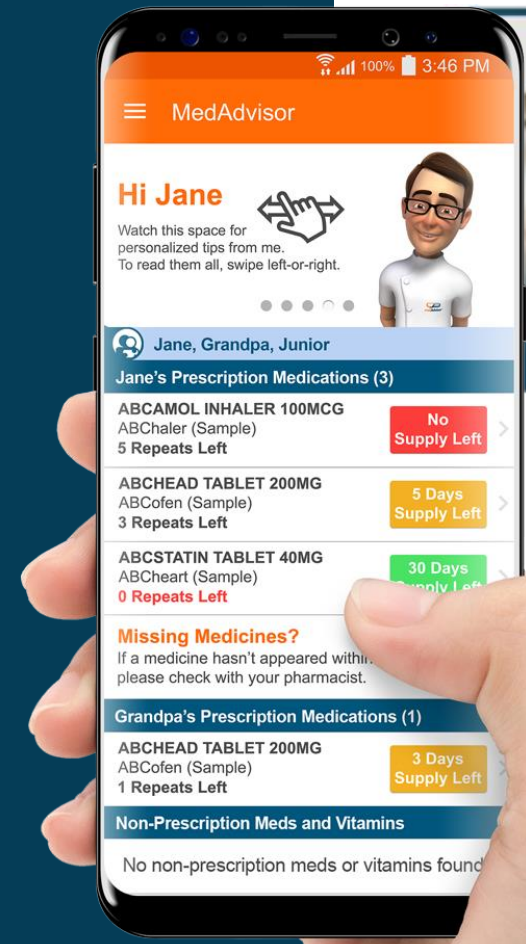
Full automated medication list and history on your phone, when you need it



Receive medication information, Virtual Coaching & Adherence Programs



Order repeat scripts & pick them up in pharmacy - no waiting

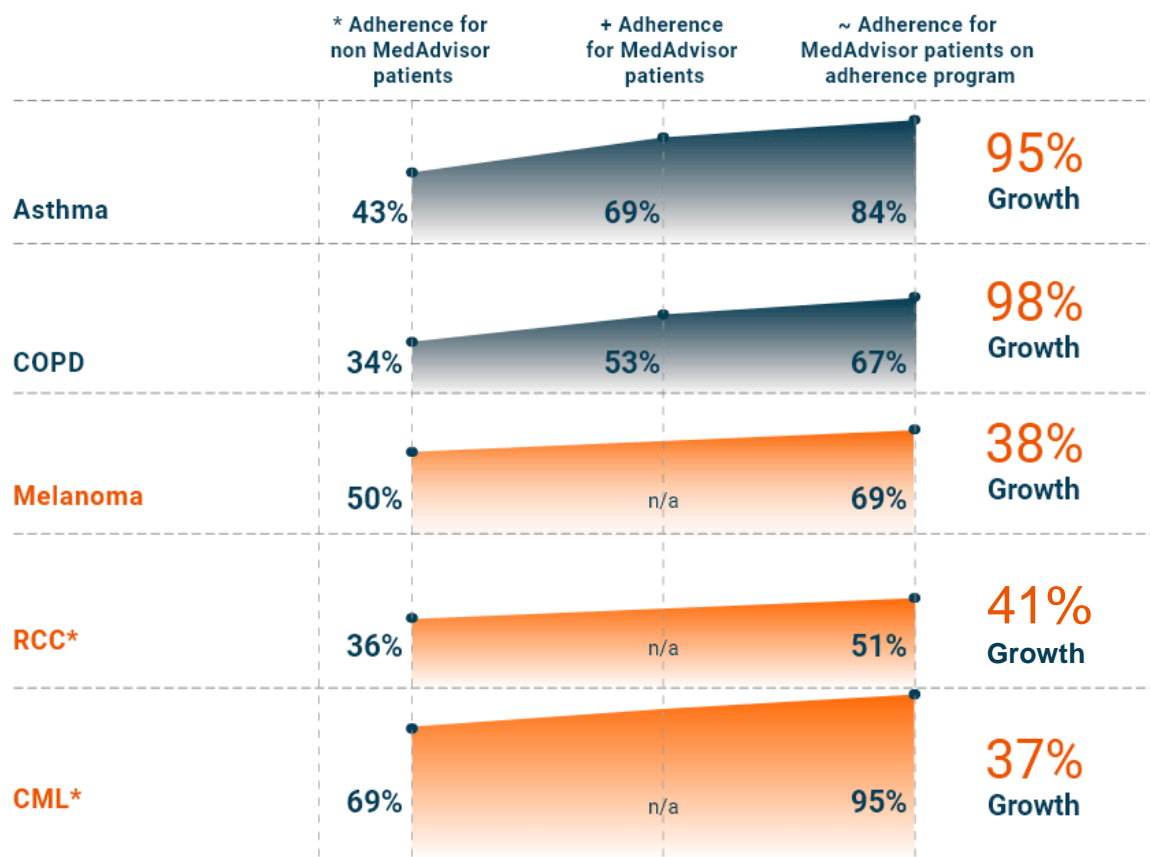


CONVENIENCE & CONTROL

* MedAdvisor adherence data (2016), based on 12 month data taken at June 2016 with a total patient pool of approx. 115k.

MedAdvisor and our DAP programs improve adherence across a variety of conditions

Adherence to common medications shows value of MDR app & digital adherence program*



33+

programs

+30%

Uplifts in adherence

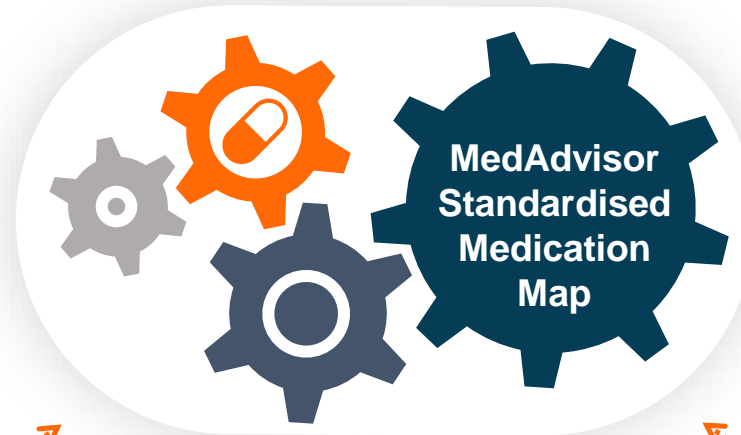
Digital Programs, In Store Programs
Clinical Trial Recruitment, Patient Insights



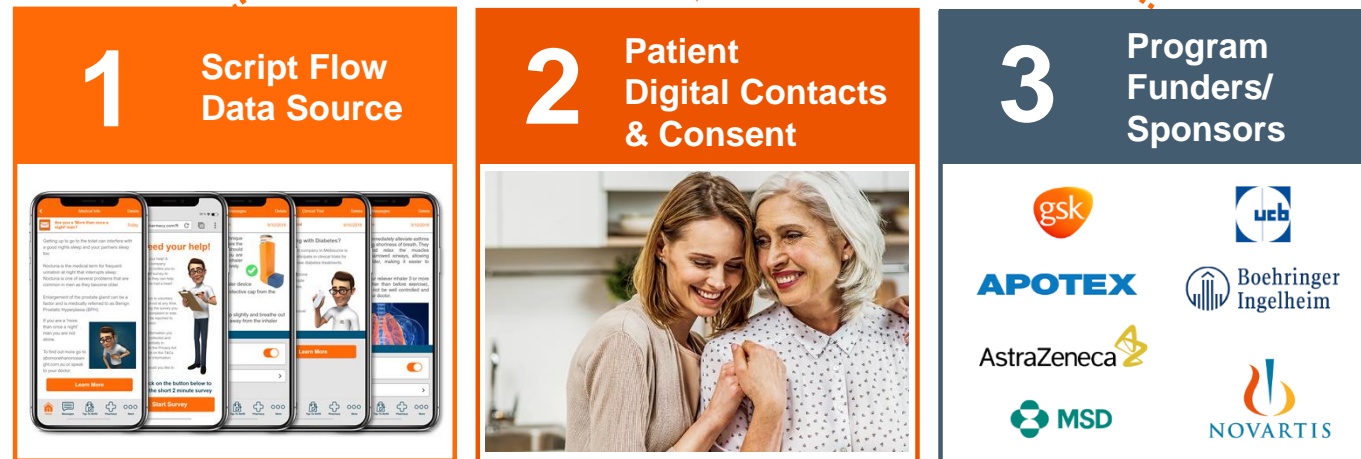
1. *Adherence to given medications over 12 months measured as a possession ration based on medication dispensed. Adherence to medication for patients using MedAdvisor after 12 months Adherence to medication for all patients who have received program messages after 12 months (excludes patients who discontinue therapy. n/a indicated patient numbers were too low prior to introduction of program)

International Strategy: 3 ingredients for revenue at scale in any country

Global Health Services Hub



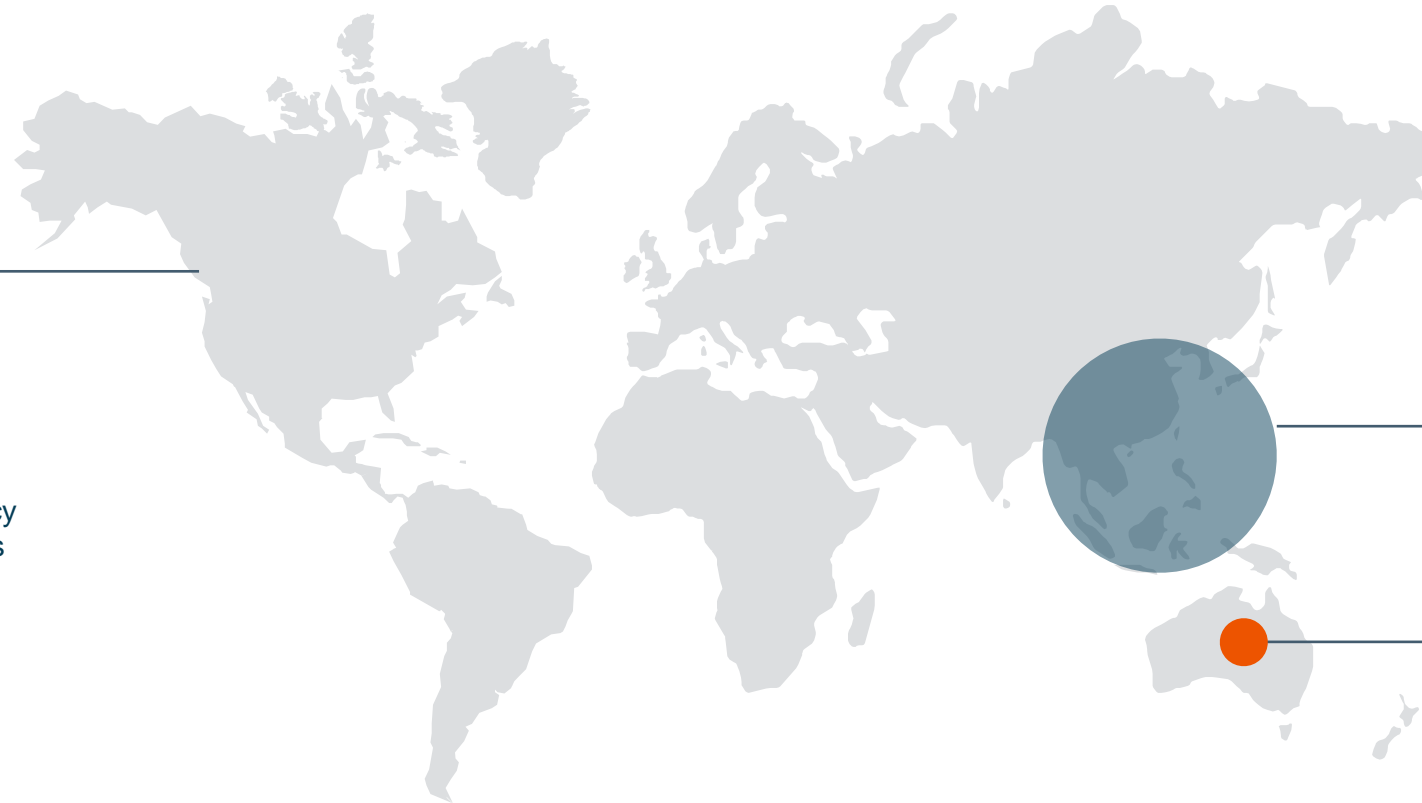
In Australia we have sourced all 3 through our App/SMS and integration with pharmacy dispense software



International Strategy: Leverage partnerships to connect the 3 core revenue ingredients



- Co-Marketing & Licence deal in place to integrate for data flow
- PDX has 10,000 pharmacy stores using their systems



50/50 JV facilitates access to 156m Rx patients from 90,000 Pharmacies



12m+ Rx patients
5,700 Pharmacies



Integration with PDX is a key step to enable data flow for up to 10,000 US Pharmacies

- MDR has completed compliance work to support market entry by aligning to HIPAA and ISO 27001 standards
- Co-Marketing and Licence agreement signed in Q1 FY19 with PDX to integrate for data flow, providing ability to access 10k of 65k pharmacies in the US
- PDX is one of the largest dispense system providers for pharmacy in the US
- Appointed two key advisors with key client relationships in US
- In phase 1, MDR intends to provide SMS/e-mail based, Digital Adherence Programs to drugstore chains, paid for by US based PharmaCo's as in Australia
- Additional sales opportunities exist for the MDR pharmacy product suite including the consumer app and Health Services Hub particularly across mid-sized drugstore chains (100-2000 stores)



Key Assumptions

- 10-15% of US Rx patients accessible for programs
- 40-50 PharmaCo sponsored digital adherence programs that apply to 20% of the accessible Rx patients with program fees ~ US\$15 per patient
- Phase 2 revenues see additional payors and services offered to same data set.

US\$100m

Addressable annual revenue potential for MDR in the US with take-up equivalent to MDR in Australia

Joint Venture with Zuellig Pharma opens SE Asia market, servicing up to 156m patients

- Zuellig Pharma is a US\$12B p.a. business operating through 13 markets in Asia (excluding China, Japan & India) as one of the largest pharmaceutical wholesalers and distributors in the Asia Pacific region
- Established sales channel into 90,000+ pharmacies, who service ~156m patients
- Access to existing client base of pharmaceutical manufacturers that includes the SE Asian arm of many of MDR's existing Australian PharmaCo clients
- Leverage from key Zuellig Pharma owned assets - pharmacy chain in Philippines, doctor software in Malaysia, third party administrator in Malaysia & Thailand, specialty PharmaCo in the region
- Initial markets Philippines and Malaysia from July 2019



US\$50m+

Addressable annual revenue potential for the JV with take-up equivalent to MDR in Australia

Key Assumptions for calculating revenue potential for the JV:

- 10-15% of Rx patients engaged across 8 countries – Philippines, Malaysia, South Korea, Taiwan, Indonesia, Thailand, Singapore & Hong Kong
- 40-50 Pharmaco/Payor sponsored digital adherence programs covering 25% of accessible Rx patients
- Program fees US\$2-\$5 per patient per year



Strong Executive Team



Robert Read
CEO & MD

Robert has been CEO of MDR since July 2015 taking through from private company to listing. Experienced Private Equity and Venture Capital investor and previously a senior exec at GSK one of the world's largest pharmaceutical companies.



Victor Kovalev
CTO & Head of Product

Victor is a senior product engineer has extensive Silicon Valley experience as CTO or Director of Engineering for successful marketplace companies like Yelp (NYSE:YELP). Indiegogo and most recently RedBubble (ASX RBL).



Carlo Campiciano
CFO & Company Sec

Carlo has been CFO & Co Sec since MDR inception Highly qualified accountant & CFO with over 27 years' experience in audit and management accounting. Also a background teaching and consulting to high growth businesses.



Simon Chamberlain
GM Strategy

Simon joined MDR 2 years ago following 15 years leading innovation and driving product strategies and commercial growth for both start-ups and large corporations in Australia, USA & the UK. Most recently GM Customer & Distribution at Medibank



Josh Swinnerton
Founder & PM International

20 years IT experience as software engineer, tech manager and entrepreneur. 8 years in the e-health / m-health sector, in the USA and Australia. Founded MedAdvisor in 2012. Exec Director of MedAdvisor.



Ruba El Afifi
EGM People & Culture

Ruba has an extensive senior career as GM People at Aconex Ltd and prior to that QIC and AAMI. Ruba's role encompasses building a high performance team led by appropriate leadership.



Theo Antonopoulos
Head of Sales & Marketing

Theo joined MDR in 2016 and brings extensive sales & marketing experience at both GSK and Sanofi. Leading marketing & sales teams in GP, Specialist and Hospital Channels



Saurabh Mishra
International BD

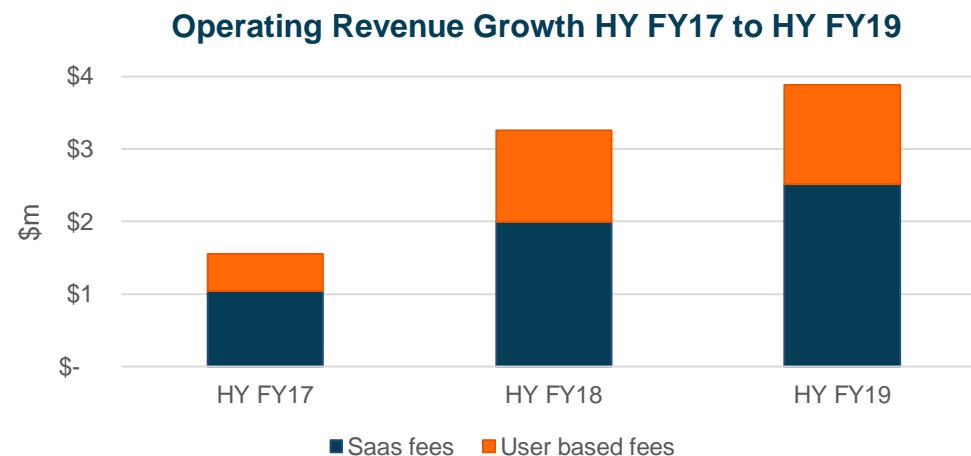
Saurabh has co-founded and led five successful Information Technology based ventures in the health and wellness industry in the past 16 years, of which three were bought by some of the largest healthcare businesses in Australia.

Half Yearly Results

Metric	HY FY17	HY FY18	HY FY19	18/19 growth %
Total Operating Revenue	\$1.5m	\$3.2m	\$3.88m	19%
Gross Margin	83%	88%	87.6%	~
Core Business EBITDA	(\$1,242)	\$0.2m	\$1.0m	376%
Investment Opex	\$2.0m	\$2.4m	\$5.4m	126%
Reported EBITDA	(\$2.0m)	(\$2.2m)	(\$4.4m)	103%

Record H1 FY19 Revenue

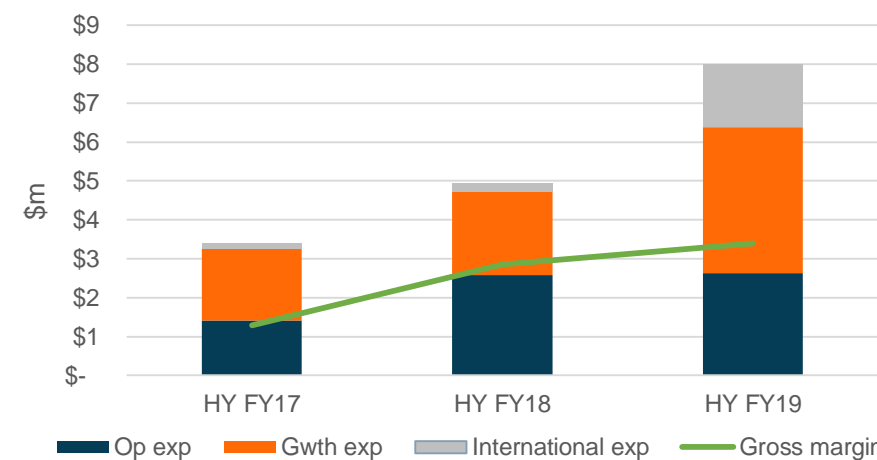
- Over 1.1m connected users, 14.6% user growth in H1FY19
- Total Revenue for H1 of \$3.96m
- Total Operating Revenue \$3.88m, 19% revenue growth compared to corresponding half year FY18
- Q2 FY19 Revenue >\$2.0m for the first time
- High gross margins remain stable at 87.6%
- Profitable at Core Business level
- 65% of revenue is SaaS, recurring revenue
- Well funded- cash reserves of \$7.5m (as at 31 December 2018)



Gross margin exceeds fixed operating expenses

- Profitable at Core Business level
- All R&D expenses are expensed not capitalised
- Infrastructure in place, stable operating cost base
- Maintenance opex covered by gross margin
- Investment opex invested in further product development, marketing and international expansion
- High operating leverage will create significant EBITDA margins at scale


Gross margin to expenses (Growth & Fixed Opex)



Operating exp before non-cash exp, costs associated with share based remuneration & one off trans costs

Summary Investment Proposition

MedAdvisor has validated the global opportunity with a high margin, recurring revenue SaaS business with +1.1m connected users and +55% of the Australian pharmacy market as customers.



Over
1.1
million
Connected
Users

Summary Investment Proposition (Continued)

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Strong Australian Market Position

 - >1.1m connected patients (~10% of potential market)
 - >55% pharmacy market share
 - >\$260m of prescriptions ordered through platform from GPs & Patients
 - Emerging GP proposition

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High Barriers To Entry in Australia

 - Fragmented pharmacy market, 3,500 owners for ~5,700 pharmacies
 - Tech integration with 11+ dispense systems plus GP systems integration
 - >\$19m invested in platform to date

- 6

Significant Opportunities to Scale

 - Highly engaged users in Australia
 - >7.6m patients at MDR network pharmacies in Australia, model can extend
 - 12 million patients* in Australia alone with a chronic disease & require regular medication

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Strong Industry Validation

 - \$9.5m investment from EBOS Group helping fund growth investments
 - Used by all key pharmacy chains in Australia
 - 17 global pharmaceutical manufacturers Patient Engagement Programs



**~\$40-50m
Australian
Revenue
Potential**

if MDR can attract
6 million users
(Australia alone,
representing \$8-\$9
average revenue per
patient)

1. Source:* 50% of Australians living with 1 of 8 Chronic Conditions <https://www.aihw.gov.au/reports-statistics/health-conditions-disability-deaths/chronic-disease/overview>

Corporate Overview

MedAdvisor Ltd (ASX:MDR)

Shares on Issue (as at 8 Feb 2019)	1,361m
Options (\$0.03, \$0.04 & \$0.08 strike prices)	20m
Employee Options (including Read Performance Rights)	58m
Fully Diluted	1,438m
Share Price (15/03/19)	\$0.039
Market Cap	~\$56m
Cash Balance (as at 31 December 2019)	\$7.5m

Top Shareholders

EBOS (ASX: EBO)	13.6%
Wavey Industries Pty Ltd	12.9%
Kojent Pty Ltd	10.6%
Romida Enterprises Pty Ltd	7.1%
Morgan Stanley Australia Securities	4.8%
HSBC Custody Nominees (Australia) Limited	3.6%
JP Morgan Nominees Australia Pty Limited	3.4%
Sigma Company Ltd (ASX:SIG)	3.1%

Non-Executive



Peter Bennetto,
Non Executive Chairman

An experienced company director, with skills in banking, corporate finance and governance and has held a number of company director positions in exploration, mining and manufacturing.



Sandra Hook,
Non Executive Director

An experienced director and has built major market leading digital businesses. Spent more than 20 years developing brand and marketing strategies for global and national brands.



Jim Xenos,
Non Executive Director

Experienced pharmaceutical industry General Manager with 21 years' sales and marketing experience and a track record of leading high performing teams. CEO of Nostra Data and founder of MDR