

ASX ANNOUNCEMENT

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MedAdvisor Announces New US Digital Health Programs Sponsored by a Global Top 10 Pharmaceutical Company

- MedAdvisor has signed its second US agreement to provide medication education programs for a top 10 global pharmaceutical company through its strategic US partner Adheris Health LLC a Syneos Health group company (NASDAQ: SYNH)
- The digital health programs are 9-month pilots providing important digital education to patients on any one of four different medications over the next 12 months
- Patients will be drawn from up to **4,000 US pharmacies** starting in Q3 FY20
- Total combined revenue attributable to MedAdvisor of the 4 pilot programs is approximately **AU\$825,000¹**

Digital Health Programs Overview

MedAdvisor Limited (ASX: **MDR**, the **Company**), Australia's leading digital medication management company is pleased to announce it has signed its second US agreement to provide medication education programs for a top 10 global pharmaceutical company through its strategic partner Adheris Health. These initial pilot programs represent the first material revenue from the US expansion and an important milestone in the commercialisation and scale of the US market opportunity.

MedAdvisor will execute these first four pilot programs through a group of US pharmacies totalling up to 4,000 pharmacies in partnership with Adheris Health. This initial pilot phase will allow for program design, execution refinement and validation. It is anticipated that once these initial pilots have been successfully executed, there will be the opportunity to increase their scale by adding additional pharmacies.

The gross revenue to be recognised by MedAdvisor through this agreement is expected to be AU\$825,000 for MedAdvisor over the next 12 months from the four pilot programs. To demonstrate the scale of the US health programs market, this initial program equates to 80%+ of the total revenue from Australian Health Programs in FY19.

In accordance with the terms of MedAdvisor's commercial agreement with Adheris Health, MedAdvisor cannot disclose the name of the pharmaceutical company for which these programs will be run. However, MedAdvisor can disclose that it is a Top 10 global pharmaceutical company with revenues in excess of US\$20B. All conditions precedent have been met and all material terms disclosed. The agreement covers the execution of

¹ AUD:USD of \$0.70 assumed

the first four pilot programs only. MedAdvisor expects to add additional programs which would include other top pharmaceutical companies during CY20.

MedAdvisor's Digital Health Programs platform interprets complex medication patterns, administers and curates health content in a compliant way, manages millions of patients uniquely and renders and delivers messages optimised to each device so patients receive the right information at the right time.

In Australia, MedAdvisor has worked with over 20 different Digital Health Program clients, including 8 of the top 10 Pharmaceutical companies, to fund digital and in-pharmacy programs designed to help patients take their medication safely, effectively and on time. The results of these programs have demonstrated significantly improved medication adherence. Last year revenue from health programs, accounted for approximately 12% of MDR revenue, and this share is expected to grow as the Company expands internationally.

US Overview

MedAdvisor is building a large pharmacy network through its partnership with Adheris in the US. Adheris receives script data for >190m patients, through >26,000 pharmacies, many of whom are digitally consented and therefore able to be included as an addressable audience for digital health programs. The MedAdvisor platform is designed to help pharmaceutical companies educate patients digitally to take their medication safely and effectively. MedAdvisor will continue to build this network with Adheris and look to widen its resultant revenue streams.

Adherence programs are largely carried out by high value pharmaceutical products that are on patent. By volume, these patented pharmaceuticals represent less than 15%² of medications, as lower priced generic products are the most common. MedAdvisor's efficient patient communication platform provides an economical medium for pharmaceutical companies to correspond with patients on both patented and generic medications.

The recent investment in MedAdvisor by HMS Global (NASDAQ: HMSY) also presents the opportunity to work with Health Payors (Insurance Companies) and Pharmacy Benefit Managers in the US to run similar programs across a wider range of medications, disease states and patient populations. HMS and MedAdvisor continue to evaluate US based opportunities through their client base to further accelerate this opportunity.

Keith Kiarsis, President of MedAdvisor Welam USA commented: *"We are very pleased to be announcing our first material medication health programs in the US. This new client is illustrative of the strong US market interest in our products, services, and capabilities."*

² http://www.ncsl.org/documents/fsl/2015_Savings_Report_and_State_Savings.pdf, Generic Pharmaceutical Association (GPhA). 2015.

Robert Read, CEO of MedAdvisor commented: "We have built a great platform to help people take their medication more effectively. The problems with non-adherence to medication in the US are estimated to cost 120,000 lives per annum. Strategically the US market is enormous and with our partnerships with Adheris and HMS, the opportunities to approach a very large addressable patient pool and generate revenue at scale over the next 3-5 years is significant. This second US agreement will generate estimated revenues of AU\$800,000+ through a small subset of Adheris' total network is a preview of the scale that these partnerships can deliver."

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For more information

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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 one million users through nearly 60% of Australian pharmacies and a network of thousands of GPs. MedAdvisor has recently partnered with Adheris 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, was recognised in the AFR Fast 100.

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