MEDADVISOR LIMITED
Appendix 4E
Preliminary final report

Company Details

Name of Entity:	MEDADVISOR LIMITED
ABN:	17 145 327 617
Reporting period:	For the year ended 30 June 2020
Previous period:	For the year ended 30 June 2019

Results for Announcement to the Market

				$'000
Revenues from continuing ordinary activities	up	16.5%	to	9,603
Loss from ordinary activities after tax attributable to the owners of MedAdvisor Limited	up	17.6%	to	(9,585)
Loss for the financial year attributable to the owners of MedAdvisor Limited	up	16.9%	to	(9,531)

Dividends

Not applicable

Net Tangible Assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	$ 4.3381	$ 1.6394

MedAdvisor Annual Report

Year ending June 30, 2020

medAdvisor®

MedAdvisor Limited ABN 17 145 327 617

Contents

- Highlights
- Chair + CEO letter
- Business update
- Management commentary
- Directors' report
- Financials
- Governance and disclosures

Brooke
STROKE SURVIVOR & MEDADVISOR USER

COVER:
Eric
PHARMACY OWNER & MEDADVISOR CUSTOMER

Highlights

1.7m
PATIENTS
+42% YOY

$9.6m
OPERATING REVENUE
+16.5% YOY

$6.3m
ARR
+15.3% YOY

3,500+
PHARMACIES
AU +260 YOY

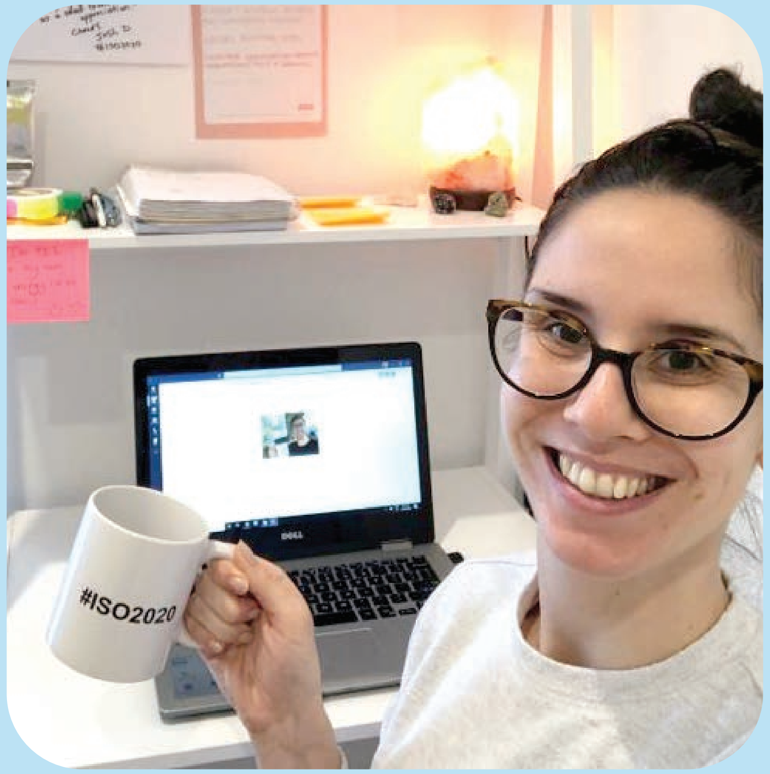
$5.9m
SAAS REVENUE
+19.4% YOY

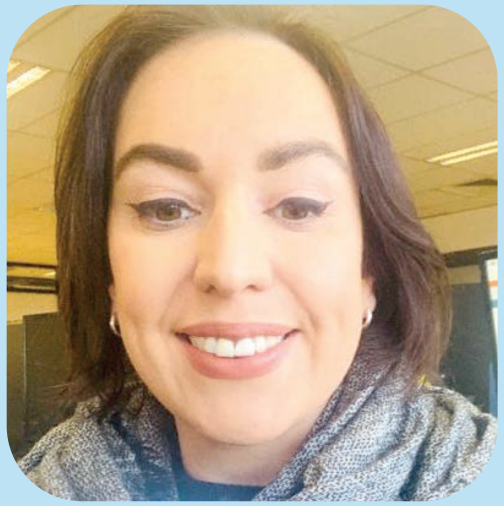
$8.4m
GROSS MARGIN
+16.0% YOY

450+
PATIENTS PER PHARMACY
+25% YOY

$32,268
LIFETIME VALUE PER PHARMACY
+10.2% YOY

70+
HEALTH PROGRAMS
+28.6% YOY





MedAdvisor's remote customer service team

CLOCKWISE: Josh, Tom, Alice, Nick, Laura, Sonja

Chair + CEO letter

To our shareholders, customers and partners,

We have spent the last few years establishing the foundations for MedAdvisor's diversified global growth strategy with the focus on driving results and operational discipline at scale. MedAdvisor is now helping millions of people better manage their medication and become more adherent. Medication adherence is estimated to be a US$630B global problem.

To achieve this, we've focused on partnering with global pharmaceutical companies and leading pharmacies across Australia, the UK, the US and Asia. We've also invested in building internal capability, bolstering our marketing, sales, technical and development expertise across all levels of the business.

We have continued to invest in our new global technology platform which is providing opportunities in new markets. It is built to the highest privacy standards including meeting stringent overseas standards such as HIPAA and GDPR. MedAdvisor is also ISO 27001 certified, which helps build trust with new customers and partners.

We continue to invest with an eye towards the future. It's this disci-pline and focus that provides us the opportunities we see ahead - namely, MedAdvisor's global expansion - particularly as we continue to execute across the US and the UK. Given our strong domestic business which is continuing to evolve, executing in these new over-seas markets is our primary focus as we head into our fiscal 2021.

The 2020 financial year was another productive year with total revenue of $11.1 million, up 20.4% year-on-year, annual recurring revenue up 15.3% to $6.3 million, and generating more than $32,000 in total lifetime value per pharmacy, up 10% year-on-year. We also grew the MedAdvisor family to 100 employees across Australia, UK, USA and South East Asia.

Some exciting milestones helped underpin these results:

- Entered into an agreement with NASDAQ-listed HMS to provide health programs to its pool of 100 million insured lives
- Launched first US Health Program with Adheris in Q4 FY20
- Expanded Australian pharmacy network with deals including major groups like Amcal, PharmaSave, Guardian, Pharmacy Alliance and Chemist Warehouse to expand market share to more than 60%.

In the coming year, we will continue to focus on improving and expanding our pharmacy, patient and pharmaceutical offerings. We also plan to invest in building our global footprint, as well as help existing customers better use our suite of products.

MedAdvisor's strong results in fiscal 2020 are a testament to the commitment and the talent of the people who work here. We are incredibly proud of all the MedAdvisor employees who come together each day to build great products that our customers love.

Thank you for joining us on this journey.

Kind regards,

Christopher Ridd
Non-Executive Director and Chair

Robert Read
CEO and Managing Director

27 August, 2020

Board of directors

Christopher Ridd

Non-Executive Director and Chair

Bachelor of Business, Economics/Marketing (SUT) and Post Grad Diploma in Strategic Marketing (Distinction) (Charles Sturt Uni)

Director since February 2020

Chris is non-executive director, advisor and investor in various fast-growth, Australian-based startups. He has 30 years' experience in the IT industry including 5 years as Managing Director for Xero Australia and 15 years at Microsoft in various senior executive roles. He led Xero's expansion in the Australian market from a small startup to become the largest online cloud accounting software company, growing from seven staff and 3,500 customers, to over 300 staff and 320,000 paying customers.

In 2015, Chris was awarded The CEO Magazine's Financial Services Executive of the Year & Runner Up in Managing Director of the Year.

Jeffrey Sherman

Non-Executive Director

MBA (USC), B.S.Bus Fin & Acct (CU)

Director since October 2019

Jeff has more than 30 years of experience in corporate and hospital-based finance. He previously served as executive vice president and CFO of Accentcare, executive vice-president and CFO of Lifepoint Hospitals Inc., and held senior finance positions at Tenet Healthcare Corporation.

Based in the US, Jeff serves as Chief Financial Officer and Treasurer for HMS. Additionally, he is responsible for corporate development, including mergers and acquisitions.

Sandra Hook

Non-Executive Director

GAICD

Director since 2016

Chair of Audit and Risk Committee

Member of the People, Remuneration and Nominations Committee

Sandra Hook has 25+ years' experience developing and implementing commercially successful business and brands driving growth and leading change. Sandra has a track record in delivering customer-centred business transformation and transitioning traditional organisations in rapidly evolving environments.

Sandra brings extensive operational, financial management and strategic experience built over a career which includes CEO, COO, GM, Marketing Director and Snr Brand Manager with some of Australia's largest media companies including News Limited, Foxtel, Federal Publishing Company, Murdoch Magazines and Fairfax. She brings a strong focus on customer-centric growth and digital innovation at Board level.

Since 2000 she has served as a non-executive director on listed, public and private companies, and government bodies.

Sandra is currently director of ASX listed digital, technology and marketing communications companies: RXP Services Ltd and IVE Group Ltd, as well as .au, Redhill Education Ltd and the Sydney Fish Market Ltd. She is a trustee of the Sydney Harbour Federation Trust.

Peter Bennetto

Non-Executive Director

GAICD, SA Fin.

Director since 2013

Member of Audit and Risk Committee

Member of the People, Remuneration and Nominations Committee

Peter Bennetto is an experienced company director, with skills in banking, corporate finance and governance. Peter has held a number of company director positions in exploration, mining and manufacturing companies listed on the ASX since 1990. Mr Bennetto has been Non-Executive Chairman at MedAdvisor Limited (formerly Exalt Resources Limited) since November 28, 2013.

Mr Bennetto is currently non-executive Chairman of Ironbark Zinc Ltd and Kingwest Resources Ltd.

Robert Read

CEO and Managing Director

BComm(Mgt), BA(Psych), GAICD

Director since 2015

Member of Audit and Risk Committee

Member of the People, Remuneration and Nominations Committee

Robert Read has led MDR since July 2015 as a small private compa-ny, taking it through initial ASX listing and growing the business to now successfully operate in Australia, US, UK and SEA with strong partners and customer relationships.

Robert has extensive commercial experience in a wide range of businesses, including Director of Commercial Strategy and Operations in one of the world's leading pharmaceutical companies, GSK and roles in venture capital and private equity.

Robert has had roles in business consulting and senior roles in pri-vate equity including Director at ANZ Private Equity and Managing Director at Harbert Private Equity, specialising in growing small and medium sized businesses.

Robert brings a wide range of skills to the position of CEO - including leadership, sales and marketing, financial performance improvement and a deep understanding of the requirements to successfully grow businesses.

Joshua Swinnerton

Executive Director and Founder

MEI, GradCert Eng., BE, BCS(Hons)

Director since 2015

Joshua Swinnerton has extensive experience leading and managing sizeable IT ventures, both within large companies, as a consultant, and as the technical and operational lead of start-up companies.

Prior to founding MedAdvisor, Josh led a technology start-up which he also founded and sold into the US as well as raising funds in the US for the company's expansion and managed software develop-ment. During this time Mr Swinnerton gained valuable experience in bridging the gap between innovative technology and business objectives. Josh also has extensive skills in building and managing exceptional development teams.

Jim Xenos

Non-Executive Director

BSc, DipEd, AFAIM, GAICD

Director since 2015

Member of Audit and Risk Committee

Member of the People, Remuneration and Nominations Committee

Jim Xenos brings to the board a wealth of pharmaceuticals industry experience and market insight, forged over 25+ years leading highly successful teams to drive strong commercial outcomes.

He has a track record of delivering market share and profit growth across national and multinational corporations by creating impact-ful brand and portfolio strategies, and by introducing new product offerings that leverage innovative go-to market platforms in highly competitive industry categories.

In addition to his extensive industry knowledge, Mr Xenos' brings to the role a sharp strategic mindset, collaborative approach and a single-minded focus on value creation.

Company secretaries

Naomi Lawrie

General Counsel and Company Secretary

LLB (Hons), BCom (Hons)

Naomi Lawrie holds over 20 years' legal experience including as a partner in a national law firm. She has particular expertise in corporate and commercial law and has consulted to companies in a variety of sectors, including health and technology.

Joining MedAdvisor in August 2020 as General Counsel and Company Secretary, Naomi is responsible for legal, compliance and company secretarial matters.

Carlo Campiciano

Company Secretary

MEI, GradDip(Comp), Bbus(Acc), GIA(cert), MIPA

Carlo Campiciano is a qualified accountant with extensive experience working with business on a wide range of areas including taxation, finance, operations, planning, operational and financial strategy.

Mr Campiciano commenced his career with Coopers & Lybrand where he completed his Professional Year of Study which qualified him for admittance to the Institute of Chartered Accountants before moving onto roles in professional services firms as well as roles in industry which extended both his technical as well as practical business skills.

Mr Campiciano was a Director of MedAdvisor International Pty Ltd prior to the relisting of MedAdvisor Limited and was the CFO from 2012 until June 30, 2019.

Executive team

Steve Watt

Chief Revenue Officer

B.Comp.Sc. (Hons), MBA

A seasoned entrepreneur, Steve Watt has deep experience leading global tech organisations through business transformation and delivering consistent revenue growth. Joining MedAdvisor in 2020, Steve is charged with leading the global go-to-market strategy with a particular emphasis on the US and UK markets.

Prior to joining MedAdvisor, Steve was CEO Computer Automated Business Systems (CABS) in Europe where he grew the EU sales significantly from selling to the likes of PWC and KPMG. He is also the co-founder of Invisic where he expanded the Australian business to the US and the UK, growing to over 100 people based in Washington. Following which, as CEO for Raywood (a taxi dispatch software) he grew international sales from <20% to >50% of overall sales.

Steve holds a Bachelor's Degree in Computing from the University of Technology Sydney and a Master of Business Administration from Boston University.

Simon Glover

Chief Financial Officer

MBA (Melb), B.Com (Melb), CA.

Simon Glover holds over 25 years' experience in senior financial and operational leadership across a range of industries including retail, aviation, gambling and entertainment, technology and communications and financial services across Australia and internationally.

Joining MedAdvisor in July 2019 as Chief Financial Officer, Simon is responsible for corporate finance and investor relations, while also leading the broader finance team in supporting financial planning, forecasting, business analytics and operating budgets. Prior to joining MedAdvisor he held a number of senior finance roles in large listed companies such as Tabcorp Holding (ASX:TAH) and Coles Group (ASX:COL) and also brings prior industry experience from his time at Mayne Pharma.

Prior to 2006 Simon was heavily involved in the international expansion of Jetstar where he was responsible for all finance matters relating to the launch of the international business.

Ruba El Afifi

EGM People and Culture

Bachelor of Business (HR)

A commercially astute strategic HR executive with experience in both large and small entrepreneurial organisations, with roles as EGM People at Aconex (ASX: ACX), as well as senior HR roles at QIC and AAMI. Ruba brings a wealth of industry experience gained in IT, finance, insurance and professional services.

Ruba has significant experience in mergers & acquisitions and, in particular, integration and business transformation, aligning people strategy and business strategy, and creating a performance culture.

Passionate about building outstanding businesses, Ruba has a depth of experience advising Boards, CEOs and developing effective teams. She is also a very strong team leader who has led small and large teams with success. Ruba also prides herself on her talent management, change management and succession skills as well as her ability to take a commercial and business perspective.

Craig Schnuriger

Interim Chief Technology Officer

Bachelor of Business Systems (B. BSys)

As MedAdvisor's Interim CTO, Craig leads the technical team as it scales the company's platform to help patients manage their medication globally.

Completing a Bachelor of Business Systems in 2003, Craig has worked in IT ever since. Prior to working at MedAdvisor, Craig had roles at Ernst & Young, Shell and Tenix Solutions.

In 2011 Craig took his experience over to the US to work on the first generation of pharmacy/insurance connected mobile applications to support patients taking chronic medications. He brought this expertise back to the Australian market and has been with MedAdvisor since its inception in 2013. Craig has worked extensively within the pharmacy industry within Australia and recognizes the role of technology in supporting patients, pharmacists and doctors.

Over the years, Craig has held several roles at MedAdvisor including Head of Engineering, Head of Architecture and now the CTO role.

Business update

Business overview

MedAdvisor continues to align its activities with its core strategic priorities which include uplifting technology to deliver innovative solutions, investing in a global sales organisation, establishing a performance culture where talented people do meaningful work, building a world-class marketing organisation and executing on its global expansion plans.

COVID-19 changed the game

As healthcare professionals on the frontline continue to face the challenges of COVID-19, the sector is changing to deal with these challenges. The provision of healthcare is increasingly taking a tech-first approach - largely driven by adoption of digital health initiatives, funding for innovation and the upcoming launch of ePrescribing.

The pandemic has driven cultural change and we're seeing what is a largely traditional and slow moving industry embrace new models of care to prioritise low or no touch options and offer consumers more convenience, protection and improved access.

Behind these changes is an increased level of government support for digital health. The Australian Government alone has allocated $1.1 billion to the health sector during COVID-19, supporting a raft of initiatives including medication delivery and telehealth.

As a result, MedAdvisor moved to support pharmacists on the front-line by providing technology to help them work smarter and safer. We prioritised the development of features that help patients and pharmacists social distance with the launch of in-app payment and on-demand delivery. We've already had 34,000+ deliveries completed on the platform.

Product overview

MedAdvisor continues to develop its core offerings: MedAdvisor app, PlusOne pharmacy platform and pharmaceutical health programs.

This year we have established a core technology team, led by interim CTO Craig Schnuriger and invested in key product development resources. We've also worked to replatform our systems onto Amazon Web Services. AWS employs some of the most stringent security and data privacy protocols globally. Data centres enable us to have limited down time (we currently run at 99.98% uptime). They also provide proactive security monitoring, firewall protection and inbuilt redundancy.

Data security

We have established a world-class security program, are regularly audited and comply with some of the most rigorous protocols globally including HIPAA, ISO27001 Certification and GDPR. We continuously iterate and improve our security operations by assessing risks and potential vulnerabilities, confidentiality, integrity, and availability of the service.

We regularly review and update security policies, carry out internal security training, perform application and network security testing, monitor compliance with security policies, and conduct internal and external risk assessments. We also regularly conduct penetration testing of our infrastructure to confirm the resilience of our systems and identify any potential vulnerabilities.

R&D

In light of COVID-19 and its impact on our core market, we released several features to help pharmacists and patients cope with the changing environment. This included in-app payment and on-demand delivery functionality.

A key project has been readying the platform for ePrescribing capability in Australia. ePrescribing is one of the largest and most significant changes the pharmacy industry has experienced since the computerisation of pharmacies. There are many benefits of ePrescriptions, including no more loss of paper scripts and an improved customer experience. MedAdvisor is well positioned to leverage this digital transformation of Australia's pharmacy sector to attract more patients to its network.

We have also been establishing our offering for key expansion markets like the UK, the US and South East Asia.

Regional overview

Australia

With a pharmacy network share of more than 60%, Australia continues to be MedAdvisor's core market. Over the year we saw ARR increase 15.3% to $6.3m, compared to the same period prior.

Over the year we signed several agreements with major pharmacy groups including Sigma, Chemist Warehouse and Pharmacy Alliance Group. More than 260 new pharmacies were added to the platform and we saw the volume of health programs increase by 28.6%, year-on-year. We also saw the number of digitally connected patients expand from 1.2 million to 1.7 million over the year.

To help our pharmacists cope with heightened demand and re-strictions during COVID-19, we launched several new capabilities including on-demand delivery and in-app payment.

UK

Over the year, MedAdvisor signed an agreement with UK-based Day Lewis Pharmacy Group to develop a solution for use by its 270+ pharmacies. The UK's National Pharmacy Association also endorsed MedAdvisor as the solution of choice for its members, representing 8 out of 10 independent community pharmacies.

US

The highlight for the year in our US operations was the strategic alliance deal with NASDAQ-listed HMS which will expand our ad-dressable market to include insurers, pharmaceutical companies, pharmacies, patients and GPs. MedAdvisor will integrate with HMS' health engagement platform opening a new channel for up to 100 million insured lives. This partnership leverages the secure digital technology that MedAdvisor has already built, extending into a new marketplace.

The HMS Eliza business has sent more than 865 million unique patient outreaches since 2016. MedAdvisor will receive a revenue share for each of the secure digital messages that are sent. The new integration is expected to go live towards the end of Q2 FY21.

Additionally, MedAdvisor's first set of US health programs com-menced with one of the top 10 global pharmaceutical companies successfully going live in Q4FY20.

Asia

Asia remains on track to deliver revenue in FY21 with pilot health programs developed as part of the Company's joint venture with ZuelligPharma (ZP MedAdvisor Pte Ltd.) progressing on schedule. MedAdvisor has launched the MedExpress Pharmacy App in the Philippines and expects this to be promoted actively in Q1FY21.

People and culture overview

Enriching a performance culture by building the capability of our people has been a core focus this year. We can only achieve our stra-tegic objectives if our people are the most talented and engaged, and willing to embrace diverse, innovative thinking. The implemen-tation of a sophisticated and robust recruitment process to attract high calibre candidates has also enhanced our existing talent pool.

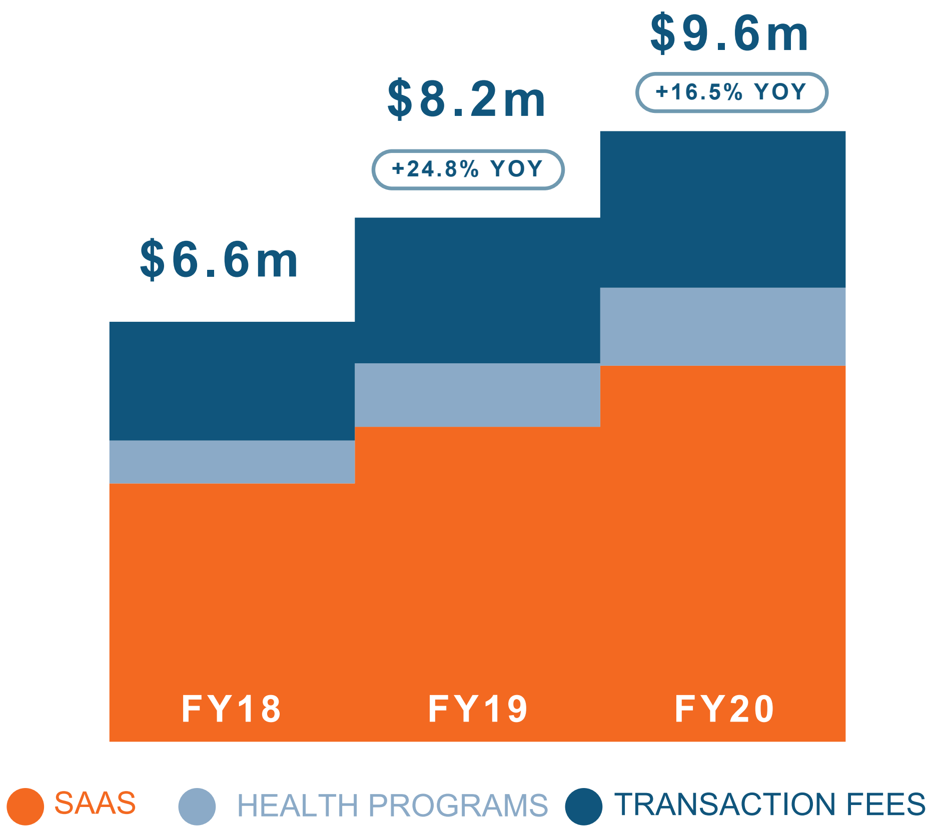
MedAdvisor welcomed several new executives to its leadership team including CFO Simon Glover, CRO Steve Watt and, in August 2020, General Counsel and Company Secretary Naomi Lawrie. For-mer Xero Managing Director and technology investor, Chris Ridd was appointed as a Non-Executive Director and Chair of the Board. US-based Jeff Sherman was also appointed Non-Executive Director to add industry experience and a global perspective.

This year has seen MedAdvisor significantly invest in our people through the development of key leadership training frameworks and programs.

For all MedAdvisor staff, the launch of the Performance Management Framework has provided a platform for completing regular performance discussions, and setting unique action plans that link to the company purpose and goals. This consistent approach with the implementation of the Performance Management Online System engages, connects, and develops all sectors across the business.

Management commentary

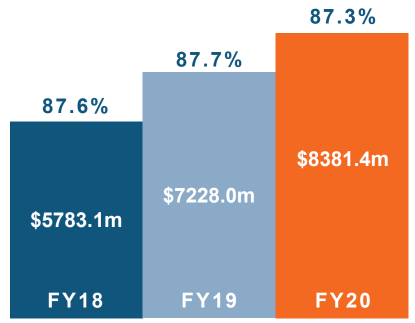
Diversified revenue growth



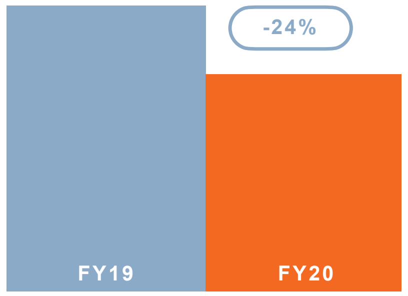
Driving diversified revenue growth has underpinned MedAdvisor's FY20 results. We've seen solid performance from Software as a Service (SaaS) revenue, largely driven by growth in our pharmacy network. Health programs also grew in volume, up 28.6%, year-on-year - despite the second half of the year impacted by COVID-19. Transaction revenue mix is evolving with the introduction of in-app payments and changes in SMS revenue as more patients migrate to app-based solutions.

Improved scale and operating efficiencies

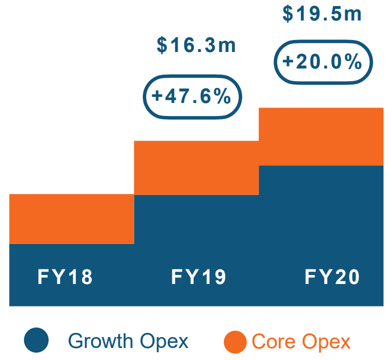
GROSS MARGIN



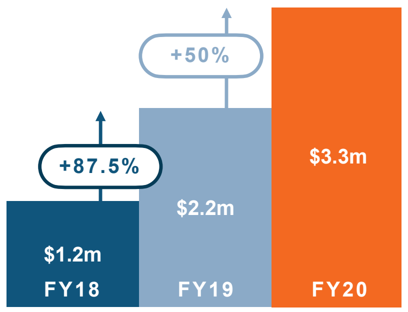
COST OF ACQUISITION (PER PHARMACY)



OPEX – CORE & GROWTH



CORE EBITDA



The Company is starting to realise the benefits of scale and operating efficiency. Gross margin was stable at 87.3%, impacted by one-off costs for infrastructure technology uplift - including replatforming to AWS. Growth operating expenditure reflects investment in overseas expansion and product offering while core operating expenditure was stable with core EBITDA product costs including operating expenditure reflecting operating leverage.

Revenue continues to climb

Full year financial statement

Year ended 30 June 2020 ($000)	FY20	FY19	Var % +ve/(-ve)
Operating Revenue	9,602.6	8,242.0	16.5%
Other Revenue	1,468.1	951.1	54.4%
Total Revenue	**11,070.7**	**9,193.1**	**20.4%**
Gross Margin	**8,381.4**	**7,228.0**	**16.0%**
Gross Margin %	*87.3%*	*87.7%*	*(0.4%)*
Maintenance Opex[3]	5,675	5,304	(7.0%)
Growth Opex[3]	*13,839*	*10,960*	*(26.3%)*
Operating Expenses	**19,514**	**16,264**	**(20.0%)**
EBIT[1]	**(9,774)**	**(8,220)**	**(18.9%)**
EBITDA	**(9,261)**	**(7,960)**	**(16.3%)**
Core EBITDA[2]	**3,286**	**2,190**	**50.0%**
Profit/(Loss) Before Income Tax	**(9,780)**	**(8,101)**	**(20.7%)**

1. EBIT includes depreciation associated with adopting AASB 17 Leases
2. Core EBITDA represents the "business as usual" EBITDA excluding all growth opex;
3. Maintenance opex represents costs associated with maintaining core operations; growth opex represents costs associated with expansion into new markets

MedAdvisor posted revenue growth of 20.4% to $11.1 million for the year. Operating revenue was up 16.5% to $9.6 million. The company saw some short term delays and impact, primarily in overseas markets from COVID-19 during late Q3 and Q4. Other revenue reflects R&D tax concessions and Government grants. Operating expenses driven by overseas investment.

Driving revenue expansion

Cash flow

Year ended 30 June 2020 ($000)	FY20	FY19	$ Var
Total operating cash receipts	11,419.5	8,946.6	2,473
Total operating cash payments	(20,100)	(15,892)	(4,208)
Net cash inflow / (outflow) from **operating activities**	(8,681)	(6,945)	(1,735)
Net cash inflow / (outflow) from **investing activities**	(324)	(104)	(220)
Net cash inflow / (outflow) from **financing activities**	16,949	975	15,974
Net increase / (decrease) in cash held	**7,944**	**(6,074)**	**14,019**
Cash & equivalents at beginning of the year	4,401	10,475	(6,074)
Cash & equivalents at end of the year	**12,345**	**4,401**	**7,944**

Based on current projections and growth plans, we have sufficient capital available on hand to drive the business towards cash flow breakeven. With growth in annualised committed monthly revenue over the past year, and a large opportunity in the healthcare sector around the world, MedAdvisor can continue to execute its long-term growth strategy.

We finished the year with $12.3 million cash at bank, up $7.9 million after completing a $17 million capital raise in October 2019.

Our cash receipts were up 28% year-on-year to $11.4 million. Payments to suppliers and employees was up 26% year-on-year, largely supporting investment in overseas expansion strategy.

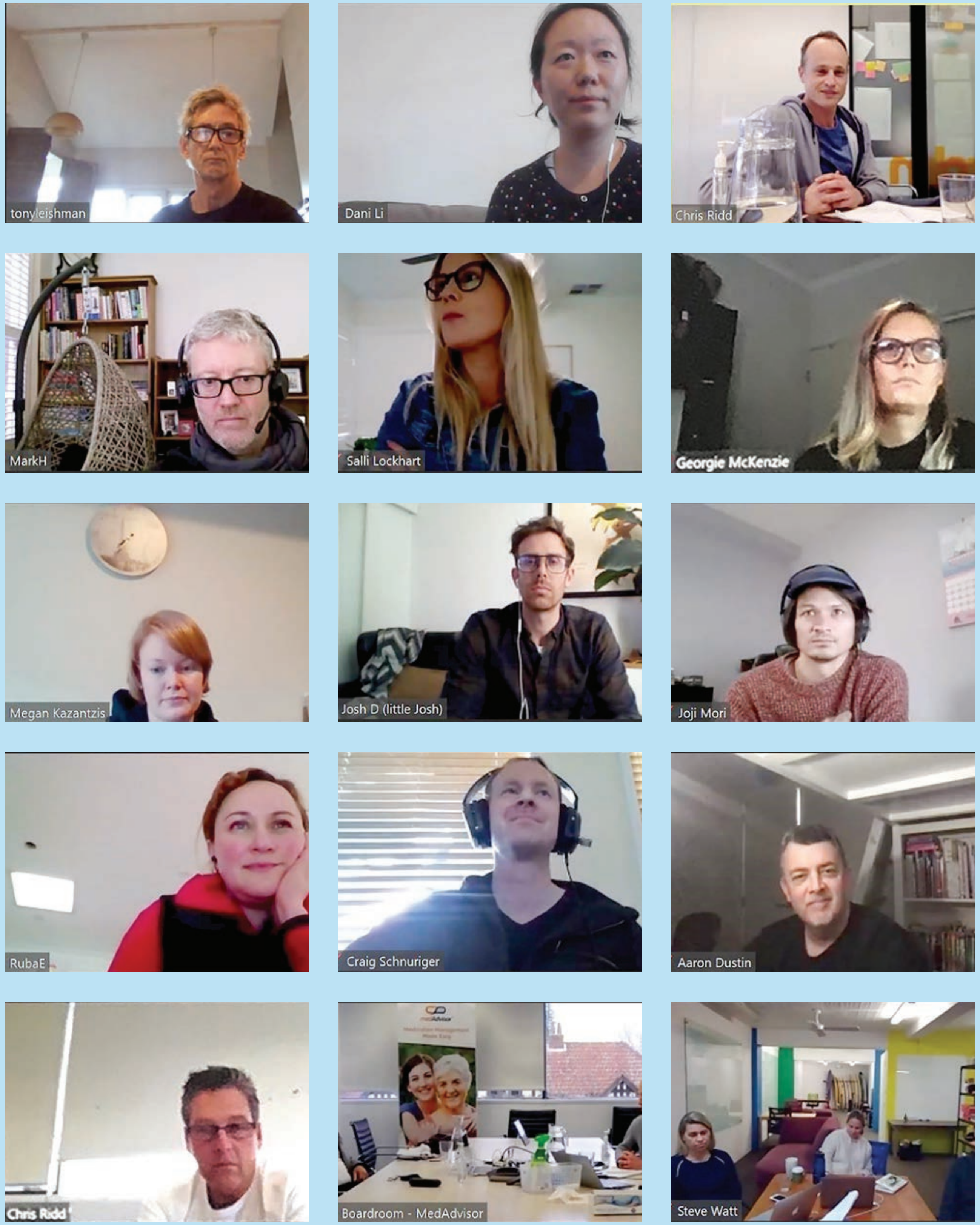
Well positioned for growth

Balance sheet

Year ended 30 June 2020 ($000)	FY20	FY19	$ Var
Cash & cash equivalents	12,345	4,401	7,944
Trade receivables	1,839	1,130	710
Other	376	407	(32)
Current Assets	**14,560**	**5,938**	**8,623**
Total Non Current Assets	**6,711**	**5,837**	**874**
Total Assets	**21,271**	**11,775**	**9,497**
Total Liabilities	**4,251**	**3,130**	**1,121**
Net Assets	**17,021**	**8,645**	**8,376**

MedAdvisor's strong cash position has been driven by the $17 million capital raise completed in October 2019 as well as revenue growth.

The company also saw net assets increase 96% year-on-year - largely due to the capital raise. The adoption of AASB16 Lease standard in FY20 impacted property, plant and equipment offset by lease liability.



MedAdvisor's remote branding workshop

August, 2020

Directors' report

The Directors of MedAdvisor Limited ('MedAdvisor') present their report, together with the financial statements of the consolidated entity, being MedAdvisor Limited ('the Company') and its Controlled Entities ('the Group') for the year ended 30 June 2020.

Directors

The names of Directors in office at any time during or since the end of the year are:

Christopher Ridd	Non-Executive Director and Chair (appointed 17 February 2020)
Robert Read	CEO and Managing Director
Joshua Swinnerton	Executive Director and Founder
Peter Bennetto	Non-Executive Director
Jim Xenos	Non-Executive Director
Sandra Hook	Non-Executive Director
Jeffrey Sherman	Non-Executive Director (appointed 11 October 2019)

Details of the qualifications, experience and special responsibilities of the Directors and the qualifications and experience of the Company Secretaries as at the date of this report are set out on pages 8 to 12.

Board and Board Committee meetings and attendance
The number of meetings of the Board of Directors and of the Committees of the Board and the individual attendance by Directors at those meetings which they were eligible to attend, during the financial year, is summarised in the tables below:

Board meetings

	Board Meetings	
2020	**Meetings held**	**Meetings attended**
Christopher Ridd	4	4
Robert Read	10	10
Josh Swinnerton	10	9
Peter Bennetto	10	10
Sandra Hook	10	10
Jim Xenos	10	10
Jeffrey Sherman	7	6

Committee meetings

	People, Remuneration & Nominations		Audit & Risk	
2020	**Meetings held**	**Meetings attended**	**Meetings held**	**Meetings attended**
Robert Read	2	2	3	3
Peter Bennetto	2	2	3	3
Sandra Hook	2	2	3	3
Jim Xenos	2	2	3	3

Principal activities

The principal activities of the Company have continued to be the development and deployment of the MedAdvisor medication and adherence platform. The MedAdvisor platform is focused on improving health outcomes by connecting health professionals with their patients using mobile and web technologies.

Operating results

During the year, the Company reported a comprehensive loss of $9,727,382 (2019 $8,152,293). Operating revenue totaled $9,602,646, growing 16.5% on the prior financial year (2019 $8,241,993).

Dividends

No dividends have been paid or declared by the Company since the beginning of the financial year.

Review of operations

Please refer to the Business Update and Management Commentary sections of the 2020 Annual Report on pages 16 to 25 for the following information in respect of the Group:

- a review of operations during the financial year and the results of those operations
- likely developments in the operations in future financial years and the expected results of those operations
- comments on the financial position
- comments on business strategies and prospects for future financial years.

In respect of likely developments, business strategies and prospects for future financial years, material which if included would be likely to result in unreasonable prejudice to the Group has been omitted.

Financial position

The Group has $12,345,164 in cash plus $127,268 in cash on deposit as security, bringing a total cash balance of $12,472,432 as of 30 June 2020 following a net cash increase of $7,944,198 for the year.

The net assets of the Group at 30 June 2020 were $17,020,609, an increase in net assets of $8,375,787 from 30 June 2019.

State of affairs

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

Proceedings

No person has applied for leave of Court 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 year.

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the date of this report. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

Unissued ordinary shares under option

Grant date	Expiry date	Exercise price	# of Options	Class
14-Apr-16	15-Apr-31	$0.000	319,040	Unlisted
15-Dec-16	14-Dec-31	$0.000	480,941	Unlisted
27-Oct-17	27-Oct-32	$0.000	630,913	Unlisted
19-Dec-17	19-Dec-32	$0.000	38,569	Unlisted
12-Apr-18	12-Apr-33	$0.000	31,426	Unlisted
24-Sep-18	24-Sep-33	$0.000	541,396	Unlisted
10-Jan-19	10-Jan-34	$0.000	14,284	Unlisted
25-Aug-19	25-Aug-34	$0.000	51,426	Unlisted
23-Dec-19	08-Dec-34	$0.000	4,974,275	Unlisted
28-Apr-20	26-Apr-35	$0.000	149,272	Unlisted

Remuneration report

The Directors of MedAdvisor Limited (the Group) present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001 Remuneration Philosophy.

The Remuneration Report is set out under the following main headings:

a) Principles used to determine the nature and amount of remuneration
b) Details of remuneration
c) Service agreements
d) Share-based remuneration; and
e) Other information

a. Principles used to determine the nature and amount of remuneration

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders;
- to drive a high-performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

MedAdvisor Limited has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Group. The remuneration structure that has been adopted by the Group consists of the following components:

- fixed remuneration being annual salary;
- short term incentives, being bonuses; and
- long term incentives, being employee share schemes.

The payment of bonuses, share options and other incentive payments are reviewed by the Board prior to approval by the Board annually as part of the review of executive remuneration. All bonuses, options and incentives must be linked to pre-determined performance criteria.

Short Term Incentive (STI) and Long-Term Incentive (LTI)

MedAdvisor performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the Company values. The performance measures are set annually after consultation with the Directors and executives and are specifically tailored to the areas where each executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The Key Performance Indicators (KPI's) for the Executive Team are summarised as follows:

Performance areas

- financial – revenues and operating results; and
- non-financial – strategic goals set for each business unit based on job descriptions

The STI and LTI Programs incorporate both cash and share-based components for the Executive Team and other employees. The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.

b. Details of remuneration

2020	Cash Salary & Fees $	Cash Bonus $	Super-annuation $	Value of Share Based Awards in 2020 Financial Year[1] $	Value of Share Based Awards from prior years[1] $	Total $
Executive Directors						
R Read	292,113	-	21,002	129,642	18,316 *	461,073
J Swinnerton	281,157	-	1,546	-	-	282,703
Non-Executive Directors						
C Ridd	40,639	-	3,861	-	-	44,500
P Bennetto	69,000	-	6,555	-	-	75,555
J Xenos	45,000	-	4,275	-	-	49,275
S Hook	45,000	-	4,275	230,921	-	280,196
Other Key Management Personnel						
S Glover	198,103	-	18,836	47,882	-	264,821
C Campiciano	166,719	-	15,472	21,878	-	204,069
	1,137,731	-	75,822	430,323	18,316	1,662,192

* Mr Read's performance linked Share Based Entitlements are in accordance with his Employment Agreement dated 30 June 2015 which were disclosed in the Company's Prospectus dated 8 September 2015. These Share Based Entitlements are brought to account based on a probability of all the performance milestones under his Employment Agreement being achieved. During the financial year 142,857 Read Rights vested based on the agreed milestones. The value brought to account of the Vested Read Rights in the current year; net of the value brought to account in previous years for lapsed options is $18,316, (2019 $7,938).

2019	Cash Salary & Fees $	Cash Bonus $	Super-annuation $	Value of Share Based Awards in 2019 Financial Year[1] $	Value of Share Based Awards from prior years[1] $	Total $
Executive Directors						
R Read	285,229	-	20,531	-	10,705	316,465
J Swinnerton	259,795	-	6,453	-	-	266,248
Non-Executive Directors						
P Bennetto	81,000	-	7,695	-	-	88,695
J Xenos	45,000	-	4,275	-	-	49,275
S Hook	45,000	-	4,275	-	-	49,275
Other Key Management Personnel						
C Campiciano	233,906	-	20,531	56,952	-	311,389
	949,930	-	63,760	56,952	10,705	1,081,347

[1] Share based entitlements have been measured at fair value on grant date determined in accordance with the Binomial or Black- Scholes option pricing model.

The proportion of the cash bonus paid/payable or forfeited is as follows:

	Cash bonus paid/payable		Cash bonus forfeited	
	2020	2019	2020	2019
Executive Directors				
R Read	0%	0%	0%	0%

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:
`

	Fixed Remuneration		At Risk - STI		At Risk - LTI	
	2020	2019	2020	2019	2020	2019
Executive Directors						
R Read	68%	97%	0%	0%	32%	3%
J Swinnerton	100%	100%	0%	0%	0%	0%
Non-Executive Directors						
C Ridd	100%	n/a	0%	n/a	0%	n/a
P Bennetto	100%	100%	0%	0%	0%	0%
J Xenos	100%	100%	0%	0%	0%	0%
S Hook	18%	100%	0%	0%	82%	0%
Other Key Management Personnel						
S Glover	82%	n/a	0%	n/a	18%	n/a
C Campiciano	89%	82%	0%	0%	11%	18%

c. Service agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Name	Base salary	agreement	Notice period
Directors			
R Read	$293,906	Undefined	9 months
J Swinnerton	$284,890	Undefined	9 months
Other Key Management Personnel			
S Glover	$228,307	Undefined	6 months
C Campiciano	$243,977	Undefined	6 months

Note: Base salary noted above is the current base salary and is exclusive of superannuation which under the applicable service agreements is capped in accordance with the maximum superannuation contribution base for superannuation guarantee purposes.

The remuneration of non-executive Directors is set by the Board at a level that provides the Board with the ability to attract and retain directors of the highest calibre whilst incurring a cost that is acceptable to shareholders. At the Annual General Meeting held on 18 December 2015 shareholders approved aggregate remuneration of non-executive directors of $350,000 per annum.

The amount each non-executive director is remunerated is set by the Board based on the recommendation from the People and Remuneration Committee. Individual remuneration is set having regard to the director's experience and their role on the Board and Committees.

d. Share-based remuneration

MedAdvisor employee incentive option plan

All options refer to options over ordinary shares of the Company, which are exercisable at no cost on a one-for-one basis under the terms of the Employee Share Option Plan that was approved by shareholders at the 2015 annual general meeting.

Options granted to employees under the MedAdvisor Employee Incentive Option Plan will vest subject to the service period and performance milestone conditions in the grant of Options in accordance with the plan. Unvested options will expire on the termination of the individual's employment; vested options will expire on the expiry date, which is 15 years.

Read Rights

Rights were issued to Mr Read under his employment agreement dated 1 July 2015 and were exercisable subject to meeting the following conditions:

- 714,286 (5 million pre share consolidation) for continuous employment (Employment Rights) over a 5-year period from the date of his employment with MedAdvisor International Pty Ltd
- 5.4 million (37.5 million pre share consolidation) on achievement of predetermined revenue, activated patients and active medical practitioner targets (Performance Rights) within 3 years from the date of relisting of the Company on the Australian Securities Exchange being 1 December 2015.

Employment Rights

All 714,286 of Mr Read's Employment Rights have vested as at 30 June 2020.

Performance Rights

Of the 5.4 million Performance Rights, 2.2 million lapsed on 1 December 2018 and 3.2 million had vested on achievement of the predetermined milestones as of 1 December 2018 as follows:

Financial year ended	
30-Jun-17	714,286
30-Jun-18	1,071,429
30-Jun-19	1,428,571
	3,214,286

Of the total of 3.9 million Read Rights that have vested (0.7 million Employment Rights and 3.2 million Performance Rights), Mr Read has exercised a total of 1.7 million Read Rights (1 million in September 2017 and 0.7 million in May 2019), 2.2 million Read Rights that have vested but not exercised as at 30 June 2020.

All of the Read Rights refer to rights over ordinary shares of the Company, which are exercisable on a one-for-one basis at no cost under the terms of Mr Read's employment agreement.

Bonuses included in remuneration

There were no bonuses paid and or payable in the 2020 financial year.

e. Other information

Options held by directors and key management personnel

The number of options and rights to acquire shares in the Company held during the 2020 reporting period by each of the directors and key management personnel of the Group; including their related parties are set out below.

2020	Balance at start of the reporting period	Granted as remuneration	Exercised / Lapsed	Vested and exerciseable at end of the reporting period
Executive Directors				
R Read[1]	2,214,286	1,178,569	785,713	2,607,142
Non-Executive Directors				
S Hook	714,285	714,286	714,285	714,286
Other Key Management Personnel				
S Glover	-	607,142	-	-
C Campiciano	209,524	71,428	57,147	152,377

Note: the above options reflect the 1:7 share consolidated that was effected on 21 November 2019.
[1]Read Rights

Shares held by directors and key management personnel

Ordinary Shares

The number of ordinary shares in the Company held during the 2020 reporting period by each of the directors and key management personnel of the Group; including their related parties are set out below.

2020	Balance at start of the reporting period	Granted as remuneration	Received or Exercised	Other changes	Held at end of the reporting period
Executive Directors					
R Read	2,631,983	-	-	-	2,631,983
J Swinnerton	25,008,943	-	-	(10,000,000)	15,008,943
Non-Executive Directors					
P Bennetto	1,618,965	-	-	-	1,618,965
S Hook	178,571	-	-	-	178,571
J Xenos	20,583,723	-	-	-	20,583,723
Other Key Management Personnel					
C Campiciano	3,362,842	-	57,147	-	3,419,989

2019	Balance at start of the reporting period	Granted as remuneration	Received or Exercised	Other changes	Held at end of the reporting period
Executive Directors					
R Read	1,917,698	-	714,285	-	2,631,983
J Swinnerton	25,008,943	-	-	-	25,008,943
Non-Executive Directors					
P Bennetto	190,394	-	1,428,571	-	1,618,965
S Hook	178,571	-	-	-	178,571
J Xenos	20,583,723	-	-	-	20,583,723
Other Key Management Personnel					
C Campiciano	3,143,795	-	219,047	-	3,362,842

Note: the above shares reflect the 1:7 share consolidated that was effected on 21 November 2019.

Other transactions with directors and key management personnel :

- During 2020 the Group used the services of NostraData Pty Ltd of which Mr Jim Xenos is a director and has significant influence. The amounts billed relate to the provision of Data Services by NostraData Pty Ltd and amounted to $143,157 (2019 $140,825).

Additional information

The earnings of the group since the incorporation of MedAdvisor International Pty Ltd are summarized below:

	2020	2019	2018	2017	2016
	$	$	$	$	$
Revenue from services	9,602,646	8,241,993	6,604,762	4,242,746	1,425,781
Other revenue	1,468,098	951,121	789,829	659,341	336,704
Total revenue	11,070,744	9,193,114	7,394,590	4,902,087	1,762,485
Total margin	8,381,419	7,227,972	5,783,128	3,508,881	1,043,258
EBITDA	(9,172,683)	(7,842,054)	(4,256,876)	(3,288,317)	(3,032,376)
EBIT	(9,684,907)	(8,101,368)	(4,453,869)	(3,428,643)	(3,066,196)
Profit (loss) after income tax	(9,779,590)	(8,101,385)	(4,454,211)	(3,429,927)	(3,071,062)
Share Price	$ 0.500	$ 0.036	$ 0.343	$ 0.224	$ 0.266

End of audited Remuneration report

Indemnities given to, and insurance premiums paid for officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnities and insurance premiums of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Non-audit services

During the year, RSM Australia Partners, the Company's auditors provided services in relation to a R&D Tax Concession Claim, valued at $44,673. They did not perform any other services in addition to this and their statutory audit duties.

Details of the amounts paid to the auditors of the Company, RSM Australia Partners, and its related practices for audit services provided during the year are set out in Note 8 to the financial statements.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 36 and forms part of this report.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This directors' report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors,

Christopher Ridd
Non-Executive Director and Chair
27 August 2020
Camberwell, VIC

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report MedAdvisor Limited for the year ended 30 June 2020, 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 audit; and
(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Date: 27 August 2020
Melbourne, Victoria

Financials

Consolidated financial report for the year ended 30 June 2020

	Notes	Consolidated 2020 30-Jun-20 $	Consolidated 2019 30-Jun-19 $
Revenues from continuing operations	5 a.	9,602,646	8,241,993
Other revenue	5 b.	1,468,098	951,121
Direct expenses	6 a.	(1,221,227)	(1,014,022)
Development costs		(2,504,232)	(2,591,683)
Employee benefits expenses	6 b.	(11,501,162)	(9,268,366)
Marketing expense		(2,425,110)	(2,355,979)
Depreciation and amortisation expenses	6 c.	(512,224)	(259,314)
Directors fees	6 b.	(217,892)	(187,245)
Other expenses		(2,353,387)	(1,601,563)
Finance costs	6 d.	(115,100)	(16,328)
Loss before income tax		(9,779,590)	(8,101,385)
Income tax (expense) / income	7	-	-
Loss after income tax expense for the year		(9,779,590)	(8,101,385)
Other comprehensive income		52,208	(50,908)
Total comprehensive loss for the year		**(9,727,382)**	**(8,152,293)**
Loss for the year is attributable to:			
Non-controlling interest		(194,595)	-
Owners of MedAdvisor Limited		(9,584,995)	(8,152,293)
		(9,779,590)	(8,152,293)
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		(196,529)	-
Owners of MedAdvisor Limited		(9,530,853)	(8,152,293)
		(9,727,382)	(8,152,293)
Loss per Share			
Basic loss per share	3	$ (4.22)	$ (4.23)
Diluted loss per Share	3	$ (4.22)	$ (4.23)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.
Comparative figures are for the full year ended 30 June 2019

MEDADVISOR LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR YEAR ENDED 30 JUNE 2020

	Notes	Consolidated 2020 30-Jun-20 $	2019 30-Jun-19 $
ASSETS			
Current Assets			
Cash and cash equivalents	**9**	12,345,164	4,400,720
Trade and other receivables	**10**	1,839,384	1,129,752
Other assets	**11**	375,732	407,270
Total Current Assets		**14,560,280**	**5,937,742**
Non-Current Assets			
Other assets	**11**	-	250,000
Fixed assets	**12**	393,560	405,295
Right-of-use assets	**13**	1,073,219	-
Intangible assets	**14**	5,244,415	5,181,815
Total Non-Current Assets		**6,711,194**	**5,837,111**
Total Assets		**21,271,474**	**11,774,853**
LIABILITIES			
Current Liabilities			
Trade and other payables	**15**	1,189,710	1,850,094
Income in advance	**16**	521,231	474,977
Employee benefits	**17**	1,036,199	751,957
Leases	**18**	263,856	-
Total Current Liabilities		**3,010,996**	**3,077,028**
Non-Current Liabilities			
Employee benefits	**17**	82,950	53,003
Leases	**18**	1,156,919	-
Total Non-Current Liabilities		**1,239,869**	**53,003**
Total Liabilities		**4,250,865**	**3,130,031**
Net Assets		**17,020,609**	**8,644,822**
EQUITY			
Contributed equity	**19**	45,369,890	28,136,013
Reserves	**20**	1,574,072	1,153,935
Retained earnings / (losses)	**21**	(30,281,714)	(20,645,126)
Equity attributable to the owners of MedAdvisor Limited		**16,662,248**	**8,644,822**
Non-controlling interest	**22**	358,361	-
Total Equity		**17,020,609**	**8,644,822**

The above statement of financial position should be read in conjunction with the accompanying notes.
Comparative figures are as at 30 June 2019

MEDADVISOR LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2020

	Notes	Contributed Equity $	Reserves $	Retained Earnings/(Losses) $	Non-Controlling Interest $	Total Equity $
Consolidated						
Balance 1 July 2019		28,136,013	1,153,935	(20,645,126)	-	8,644,822
Transactions with owners in their capacity as owners:						
Ordinary shares issued		17,120,000	-	-	554,890	17,674,890
Capital raising costs (net of GST)		(467,903)	-	-	-	(467,903)
Share Options issued		-	947,775	-	-	947,775
Share Options exercised		581,780	(581,780)	-	-	-
Total comprehensive income for the full year:		-				-
Other comprehensive income		-	54,142	-	(1,934)	52,208
AASB 16 Retained Earnings Adjustment				(51,593)		(51,593)
Loss after tax		-	-	(9,584,995)	(194,595)	(9,779,590)
Balance 30 June 2020		**45,369,890**	**1,574,072**	**(30,281,714)**	**358,361**	**17,020,609**
Consolidated						
Balance 1 July 2018		25,979,898	1,732,305	(12,543,741)	-	15,168,462
Transactions with owners in their capacity as owners:						
Ordinary shares issued		983,750	-	-	-	983,750
Capital raising costs (net of GST)		(16,347)	-	-	-	(16,347)
Share Options issued		-	661,250	-	-	661,250
Share Options exercised		1,188,712	(1,188,712)	-	-	-
Total comprehensive income for the full year:						(50,908)
Other comprehensive income		-	(50,908)	-	-	
Loss after income tax		-	-	(8,101,385)	-	(8,101,385)
Balance 30 June 2019		**28,136,013**	**1,153,935**	**(20,645,126)**	**-**	**8,644,822**

The above statement of changes in equity should be read in conjunction with the accompanying notes.
Comparative figures are for the full year ended 30 June 2019

	Notes	Consolidated 2020 30-Jun-20 $	2019 30-Jun-19 $
Cash Flows From Operating Activities			
Receipts from customers (inclusive of GST)		10,129,859	8,063,295
Payments to suppliers and employees (inclusive of GST)		(20,005,320)	(15,891,812)
Receipt from R&D tax concession		1,188,204	749,545
Interest received		101,394	133,804
Interest paid		(94,684)	-
Net cash outflow from operating activities	**24**	**(8,680,547)**	**(6,945,168)**
Cash Flows From Investing Activities			
Payments for property, plant and equipment	12	(100,667)	(103,890)
Payments for intangibles	14	(223,545)	-
Net cash outflow from investing activities		**(324,212)**	**(103,890)**
Cash Flows From Financing Activities			
Proceeds from new share issue	19	17,100,000	975,000
Capital raising costs (net of GST)	19	(467,903)	-
Receipts from non controlling entities	22	554,890	-
Repayment of lease liabilities		(237,784)	-
Net cash (outflow) inflow from financing activities		**16,949,203**	**975,000**
Net increase/(decrease) in cash held		**7,944,444**	**(6,074,058)**
Cash and cash equivalents at the beginning of the year		4,400,720	10,474,777
Cash and cash equivalents at the end of the year	**9**	**12,345,164**	**4,400,720**

The above statement of cash flows should be read in conjunction with the accompanying notes.
Comparative figures are for the full year ended 30 June 2019

Note 1: Statement of Significant Accounting Policies

The financial statements cover the Company of MedAdvisor Limited. MedAdvisor Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorized for issue on the 27 August 2020 by the Directors of the Company.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

<u>New or amended Accounting Standards and Interpretations adopted</u>

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position.

Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss.

For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Note 1: Statement of Significant Accounting Policies – cont.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	01-Jul-19
Operating lease commitments as at 1 July 2019 (AASB 117)	2,831,258
Transition assessment adjustment	(506,934)
Finance lease commitments as at 1 July 2019 (AASB 117)	(654,872)
Operating lease commitments discount based on the weighted average incremental borrowing rate of 6% (AASB 16)	-
Short-term leases not recognised as a right-of-use asset (AASB 16)	-
Low-value assets leases not recognised as a right-of-use asset (AASB 16)	-
Accumulated depreciation as at 1 July 2019 (AASB 16)	(357,740)
Right-of-use assets (AASB 16)	1,311,712
Adjustment for lease incentive	295,253
Lease liabilities - current (AASB 16)	(158,684)
Lease liabilities - non-current (AASB 16)	(1,499,876)
Tax effect on the above adjustments	-
Reduction in opening retained profits as at 1 July 2019	51,595

When adopting AASB 16 from 1 July 2019, the consolidated entity has applied the following practical expedients:

- Applying a single discount rate to the portfolio of leases with reasonably similar characteristics
- Accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short term leases
- Excluding initial direct costs from the measurement of right of use assets
- Using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- Not apply AASB 16 to contracts that were not previously identified as containing a lease.

Accounting Policies

(a) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 28.

(b) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent MedAdvisor Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of controlled entities is contained in Note 29 of the Financial Statements.
The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or

Note 1: Statement of Significant Accounting Policies – cont.

losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(c) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(d) Foreign currency translation

The financial statements are presented in Australian dollars, which is MedAdvisor Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(e) Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

License fees
License fees are charged for the use of the MedAdvisor platform and the revenue recognized at the point at which the customer has agreed to the terms and conditions of use of the platform and installs the interface on their computer equipment and is able to benefit from and be rewarded for the use of the platform.

Rendering of services
Rendering of services revenue from health programs is recognised by reference to the stage of completion of the contracts. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

(f) Income tax

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(g) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realized within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(i) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance to measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(j) Work in progress

Work in progress on services contract's in progress comprises the cost of labour directly related to the performance of the contract plus any other direct costs incurred in delivering the contract services.

(k) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of

expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

(l) Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to **Note 1 (o)** for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation
The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates and method of deprecation is as follows:

- Office equipment – diminishing value at 30% p.a.
- Office furniture – straight line at 20% p.a.
- Leasehold improvements – straight line over the unexpired period of the lease

(m) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(n) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortization and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortization method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Patents and trademarks
Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5-10 years.

(o) Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(r) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(s) Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(t) Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(u) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value

measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

There are no assets and liabilities held at fair value on a recurring or non-recurring basis.

(v) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(w) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 1: Statement of Significant Accounting Policies – cont.

(x) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of MedAdvisor Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(y) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(z) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)
The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

(aa) Comparative figures

Where required by Accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 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 (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 3 year projection period approved by management and extrapolated for a further 2 years using a steady rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the business:

a) 21.64% (2019: 21.16%) pre-tax discount rate;
b) 5-10% (2019: 15-20%) per annum projected revenue growth rate;
c) 3-5% (2019: 15-20%) per annum increase in operating costs and overheads.

The discount rate of 21.64% pre-tax reflects management’s estimate of the time value of money and the consolidated entity’s weighted average cost of capital, the risk-free rate and the volatility of the share price relative to market movements.

Note 2: Critical accounting judgements, estimates and assumptions – cont.

Management believes the projected revenue growth rate of 10% in years one and two, and 5% in years three through to five, is prudent and justified based on current and expected growth in the business. Similarly, management believes that the projected increase in operating costs and overheads of between 3-5% in years one through to five, is prudent and justified based on the cost structure and control environment in the business.

Based on the above an impairment charge has not been applied as the carrying amount of goodwill does not exceed its recoverable amount for the business.

Sensitivity
The directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

a) Revenue would need to decrease by more than 5% for the business before goodwill would need to be impaired, with all other assumptions remaining constant.
b) The discount rate would be required to increase by more than 9% on a pre-tax basis before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of the goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in a further impairment charge for the goodwill.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses

Note 3: Earnings per Share

Both the basic and diluted loss per share have been calculated using the loss attributable to shareholders of MedAdvisor Limited as the numerator, i.e. no adjustments to profits were necessary during the year ended 30 June 2020.

	Consolidated	
	Jun-20	**Jun-19**
	$	**$**
Earning per share for loss from continuing operations		
of MedAdvisor Limited		
Loss for the year	(9,779,590)	(8,101,385)
	Cents	**Cents**
Basic loss per share	(4.22)	(4.23)
Diluted loss per share	(4.22)	(4.23)
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	231,932,954	191,543,699
Adjustment for calculation of diluted earnings per share		
Options over ordinary shares	7,239,208	7,543,508
Performance rights vested but not exercised	2,071,426	1,928,571
Performance rights not vested	-	142,857
	241,243,588	201,158,636

Note, in November 2019, MedAdvisor Limited conducted a consolidation of the Company's issued capital on a basis of one new share for every 7 shares on issue. The adjusted weighted average number of shares have been disclosed for comparative purposes for the 12 months ended 30 June 2019.

Note 4: Operating Segments

The Board has determined that the Company presently has five reporting segments. The first being the business activities of the MedAdvisor medication management and adherence platform, followed by the activities associated with operations in the USA, UK, and Asia, and finally, 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.

2020

	MedAdvisor Platform	USA Operations	UK Operations	Asia Operations	Corporate	Total
	$	$	$	$	$	$
Segment revenues	10,664,778	378,935	25,335	1,697	-	11,070,744
Segment operating loss	(3,709,392)	(2,700,783)	(1,326,057)	(389,191)	(1,654,168)	(9,779,590)
Segment assets	19,838,964	529,136	95,476	769,991	37,907	21,271,474
Total assets	19,838,964	529,136	95,476	769,991	37,907	21,271,474
Segment liabilities	4,104,510	91,934	22,533	19,794	12,095	4,250,865
Total liabilities	4,104,510	91,934	22,533	19,794	12,095	4,250,865
Net assets	15,734,455	437,202	72,943	750,197	25,812	17,020,609

2019

	MedAdvisor Platform	USA Operations	UK Operations	Asia Operations	Corporate	Total
	$	$	$	$	$	$
Segment revenues	9,193,114	-	-	-	-	9,193,114
Segment operating loss	(5,162,034)	(2,699,643)	-	-	(290,616)	(8,152,293)
Segment assets	11,487,739	251,023	-	-	36,090	11,774,852
Total assets	11,487,739	251,023	-	-	36,090	11,774,852
Segment liabilities	3,044,310	75,998	-	-	9,722	3,130,030
Total liabilities	3,044,310	75,998	-	-	9,722	3,130,030
Net assets	8,443,429	175,025	-	-	26,368	8,644,822

Note 5: Revenues

	Consolidated	
	Jun-20	Jun-19
	$	$
Disaggregation of revenue		
a. From continuing operations		
Major service lines		
SaaS Revenue	5,913,620	4,951,730
Transaction & Development fees	2,462,002	2,291,730
Health Programs	1,227,024	998,533
	9,602,646	8,241,993
Timing of revenue recognition		
Goods transferred at a point in time	5,913,620	4,618,510
Services transferred over time	3,689,026	3,623,483
	9,602,646	8,241,993
b. Other Revenue		
Interest received	109,213	134,518
Sundry income - Government Grants	170,681	67,058
Sundry income - R&D Tax Concession	1,188,204	749,545
	1,468,098	951,121

Revenue by geographical region has been disclosed in note 4.

Note 6: Expenses

	Consolidated	
	Jun-20	Jun-19
	$	$
Profit (loss) before income tax from continuing operation includes the following specific expenses:		
a. Direct costs		
Direct transaction costs	98,730	33,912
Direct costs of sms services	461,313	467,592
Managed services costs for the MedAdvisor Platform	661,184	512,518
	1,221,227	1,014,022
b. Employee Benefits Expenses:		
Development	5,329,673	4,788,190
Marketing	2,860,719	2,847,565
Business devlopment - international	375,645	-
People and Culture	399,224	-
Administration	1,588,127	971,360
Share based employee remuneration	947,774	661,251
	11,501,162	9,268,366
Governance - Directors fees	217,892	187,245
	11,719,054	9,455,611
c. Depreciation & Amortization		
Depreciation		
Leasehold improvements	31,081	30,902
Office furniture and equipment	74,802	45,506
Right-of-use asset	238,493	21,433
Motor vehicle	6,903	-
Total depreciation	351,279	97,841
Amortization		
Software	148,165	148,693
Intellectual property	12,780	12,780
Total amortization	160,945	161,473
	512,224	259,314
d. Finance costs		
Interest and finance charges paid/payable	94,684	17
Other bank charges	20,416	16,311
	115,100	16,328
e. Superannuation expense		
Defined contribution superannuation expense	805,146	690,962

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Note 7: Income tax expense

	Consolidated	
	Jun-20	Jun-19
	$	$
a. Tax expense/(income) comprises:		
Current tax	-	-
Deferred tax	-	-
	-	-
b. The prima facie tax on profit / (loss) before income tax is reconciled to the income tax as follows:		
Profit / (loss) from continuing operations	(9,727,382)	(8,152,293)
Prima facie tax payable on profit / (loss) from ordinary activities before income tax at 27.5% (2019: 27.5%)	(2,675,030)	(2,241,881)
Less:		
Tax effect of:		
- deferred tax assets not brought to account	2,675,030	2,241,881
Income tax expense / (benefit) attributable to entity	-	-
The applicable weighted average tax rates are as follows:	0%	0%
The value of tax losses which have not been recognised in the statement of financial position	6,788,881	4,113,851

Note 8: Auditors remuneration

During the year the following fees were paid or payable for services provided

Audit and review of financial report	76,618	72,148
Other Services	44,673	-
	121,291	72,148

	Consolidated	
	Jun-20	Jun-19
	$	$

Note 9: Cash and cash equivalents

Cash on hand	-	303
Cash at bank	12,345,164	4,400,417
	12,345,164	4,400,719

Note 10: Trade and other receivables

Trade debtors	1,525,428	1,129,752
Other debtors	313,956	-
	1,839,384	1,129,752

The consolidated entity has recognised a loss of $50,611 in the profit or (loss) in respect of the expected credit losses for the year ended 30 June 2020 (30 June 2019: $35,000).

The ageing of these receivables and allowances for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Expected credit losses allowance	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
	%	%	$	$	$	$
Not overdue	0%	0%	1,307,769	914,246	6,494	237
0 to 3 months overdue	4%	1%	211,532	183,401	9,411	2,150
3 to 6 months overdue	45%	18%	14,675	23,831	6,578	4,234
Over 6 months overdue	67%	66%	42,063	43,275	28,128	28,379
			1,576,039	1,164,752	50,611	35,000

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	Jun-20	Jun-19
	$	$
Balance	35,000	57,443
Additional provision recognised	58,183	36,277
Receivables written off during the year as uncollectable	(42,572)	(58,720)
Balance	50,611	35,000

	Consolidated	
	Jun-20	Jun-19
	$	$

Note 11: Other assets

Currrent		
Security bonds - cash on deposit with banks	127,268	127,022
Prepayments	248,464	280,249
	375,732	407,270
Non Currrent		
Other receivables	-	250,000
	-	250,000

Note 12: Fixed assets

Leasehold improvements at cost	217,538	217,539
Less: Accumulated depreciation	(68,996)	(37,915)
	148,542	179,624
Office furniture & equipment at cost	422,309	321,642
Less: Accumulated depreciation	(201,692)	(126,890)
	220,617	194,752
Motor vehicle	31,149	30,919
Less: Accumulated depreciation	(6,748)	-
	24,401	30,919
Total property, plant and equipment	393,560	405,295

Note 12: Fixed assets - continued

Reconciliation of written down values at the beginning and end of the current and previous financial year:

	Leasehold Improvements	Office Furniture & Equipment	Motor Vehicle	Total
	$	$	$	$
Balance at 1 July 2018	192,068	177,808	-	369,876
Additions	18,458	83,883	30,919	133,260
Depreciation	(30,902)	(66,939)	-	(97,841)
Balance 30 June 2019	179,624	194,752	30,919	405,295
Additions	-	100,667	-	100,667
Depreciation	(31,082)	(74,802)	(6,903)	(112,787)
Foreign currency movements	-	-	385	385
Balance 30 June 2020	148,542	220,617	24,401	393,560

Note 13: Right-of-use assets

	Consolidated	
	Jun-20	Jun-19
	$	$
Building - right-of-use	1,669,452	-
Less: Accumulated depreciation	(596,233)	-
	1,073,219	-

The consolidated entity leases a building for its offices under an agreement of seven years. The lease has a CPI linked escalation clause. On renewal, the terms of the lease will be renegotiated.

Note 14: Intangible assets

	Consolidated	
	Jun-20	Jun-19
	$	$
Intellectual property at cost	131,219	131,219
Less: Accumulated amortization	(70,560)	(57,781)
	60,659	73,439
Software at cost	1,705,201	1,481,656
Less: Accumulated amortization	(535,313)	(387,148)
	1,169,888	1,094,508
Goodwill at cost	4,013,868	4,013,868
Total intangible assets	5,244,415	5,181,815

Reconciliation of written down values at the beginning and end of the current and previous financial year:

	Copyright	Trademarks	Software	Goodwill	Total
	$	$	$	$	$
Balance at 1 July 2018	45,000	38,190	1,243,201	4,013,868	5,340,258
Additions	-	3,030	-	-	3,030
Depreciation	(12,780)	-	(148,693)	-	(161,473)
Balance 30 June 2019	32,220	41,220	1,094,508	4,013,868	5,181,815
Additions	-	-	223,544	-	223,544
Amortization	(12,780)	-	(148,165)	-	(160,945)
Balance 30 June 2020	19,440	41,220	1,169,888	4,013,868	5,244,415

Note 15: Trade and other payables

	Consolidated	
	Jun-20	Jun-19
	$	$
Trade creditors	715,026	746,615
Other creditors & accruals	474,684	1,103,478
	1,189,710	1,850,094

Note 16: Income in advance

	Consolidated	
	Jun-20	Jun-19
	$	$
Gross pharmacy subscriptions in advance	412,521	369,815
Patient engagement program (PEP) fees in advance	108,710	105,163
Total income in advance	521,231	474,977

Note 17: Employee benefits

Current		
Provision for employee leave	1,036,199	751,957
Non-Current		
Provision for employee leave	82,950	53,003

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 18: Lease liability

Current		
Lease liability	263,856	-
Non-Current		
Lease liability	1,156,919	-

Note 19: Issued Capital

a. Fully paid ordinary shares

	Jun-20	Jun-19	Jun-20	Jun-19
	Shares	Shares	$	$
Ordinary shares fully paid	246,718,025	195,987,489	45,369,890	28,136,013

Note, in November 2019, MedAdvisor Limited conducted a consolidation of the Company's issued capital on a basis of one new share for every seven shares on issue. The comparatives have been restated for the year ended 30 June 2019.

Movements in ordinary share capital

	# of shares	Issue price	$
Balance at 1 July 2018	1,317,927,982		25,979,898
EIP Options Exercised	16,289,995	$ 0.0375	610,627
Exercise of Bennetto Options	10,000,000	$ 0.0418	418,085
Exercise of Lead Manager Options	22,500,000	$ 0.0438	985,000
Issue for services	194,445	$ 0.0450	8,750
Read Rights Exercised	5,000,000	$ 0.0300	150,000
Share issue transaction costs, net of tax for the year			(16,347)
Balance at 30 June 2019	1,371,912,422		28,136,013
EIP Options Exercised	4,156,666	$ 0.0365	151,870
New Share Issue	342,500,000	$ 0.0499	17,099,999
Options on issue 21 November 2019	1,718,569,088		45,387,882
Share Consolidation Adjustment (1:7)	(1,473,059,917)		
Shares on issue post share consolidation (1:7)	245,509,171		45,387,882
EIP Options Exercised	1,168,854	$ 0.3678	429,911
New Share Issue (as Consideration)	40,000	$ 0.5000	20,000
Share issue transaction costs, net of tax for the year			(467,903)
Balance at 30 June 2020	246,718,025		45,369,890

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 19: Issued Capital – continued

b. Read rights

	Date	Issued #	Vested #	Expired #	Balance #
Balance	1-Jul-18	42,500,000	15,500,000	-	27,000,000
Employment rights	24-Aug-18	-	10,000,000	-	17,000,000
Employment rights	30-Nov-18	-	-	15,000,000	2,000,000
Performance rights	30-Jun-19	-	1,000,000	-	1,000,000
Balance	1-Jul-19	42,500,000	26,500,000	15,000,000	1,000,000
Balance	21-Nov-19	42,500,000	26,500,000	15,000,000	1,000,000
Share Consolidation Adjustment (1:7)	21-Nov-19	(36,428,572)	(22,714,286)	(12,857,143)	(857,143)
Balance post share consolidation	21-Nov-19	6,071,429	3,785,714	2,142,857	142,857
Employment rights	30-Jun-20	-	142,857	-	-
Balance	30-Jun-20	6,071,429	3,928,571	2,142,857	-

c. Options over unissued shares

	Issued #
Balance at 1 July 2018	94,733,332
Bennetto Options Exercised	(10,000,000)
Lead Manager Options Expired	(1,500,000)
Lead Manager Options Exercised	(22,500,000)
Employee incentive options exercised	(16,289,993)
Employee incentive options	20,330,000
Employee incentive options expired	(4,876,669)
Read Rights exercised	(5,000,000)
Read rights vested	11,000,000
Balance at 30 June 2019	65,896,670
Employee incentive options exercised	(6,656,666)
Employee incentive options	420,000
Options expired	(12,500,000)
Hook options expired	(5,000,000)
Hook options issued	5,000,000
Options on issue 21 November 2019	47,160,004
Share Consolidation Adjustment (1:7)	(40,422,861)
Options on issue post share consolidation (1:7)	6,737,143
Employee incentive options	4,846,371
Employee incentive options exercised	(1,168,854)
Employee incentive options expired	(1,111,692)
Read rights vested	142,857
Balance at 30 June 2020	9,445,825

[1] Lead manager (Peloton) unlisted options are exercisable at $0.03 with an expiry date of 17 December 2018

[2] Read unquoted employment rights are exercisable at no cost and have vested and are exercisable immediately

[3] Bennetto unlisted options exercisable at $.0.03 with an expiry date of 12 November 2018

Note 19: Issued Capital – continued

Employee Incentive Options

Employee incentive plan options are unquoted and will vest in accordance with the rules of the plan. Unvested employee incentive options lapse on termination of employment, or failure to meet performance based vesting conditions in accordance with the conditions under which the options have been granted.

Issue Date	Expiry Date	Issued #	Lapsed #	Exercised #	Balance #	Vested Not Exercised	Unvested
14-Apr-16	14-Apr-31	1,292,827	142,848	830,939	319,040	319,040	-
15-Dec-16	14-Dec-31	2,215,685	229,182	1,505,562	480,941	480,941	-
27-Oct-17	27-Oct-32	1,792,795	743,318	418,564	630,913	436,162	194,751
19-Dec-17	19-Nov-32	44,283	-	5,714	38,569	23,808	14,761
12-Apr-18	12-Apr-33	161,422	39,046	90,950	31,426	20,950	10,476
24-Aug-18	24-Apr-33	250,000	-	250,000	-	-	-
24-Sep-18	24-Sep-33	1,211,378	278,563	391,419	541,396	377,122	164,274
10-Jan-19	10-Jan-34	407,140	-	392,856	14,284	4,761	9,523
15-Mar-19	15-Mar-34	1,035,713	666,666	369,047	-	-	-
25-Aug-19	25-Aug-34	59,997	8,571	-	51,426	2,857	48,569
23-Dec-19	8-Dec-34	5,117,132	-	142,857	4,974,275	2,142,855	2,831,420
28-Apr-20	26-Apr-35	324,477	-	175,205	149,272	-	149,272
15-May-20	15-May-35	119,047		119,047	-	-	-
		14,031,896	2,108,194	4,692,160	7,231,542	3,808,496	3,423,046

d. Capital management

Management's objective is to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management adjusts the capital structure to the extent possible to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company is not subject to any externally imposed capital requirements, nor does it focus on obtaining debt as a key capital management tool.

Note 20: Reserves

	Consolidated	
	Jun-20	Jun-19
	$	$
Share options reserve	1,570,838	1,204,843
Foreign currency translation reserve	3,234	(50,908)
	1,574,072	1,153,935

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below

	Share options $	Foreign currency $	Total $
Balance at 1 July 2018	1,732,305	-	1,732,305
Share Options issued	661,250	-	661,250
Share Options exercised	(1,188,712)	-	(1,188,712)
Foreign currency translation	-	(50,908)	(50,908)
Balance 30 June 2019	1,204,843	(50,908)	1,153,935
Share Options issued	947,775	-	947,775
Share Options exercised	(581,780)	-	(581,780)
Foreign currency translation	-	54,142	54,142
Balance 30 June 2020	1,570,838	3,234	1,574,072

Note 21: Accumulated losses

	Consolidated	
	Jun-20	Jun-19
	$	$
Accumulated losses at the beginning of the year	(20,645,126)	(12,543,741)
AASB 16 Retained Earnings Adjustment	(51,593)	-
Accumulated losses at the beginning of the year - restated	(20,696,719)	(12,543,741)
Total comprehensive loss for the year	(9,584,995)	(8,101,385)
Accumulated losses at the end of the year	(30,281,714)	(20,645,126)

Note 22: Non-controlling interest

	Consolidated	
	Jun-20	Jun-19
	$	$
Issued capital	554,890	-
Reserves	(1,934)	-
Accumulated losses	(194,595)	-
	358,361	-

The non-controlling interest has a 50% (2019: 0%) equity holding in ZP MedAdvisor Pte. Ltd.

Note 23: Financial risk management

The company's financial instruments consist mainly of deposits with banks, trade receivable and payables. Totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated	
	Jun-20	Jun-19
	$	$
Financial Assets		
Cash and equivalents	12,345,164	4,400,720
Trade and other receivables	1,839,384	1,129,752
	14,184,548	5,530,472
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	1,189,710	1,850,094
- Lease liabilities	1,420,776	-
	2,610,485	1,850,094

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the company in meeting its financial targets whilst minimising potential adverse side effects on financial performance. Risk management policies are approved and reviewed by the Directors' on a regular basis. These include credit risk policies and future cash flow requirements.

NOTE 23: FINANCIAL RISK MANAGEMENT - CONTINUED

Specific Financial Risk Exposures and Management

The main risks the Entity is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk.

a) Interest Rate Risk
Exposure to interest risk arises on financial assets financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.
b) Liquidity Risk
Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Entity manages this risk through the preparation of forward-looking cash flow analysis in relation to its operational, investing and financing activities.

Consolidated - 2020	**Within 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
Financial liabilities due for payment				
Trade and other payables	1,189,710	-	-	1,189,710
Interest bearing - fixed rate				
Lease liabilities	263,856	275,900	881,019	1,420,776
Total financial liabilities	1,453,566	275,900	881,019	2,610,485
Financial assets - cash flows realisable				
Cash and equivalents	12,345,164	-	-	12,345,164
Trade and other receivables	1,839,384	-	-	1,839,384
	14,184,548	-	-	14,184,548
Net inflow/(outflow) on financial instruments	12,730,982	(275,900)	(881,019)	11,574,063

Consolidated - 2019	**Within 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
Financial liabilities due for payment				
Trade and other payables	1,850,094	-	-	1,850,094
Interest bearing - fixed rate				
Lease liabilities	-	-	-	-
Total financial liabilities	1,850,094	-	-	1,850,094
Financial assets - cash flows realisable				
Cash and equivalents	4,400,720	-	-	4,400,720
Trade and other receivables	1,129,752	-	-	1,129,752
	5,530,472	-	-	5,530,472
Net inflow/(outflow) on financial instruments	3,680,379	-	-	3,680,379

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NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2020

NOTE 23: FINANCIAL RISK MANAGEMENT - CONTINUED

a. Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Entity.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counter parties), ensuring to the extent possible, that customers and counter parties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the invoice date. Customers who do not meet the Entity's strict credit policies may only purchase in cash or only use recognised credit cards.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any allowance for expected credit loss) as presented in the balance sheet

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 10.

b. Foreign Currency Risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The consolidated entity the foreign exchange risk to be low and has not entered into any forward foreign exchange contracts.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		**Liabilities**	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Consolidated				
US dollars	1,274,725	154,263	111,728	32,824
British pounds	95,476	-	22,533	-
	1,370,201	154,263	134,261	32,824

The consolidated entity had net assets denominated in foreign currencies of $1,235,940 (assets of $1,274,725 less liabilities of $134,261) as at 30 June 2020 (2019: 121,439)). Based on this exposure, had the Australian dollar weakened by 5% (2019: 5%) against these foreign currencies with all other variables held constant, the consolidated entity's loss before tax for the year would have been $61,797 lower (2019: $7,007).

The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the

NOTE 23: FINANCIAL RISK MANAGEMENT - CONTINUED

last 6 months each year and the spot rate at each reporting date. The actual foreign exchange gain for the year ended 30 June 2020 was $52,208 (2019: $33,063).

c. Price Risk

The consolidated entity is not exposed to any significant price risk.

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values.

Differences between fair values and carrying amounts on financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of the instruments which are carried at amortised cost are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

	Jun-20	
	Net Carrying Value	Net Fair Value
	$	$
Financial Assets		
Cash and equivalents	12,345,164	12,345,164
Trade and other receivables	1,839,384	1,839,384
	14,184,548	14,184,548
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	1,189,710	1,189,710
- Lease liabilities	1,420,776	1,420,776
	2,610,485	2,610,485

MEDADVISOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2020

NOTE 23: FINANCIAL RISK MANAGEMENT - CONTINUED

	Jun-19	
	Net Carrying Value	Net Fair Value
	$	$
Financial Assets		
Cash and equivalents	4,400,720	4,400,720
Trade and other receivables	1,129,752	1,129,752
	5,530,472	5,530,472
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	1,850,094	1,850,094
	1,850,094	1,850,094

Note 24: Reconciliation of profit/(loss) after tax to net cash flow from operations

	Consolidated	
	Jun-20	Jun-19
	$	$
(a) Reconciliation of cash to the statement of cash flows:		
Cash assets - Note 9	12,345,164	4,400,720
(b) Reconciliation of profit from ordinary activities to net cash used in operating activities		
Profit after income tax	(9,779,590)	(8,101,385)
Add: non cash items		
- Other non cash expenses	270,000	(142,378)
- Depreciation and amortisation	512,224	259,314
- Doubtful debts	42,572	36,065
- Non cash share based payments	947,775	661,251
- Foreign exchange differences	51,825	-
	1,824,396	814,252
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
- (Increase) decrease in receivables	(752,204)	(234,734)
- (Increase) decrease in other assets	31,538	(342,094)
- Increase (decrease) in payables / creditors	(365,128)	833,256
- Increase (decrease) in income in advance	46,254	85,537
- Increase (decrease) in provisions	314,188	-
	(725,352)	341,966
Net cash flows used in operating activities	(8,680,547)	(6,945,168)

Note 25: Contingencies

There were no contingent liabilities or contingent assets at the date of this report (2019: none) to affect the financial statements.

Note 26: Events subsequent to the reporting date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

Note 27: Other related party transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

NostraData Pty Ltd is an associated entity of the Company which has entered into the following related party transaction with the Company during the financial year.

	Consolidated	
	Jun-20	Jun-19
	$	$
Total value of consulting , data and marketing services	143,157	140,825
Amounts due and payable to NostraData Pty Ltd at the end of the financial year included in trade and other payables	26,504	26,061

Zuellig Pharma Pte Ltd has entered into a joint venture with MedAdvisor Limited with 50% ownership interest in ZP MedAdvisor Pte Ltd. The following contributions for equity were advanced to the Company during the financial year.

Related party transactions with Zuellig Pharma Pte Ltd		
Capital contributions received for investment in ZP MedAdvisor Pte Ltd	554,890	-

Note 28: Parent entity information

Set out below is the supplementary information about the parent entity.

	Parent	
	Jun-20	Jun-19
	$	$
Statement of profit or loss and other comprehensive income		
Loss after income tax	(1,654,168)	(892,333)
Total comprehensive income	(1,654,168)	(892,333)
Statement of financial position		
Total current assets	37,907	36,090
Total assets	41,244,993	24,750,511
Total current liabilities	558,503	9,722
Total Liabilities	558,503	9,722
Net assets	40,686,490	24,740,788
Equity		
Issued capital	43,939,865	26,705,989
Share options reserve	1,570,838	1,204,843
Accumulated losses	(4,824,213)	(3,170,044)
Total equity	40,686,490	24,740,788

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital commitments – property plant & equipment

The parent entity had no capital commitments for property plant & equipment as at 30 June 2020 and 30 June 2019.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity as disclosed in Note 1.

Note 29: Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
MedAdvisor International Pty Ltd	Australia	100%	100%
Health Enterprises 2 Pty Ltd	Australia	100%	100%
MedAdvisor Welam UK Ltd.	UK	100%	100%
MedAdvisor Welam USA Inc.	USA	100%	100%

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy described in Note 1:

Name	Principal place of business / Country of incorporation	Parent Ownership interest 2020 %	Parent Ownership interest 2019 %	Non-controlling interest 2020 %	Non-controlling interest 2019 %
ZP MedAdvisor Pte.Ltd	Singapore	50%	50%	50%	50%

Note 30: Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated Jun-20 $	Consolidated Jun-19 $
Short-term employee benefits	1,267,322	1,013,690
Share based entitlements	448,639	67,657
Total compensation	1,715,961	1,081,347

Directors' declaration

The Directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 38 to 78, are in accordance with the Corporations Act 2001 and:

    (a) comply with Accounting Standards which as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company;

2. the Director's have declared that:

    (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

    (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

    (c) the financial statements and notes for the financial year give a true and fair view; and

3. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Christopher Ridd
Non-Executive Director and Chair
27 August 2020
Camberwell, VIC

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
To the Members of MedAdvisor Limited

Opinion
We have audited the financial report of MedAdvisor Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

I. giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

II. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion
We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* (the Code) that are relevant to our audit of the 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Impairment of Goodwill Refer to Note 14 in the financial statements	
The Group has goodwill of $4,013,868 as at 30 June 2020. We identified this area as a key audit matter due to the size of the goodwill balance, and because the directors' assessment of the 'value in use' of the cash generating unit ("CGU") involves judgements about the future underlying cash flows of the business and the discount rate applied to them. For the year ended 30 June 2020 management have performed an impairment assessment over the goodwill balance by: • Calculating the value in use the CGU using a discounted cash flow model. These models used cash flows (revenues, expenses and capital expenditure) for the CGU for 5 years, with a terminal growth rate applied to the 5th year. These cash flows were then discounted to net present value using the Group's weighted average cost of capital (WACC) adjusted for the CGU; and • Comparing the resulting value in use of the CGU to their respective book values. Management also performed a sensitivity analysis over the value in use calculations by varying the assumptions used (growth rates, terminal growth rate and WACC) to assess the impact on the valuations.	Our audit procedures in relation to management's impairment assessment included: • Assessing management's determination that the goodwill should be allocated to a single CGU based on the nature of the Group's business and the manner in which results are monitored and reported; • Assessing the valuation methodology used; • Challenging the reasonableness of key assumptions, including the cash flow projections, revenue growth rates, discount rates, and sensitivities used; • Checking the mathematical accuracy of the cash flow model, and reconciling input data to supporting evidence such as approved budgets, and considering the reasonableness of these budgets; and • Reviewing the accuracy of disclosures of critical estimates and assumptions in the financial statements in relation to the valuation methodologies.

Key Audit Matters (continued.)

Key Audit Matter	How our audit addressed this matter
Recognition of Revenue Refer to Note 5 in the financial statements	
Revenue recognition was considered a key audit matter. MedAdvisor receives revenue from three core income streams, and the accounting for each of these differs. While SaaS revenues from subscriptions are not complex and do not involve significant management judgements, the recognition of revenue generated from Transaction and Development Fees and Health Programs involves management estimates around the timing of delivery of services.	Our audit procedures in relation to the recognition of revenue included: • Assessing whether the Group's revenue recognition policies were in compliance with AASB 15 *Revenue from Contracts with Customers*; • Evaluating the operating effectiveness of management's controls related to revenue recognition; • Performing substantive analytical review procedures on SaaS revenues; • Performing detailed testing on a sample of Transaction and Development Fees and Health Programs revenue recognised and assessing the allocation of revenue to various elements in the contracts with customers; and • Reviewing revenue transactions before and after year-end to ensure that revenue is recognised in the correct period.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf.
This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of MedAdvisor Limited, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

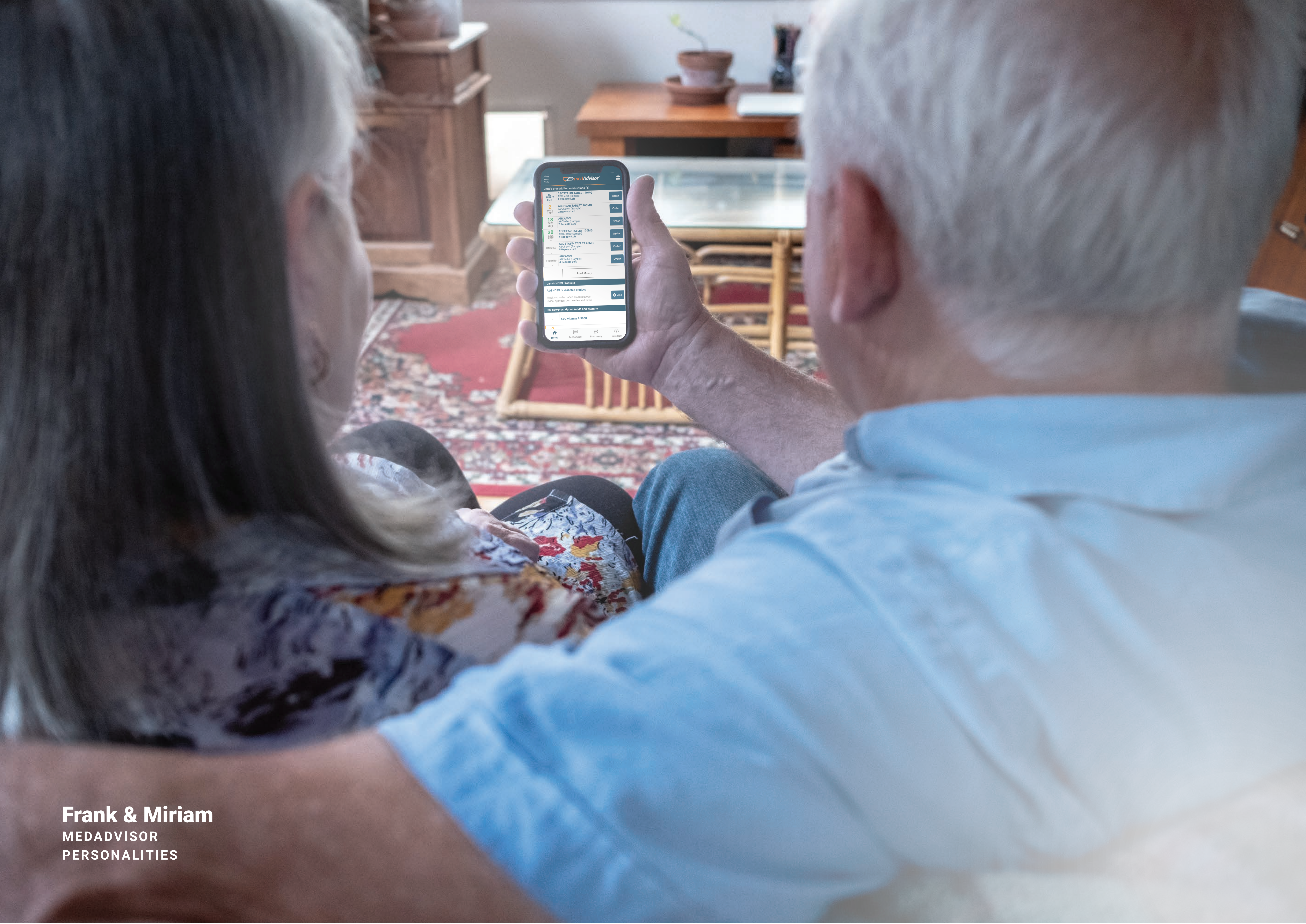
Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Date: 27 August 2020
Melbourne, Victoria



Frank & Miriam
MEDADVISOR
PERSONALITIES

Governance and disclosures

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, MedAdvisor Limited and its Controlled Entities ('the Group') have adopted the third edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for financial years beginning on or after 1 July 2014.

The Group's Corporate Governance Statement for the financial year ending 30 June 2020 is dated as at 30 June 2020 and date of last review and Board approval was on 25 August 2020. The Corporate Governance Statement is available on MedAdvisor's website at:

www.mymedadvisor.com/investors-corporate-governance > Governance Documents > Other

Additional disclosures

Shareholder information
The shareholder information set out below was applicable as at 18 August 2020.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	
	#	%
1 to 1,000	174	0.05%
1,001 to 5,000	1103	1.20%
5,001 to 10,000	499	1.56%
10,001 to 100,000	833	9.81%
100,001 and over	135	87.38%
	2744	100.00%
Holding less than a marketable parcel	123	0.02%

Equity security holders

Twenty largest quoted security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary Shares	
	Number held	% of total shares issued
Health Management Systems Inc	31,428,571	12.74%
Ebos Ph Pty Ltd	26,459,627	10.72%
Kojent Pty Ltd <Kojent A/C>	20,540,866	8.33%
HSBC Custody Nominees (Australia) Limited	16,441,606	6.66%
Wavey Industries Pty Ltd <Josh Swinnerton Family A/C>	15,008,943	6.08%
Regal Funds Management Pty Ltd	14,981,247	6.07%
Romida Enterprises Pty Ltd <Romida Family A/C>	12,992,910	5.27%
J P Morgan Nominees Australia Pty Limited	11,856,538	4.81%
Sigma Company Limited	5,952,381	2.41%
Provare Pty Ltd <Provare Investment A/C>	3,419,970	1.39%
Mishra Enterprises Pty Ltd <Mishra Family A/C>	2,894,737	1.17%
Gread Management Pty Limited <The A G & R R Family A/C>	2,631,983	1.07%
Citicorp Nominees Pty Limited	2,424,829	0.98%
HSBC Custody Nominees (Australia) Limited - A/C 2	2,238,097	0.91%
Ethan Allen Investments Pty Ltd <Ethan Allen Invest Unit A/C>	2,000,000	0.81%
Dr Christopher Harold Benton	2,000,000	0.81%
National Nominees Limited	1,942,664	0.79%
Capital Concerns Pty Limited <Logue Family Super Fund A/C>	1,855,344	0.75%
Canonbar Investments Pty Ltd	1,568,964	0.64%
Mr Hamish John Hepburn	1,499,999	0.61%
	180,139,276	**73.01%**

Unquoted equity securities
Options over ordinary shares issued

	Number in issue	Nunber of holders
Options over ordinary shares issued	7,302,968	78
Rights over ordinary shares issued	2,142,857	1

MEDADVISOR LIMITED
SHAREHOLDER INFORMATION – CONT.

Escrowed securities
Restricted securities

	Expiry Date	Nunber of Shares
Ordinary shares	31-Mar-21	15,008,943

Voting rights
The voting rights attaching to each class of equity securities are set out below:

Ordinary shares
All issued ordinary shares carry one vote per share (including restricted securities).

Options
Options do not carry a right to vote.

Substantial shareholders
The substantial shareholders in the Company are set out below:

	Ordinary Shares	
	Number held	% of total shares issued
Health Management Systems Inc	31,428,571	12.74%
Ebos Ph Pty Ltd	26,459,627	10.72%
Kojent Pty Ltd <Kojent A/C>	20,540,866	8.33%
Hsbc Custody Nominees (Australia) Limited	16,441,606	6.66%
Wavey Industries Pty Ltd <Josh Swinnerton Family A/C>	15,008,943	6.08%
Regal Funds Management Pty Ltd	14,981,247	6.07%

Corporate directory

Registered office
MedAdvisor Limited,
Level 2, 971 Burke Road,
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ABN
17 145 327 617

Web address
www.mymedadvisor.com

Directors
Mr Christopher Ridd
Non-Executive Director and Chair

Mr Peter Bennetto
Non-Executive Director

Mr Jim Xenos
Non-Executive Director

Ms Sandra Hook
Non-Executive Director

Mr Jeffrey Sherman
Non-Executive Director

Mr Robert Read
CEO and Managing Director

Mr Joshua Swinnerton
Executive Director and Founder

Company secretaries
Naomi Lawrie and Carlo Campiciano

Stock exchange listing
MedAdvisor Limited shares are listed on the Australian Securities Exchange (ASX:MDR)

Share registrar
Computershare Investor Services Pty Ltd

Yarra Falls

1152 Johnston Street

Abbotsford Vic 3067

Tel: 1300 850 505 (within Australia)

+613 9415 4000 (outside Australia)

Auditor
RSM Australia Partners

Level 21, 55 Collins Street

Melbourne Vic 3000

Lawyers
HWL Ebsworth – Lawyers
Level 26, 530 Collins Street
Melbourne Vic 3000

Notice of annual general meeting
The Annual General Meeting of MedAdvisor Limited will be held as a Virtual Meeting which has been scheduled for 9:00 a.m. on Thursday 5 November 2020 (further details will be provided in the Notice of Meeting).