

ASX ANNOUNCEMENT
27 February 2020

MedAdvisor 1H20 Results

Core Australian business continuing to grow with new, larger international markets beginning to generate momentum

Key Highlights:

- Total 1H20 operating revenue of \$4.4m, up 14.4% on 1H19; (+22.3% v underlying 1H19 of \$3.6m¹)
- Annualised Recurring Revenue (ARR) up 31.1% and Health programs revenue up 33%
- Gross Margin stable at 87.6%, in line with 1H19, creating significant operating leverage as the business scales
- Signed Chemist Warehouse and Sigma to long term contracts; MedAdvisor now has long term contracts with three of the four major pharmacy groups
- Successfully raised \$17 million, with US healthcare solution provider HMS Holdings Corp (NASDAQ:HMSY) (“HMS”) investing \$11 million and becoming the largest shareholder
- Signing of two Health Programs with leading pharmaceutical companies, through its strategic partnership with Adheris Health. Expected commencement in Q4FY20
- Recently announced two significant board appointments, with Mr Chris Ridd (former Microsoft, Xero) coming on as Chairman, and Mr Jeffery Sherman from HMS Holdings coming on as a non-executive director.

MedAdvisor Limited (ASX: MDR), Australia’s leading digital medication management company, has released its Appendix 4D and is pleased to report its financial results for the 6-month period ending 31 December 2019.

Finance Overview

MedAdvisor reported record operating revenue of \$4.4m, up 14.4% for the 6-month period to 31 December 2019 on the prior corresponding period. On an underlying basis, operating revenue increased to 22.3% on the prior corresponding period¹. Revenue growth was driven by a combination of recurring SaaS revenue through a growing pharmacy network, and user-based revenue from health services & programs that promote health literacy and improved adherence (“Health Programs”).

Annual recurring revenue (“ARR”, based on contracted pharmacies as at 31 December) has risen by 31.1% year on year, demonstrating the increasing value pharmacists derive from MedAdvisor. The PlusOne software continues to improve, thereby delivering greater functionality and value to the pharmacist, such as Pay-in-Advance, and the soon to go live Home Delivery. MedAdvisor derives approximately 63% of revenue from SaaS, providing MedAdvisor with a stable and reliable revenue base with which to assist the funding of further research and development and market expansion.

¹ Adjusts for Thrivor 5% acquisition recognised in H1 FY19 and is non-recurring revenue

Gross profit increased 14.4% to \$3.9m with gross margins remaining stable at 87.6%, creating significant operating leverage as the business scales. The company reported a net loss of \$5.3m versus a loss of \$4.5m for the prior year, reflecting the investment in the US, UK, and Asian markets.

Financial Performance Overview

Metric	HY FY18	HY FY19	HY FY20	19/20 change
Total Revenue	\$3.2m	\$3.9m ²	\$4.4m	14.4%
Gross Margin	88%	87.6%	87.6%	NA
Core Business EBITDA	(\$0.2m)	\$1.0m	\$1.4m	41.4%
Investment Opex	\$2.4m	\$5.4m	\$6.4m	(19.0%)
Reported EBITDA	(\$2.2m)	(\$4.4m)	(\$5.0m)	(14.0%)

Operational Overview

US

MedAdvisor recently announced the signing of two Health Programs with leading pharmaceutical companies through its strategic partnership with Adheris Health. The second program signed in January will deliver the first material revenue (\$825,000 total gross revenue attributable to MedAdvisor) from the US expansion and is an important milestone in the commercialisation and scale of the US market opportunity. The pilot programs will run over a period of 12 months, with the revenue generated equivalent to 80% of the full financial year FY19 total Health Program revenue, demonstrating the scale of the US opportunity.

In addition to the Adheris partnership, MedAdvisor is also working closely with HMS to provide digital adherence programs through its payor and insurer network. This represents a significant opportunity to further expand the impacted patient network in the US, as well as participate domestically in the Digital Health CRC, in which HMS is the largest private contributor of funding.

Asia

In May 2019, MedAdvisor announced a 50/50 joint venture with Zuellig Pharma, one of the largest healthcare services groups in Asia. The joint venture - referred to as ZP MedAdvisor - has signed its first customer, MedExpress Drugstores in the Philippines. MedExpress is the leading hospital out-patient pharmacy in the Philippines, serving over 1.5 million people across 50 hospitals in the Philippines. ZP MedAdvisor has worked closely with MedExpress to develop a MedExpress App to enable medication refill orders. This will be live in H220 and in time will support DAP revenue.

In addition, ZP MedAdvisor has signed agreements in Malaysia with Klinify (doctor software used by 900 doctors servicing ~2 million patients) as well as with a top-five Malaysian pharmacy chain, to run medication adherence/education programs across their patient bases.

² FY19 reported revenue of \$3.88m included \$250,000 from a clinical trial software provider, Thrivor

UK

MedAdvisor is currently progressing with its implementation for its first customer, the Day Lewis Pharmacy Group ('Day Lewis'), one of the largest independent pharmacy chains in the UK, owning over 270 pharmacies and servicing over 1 million customers. Day Lewis will license PlusOne and promote a Day Lewis branded version of the MedAdvisor consumer app to its customers for medication management. Rollout of the MedAdvisor platform across Day Lewis pharmacies will take place during Q4 FY20.

Australia

MedAdvisor's Australian business represents a strong, growing core for the company. As at 31 December, 2019, MedAdvisor had approximately 3,400 network pharmacies (~60%+ of the Australian market, up from 3,300 at 30 June 2019), digitally connecting ~1.3 million patients and processing \$150 million in medication orders for the six months to 31 December 2019.

Revenue increased 14.4% for the six months ending 31 December, with underlying performance up 22.3%. Revenue per pharmacy continues to grow, with SaaS license and messaging fees averaging \$180/month in 1H20 (up from \$160 in 1H19). During 1H20, MedAdvisor boosted its pharmacy network through the signing of long-term agreements with Chemist Warehouse and Sigma pharmacy group, as well as announcing new click & collect and home delivery through industry approved, Kings Transport.

	H1 FY19	H1 FY20	% Change
ARR at Dec 31 ³	\$4.4m	\$5.8m	31.1%
SaaS Revenue	\$2.2m	\$2.8m	28.5%
Average Rev/Phx p.a.	~ \$160	\$180	12.5%
LTV of Pharmacy ⁴	\$13,500	\$17,000	25.9%
Pharmacy CAC ⁵	\$2,636	\$2,047	(22.3%)

Revenue from Health Programs grew 33% for 1H20 compared to 1H19, with 48 programs operating, up from 32 programs for the prior corresponding period. These results demonstrate the strength of the core domestic business and furthermore, show that the Australian market continues to show material opportunities for growth across a range of key metrics.

There is a potential patient network of 12 million+ chronic patients in Australia, meaning the opportunity for MedAdvisor to help those patients with improved health literacy through health programs delivered digitally or in pharmacy is a significant opportunity moving forward. As more of these patients connect with MedAdvisor digitally, we can assist them take their medication safely, effectively and on time as well as adding huge convenience improvements from which MedAdvisor derive revenue.

The MedAdvisor Australian pharmacy network base will benefit from the introduction of the ePrescribing

³ ARR (Annual Recurring Revenue) is calculated as total pharmacy numbers at end of period multiplied by average SaaS revenue per pharmacy

⁴ LTV (Life Time Value) is calculated as Annual Revenue of \$1700 (SaaS only) divided by 10% churn or assuming a 10-year life. Long term pharmacy churn is <5%. Actual revenue per pharmacy is ~\$180 per month and annually ~\$2,160 including transactional fees.

⁵ CAC: Customer Acquisition Costs

late in CY20 which will encourage pharmacy to adopt the new features that have been built into PlusOne. MedAdvisor will enable community pharmacy to compete effectively as online competitors emerge.

Capital Raise - October 2019

MedAdvisor successfully raised \$17 million, with US healthcare solution provider HMS Holdings Corp (NASDAQ:HMSY) (“HMS”) investing \$11 million and becoming the largest shareholder with a 13% holding. The funds raised will accelerate international expansion through MedAdvisor’s synergistic partnering strategies in the US, South East Asia and the UK, as well as driving domestic growth through sales, marketing and technology development.

In addition, MedAdvisor is working with HMS to evaluate the opportunity to become HMS’ preferred partner for distribution of digital health programs in the US and Australia. HMS has a significant US national footprint, providing technology and analytics solutions to healthcare funders including more than 325 health plans, government agencies and other healthcare organisations, including patient engagement programs.

Following the successful capital raise, MedAdvisor conducted a 7:1 share consolidation, with the objective to better position the company to take advantage of strategic opportunities, as well as making it more attractive for international investors.

Key Appointments

In October, MedAdvisor welcomed the appointment of Mr Jeffrey Sherman to the Board of the Company, as the nominee director of HMS Holdings Corp. following their \$11m investment in the Company. Mr Sherman, who is based in Texas USA, has more than 30 years of experience in the healthcare industry in key leadership positions. For the last five years Mr Sherman has been CFO and Treasurer of HMS Holdings Corp (NASDAQ:HMSY), a US\$3B Market Cap innovative health services company. Mr Sherman is responsible for financial operations, corporate strategy and development.

In addition, MedAdvisor recently announced the appointment of Mr Chris Ridd as a Non-Executive director of the company and its new Chairman of the Board. Chris replaces Mr Peter Bennetto who will continue to support the transition as a Non-Executive Director of MedAdvisor.

Chris developed his tech career at Microsoft over 15 years where he took on various assignments in the areas of business analysis, marketing, sales and channel development. His final role with Microsoft was as the Director of their Dynamics business group. He was a Director and Australian CEO of accounting software firm Xero (ASX:XRO) and myprosperity, a cloud based financial adviser platform. Chris led Xero’s expansion in the Australian market from a small start-up to become the largest online cloud accounting software company, growing from seven staff and 3,500 customers to 270 staff and 320,000 customers. In 2015, Chris was awarded The CEO Magazine’s Financial Services Executive of the Year & Runner Up in Managing Director of the Year.

Outlook

The international markets represent a significant opportunity for growth. Progress in the US is encouraging with the recent announcements of two health programs and a significant investment from HMS presenting opportunities for new program funders and patient populations. Australia remains a core focus to drive growth in the short to medium term. MedAdvisor sees the potential for additional growth in the Pharmacy channel as ePrescribing adoption commences in H2 CY20. MedAdvisor will also benefit in the UK and SE Asian markets as the new product goes live and gains momentum in H2 CY20.

Robert Read, CEO & Managing Director said *“1H20 has proven to be a landmark period for MedAdvisor, achieving significant milestones as it expands internationally and domestically. The recent announcement of securing health programs within the US represents an important validation of MedAdvisor’s international strategy. The company is now focusing on delivering the new products for our Customers in the UK, Philippines and the USA, whilst continuing the business development efforts in those markets. Similarly, we are currently implementing the MedAdvisor product suite with Day Lewis, which is a very exciting project for future opportunities that it can potentially generate with the UK market.*

The successful capital raising that was led and underwritten by HMS Global provides MedAdvisor with the capital to continue our international strategy and increases the potential addressable market for patients through insurance payors. Adding two highly qualified and experienced directors in Chris Ridd and Jeff Sherman adds significantly to our board’s capability as we focus on executing the plan.”

---ENDS---

For more information:

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About MedAdvisor

MedAdvisor is a world class medication management platform focused on addressing the gap and burden of medication adherence. Founded with a desire to simplify medication management, the highly automated and intuitive Australian software system connects patients to medication related tools and education materials from their community pharmacy. Available free on mobile and internet devices, the platform also incorporates a variety of valuable and convenient features including reminders, pre-ordering of medications and medicines information, which together has been shown to improve adherence to chronic medications by ~20%. Since launching in 2013, MedAdvisor has connected over one million users through ~ 60% of Australian pharmacies and a network of thousands of GPs across Australia, and in 2018 was recognised in the AFR Fast 100.

Carlo Campiciano - Company Secretary
MedAdvisor Limited (ACN 145 317 627)
Level 2 971 Burke Road Camberwell Vic 3124

1. Company Details

Name of Entity:	MEDADVISOR LIMITED
ABN:	17 145 327 617
Reporting period:	For the half-year ended 31 December 2019
Previous period:	For the half-year ended 31 December 2018

2. Results for Announcement to the Market

				\$'000
Revenues from ordinary activities	up	14.4%	to	4,443
Loss from ordinary activities after tax attributable to the owners of MedAdvisor Limited	up	16.6%	to	(5,254)
Loss for the half-year attributable to the owners of MedAdvisor Limited	up	16.6%	to	(5,254)

Dividends

Not applicable

Comments:

Total Revenue Breakdown:

	6 months 31-Dec-19	6 months 31-Dec-18
	\$'000	\$'000
Ordinary revenue	4,443	3,882
Other income (Interest)	78	81
	78	81
	4,521	3,963

Non financial metrics:

Please refer to Review of Operations in the attached Half Year Financial Report and the ASX Announcement which accompanies this document.

The loss of the consolidated entity after providing for income tax was \$5,326,537 (31 December, 2018 \$4,504,524)

3. Net Tangible Assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	6.4723	3.4768

4. Control Gained or Lost over Entities

Control Gained

Not applicable

Control Lost

Not applicable

5. Additional Dividend Information

Not applicable

6. Dividend Reinvestment Plans

Not applicable

7. Details of Associates and Joint Venture Entities

Not applicable

8. Audit Qualification or Review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

9. Attachments

The Interim Report of MedAdvisor Limited for the half-year ended 31 December, 2019 is attached.

10. Signed



Robert Read

Director

Camberwell, Victoria

Dated: 26 February, 2020



making medication manageable

MEDADVISOR LIMITED

ABN 17 145 327 617

**CONDENSED
FINANCIAL REPORT
FOR HALF YEAR ENDED
31 DECEMBER 2019**

**CONDENSED FINANCIAL REPORT
FOR HALF YEAR ENDED 31 DECEMBER 2019**

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The Condensed financial report is presented in Australian currency.

Its registered office and principal place of business is:

The registered office is:

MedAdvisor Limited
Level 2
971 Burke Road
CAMBERWELL VIC 3124

The principal place of business is:

MedAdvisor Limited
Level 2
971 Burke Road
CAMBERWELL VIC 3124

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue in accordance with a resolution of directors on 23 February 2020.

Directors' Report

The names of the company's directors who held office during or since the end of the financial half-year are:

Mr Chris Ridd	Mr Robert Read	Mr Peter Bennetto
Mr Joshua Swinnerton	Mr Jim Xenos	Ms Sandra Hook
Mr Jeffrey Sherman		

Principal Activities

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

Review of Operations

MedAdvisor's core focus is on tackling the global issue of medication non-adherence and poor health literacy to drive improved health outcomes for patients by making medication manageable. Improving adherence and health literacy creates benefits for all MedAdvisor's stakeholders; for patients, improved health outcomes, for pharmacy and pharmaceutical companies; increased revenue, and for healthcare payors such as government, health insurers and hospitals; reduced health costs.

Delivering on this core purpose, MedAdvisor derives revenue from three key customer segments:

1. **Pharmacies**, that pay SaaS fees and/or transaction fees such as messaging or ordering fees for a license to **PlusOne**, a pharmacy software solution that digitally connects a pharmacy to its patients via an App, SMS and web/email and supports the delivery of a range of health programs and services ('Health Programs');
2. **Pharmaceutical companies**, that pay a per patient fee for the delivery of **Health Programs** directly to patients or in-pharmacy; and
3. **Patients**, who get free access to the App, SMS and web/email services ('**MedAdvisor App**') and can pay for premium services such as certain GP-related services.

Customer Type: *Pharmacy*

Product: *PlusOne*

The global landscape for the pharmacy sector is experiencing significant change. In a range of markets, revenue derived from the traditional source of medication dispensing has been falling for some time, resulting in increased pressure to offer customers value-added health services and programs. Competitive pressure from non-traditional, new market entrants like Amazon is also driving consumer expectations around convenience and digital experience that raise the bar for the sector.

In addition, the Australian Federal Government enacted legislation in October 2019 to introduce e-prescribing, which will enable patients to request electronic scripts from prescribers instead of a paper based prescriptions. The objective of the legislation is to increase the efficiency, compliance, drug safety and data collection of the Pharmaceutical Benefits Scheme (PBS) medication, allowing people to manage prescriptions electronically, which will increase convenience and improve medication safety. MedAdvisor has been actively involved with the Commonwealth Department of Health to provide guidance on the technical solution and implementation.

MEDADVISOR LIMITED
ABN 17 145 327 617

The impact of e-prescribing on the Pharmacy sector is expected to be significant, as it enables new entrants such as Amazon to gain market share more easily than might otherwise have been the case. Experience internationally suggests that when e-prescribing is introduced, and online pharmacy becomes part of the competitive landscape, traditional community pharmacy market share is eroded in the order of 10-20%.

The MedAdvisor PlusOne platform provides traditional pharmacies with the ability to compete with the likes of potential on-line entrants, by providing an enhanced level of service and convenience. PlusOne offers pharmacies a Software-as-a-Service (SaaS) solution that empowers them to digitally connect to their patients, automate medication reminders, and offer a range of ordering and medication related services.

In addition to allowing patients to “click & collect” their medication, pharmacies use PlusOne to alert them to health programs and services funded by the government (through 6CPA) and others such as pharmaceutical companies (through MedAdvisor) that are relevant and appropriate for their patients. Patients can be enrolled, a record of the delivery of the program or service streamlined, and any fees earned by the pharmacy automatically claimed.

Importantly, MedAdvisor pharmacies report a range of benefits including significant time savings in order management, services delivery and recording and various claiming activities, as well as improved customer satisfaction, loyalty and adherence.

Customer Type: *Pharmaceutical Companies*

Products: *Health Programs*

The World Health Organisation (“WHO”) estimates that medical adherence to long term therapies in developed nations is approximately 50%, and closing the gap represents the largest driver of the avoidable health costs that ensue, impacting the funders of health care including governments, health insurers and hospitals. In addition, low adherence costs pharmaceutical companies more than \$630 billion¹ in revenue each year.

MedAdvisor’s Health Programs offer pharmaceutical companies an efficient platform for distribution of direct to patient and in-pharmacy programs to large, aggregated, hard to reach audiences. Health Programs are designed to communicate information to drive quality use of medicine, improve health literacy and adherence and seek to reduce the \$630 billion loss in revenue. MedAdvisor is working toward becoming a global leader in the distribution of Health Programs, with its global reach expanding dramatically in FY19 through a combination of its partnership with Adheris, its joint venture with Zuellig Pharma, and its UK market entry.

MedAdvisor offers several Health Program types to meet pharmaceutical companies’ requirements, including digital adherence, healthcare provider intervention, patient awareness, clinical trial recruitment, and patient surveys. Fees are charged on a per patient basis. The advantage for global pharmaceutical companies of working through MedAdvisor is the aggregation of hard to reach audiences across multiple pharmacy chains that results in lower overhead, centralized compliance processes, our range of Health Program types, and a proven model for improving patient adherence.

¹ <https://www.rdmag.com/news/2016/11/medication-nonadherence-costs-billions-lost-revenue>

Customer Type: *Patients*

Product: *MedAdvisor App*

In each of the markets that MedAdvisor operates a large part of the population (typically upwards of 50% depending on classifications) suffers from at least one chronic condition and is on at least one long-term medication.

MedAdvisor App patients report feeling more in control of their health and medication, being more organized around their medication and saving significant time in the ordering process. The added peace of mind that comes from having easy access to medication history for those in more frequent interactions with the health system cannot be underestimated.

The MedAdvisor App provides a digital connection for patients to their pharmacist to support them in their medication journey. Comprising important information regarding their medication, the ability to pre-order when required and added benefits including dosage reminders, a GP script renewal service and carer mode that allows users to take care of others.

Capital Raise

In October 2019, MedAdvisor successfully raised \$17 million, with US healthcare solution provider HMS Holdings Corp (NASDAQ:HMSY) (“HMS”) investing \$11 million and becoming the largest shareholder with a 13% holding. The funds raised will accelerate international expansion through MedAdvisor’s synergistic partnering strategies in the US, South East Asia and the UK, as well as driving domestic growth through sales, marketing and technology development.

In addition, MedAdvisor welcomes the opportunity to become HMS’ preferred partner for distribution of digital health programs in the US and Australia. HMS has a significant US national footprint, providing technology and analytics solutions to healthcare funders including more than 325 health plans, government agencies and other healthcare organisations, including patient engagement programs.

Following the successful capital raise, MedAdvisor conducted a share consolidation, with the objective to better position the company to take advantage of strategic opportunities, as well as making it more attractive for international investors.

Market Performance

Australia

MedAdvisor’s Australian business represents a strong, growing core for the company. As at 31 December 2019, MedAdvisor had approximately 3,400 network pharmacies (~60%+ of the Australian market, up from 3,300 at 30 June 2020), digitally connecting 1.3 million patients and processing \$150 million in medication orders for the 6 months to 31 December 2019.

Revenue increased 14% for the six months ended 31 December, with underlying performance up 22%. Revenue per pharmacy continues to grow, with SaaS license and messaging fees averaging \$187/month in 1H20 (up from \$175 in FY19). During 1H20, MedAdvisor expanded its pharmacy network through the signing of long-term agreements with Chemist Warehouse and Sigma pharmacy chains, as well as announcing new click & collect functionality and home delivery through industry approved courier, Kings.

Revenue from Health Programs grew 33% for 1H20 compared to 1H19, with 48 programs operating, up from 32 for the prior corresponding period, demonstrating the increasing value being recognized by pharmaceutical companies, some of which have programs running for over four years. These results demonstrate the strength of the core domestic business and furthermore, show that the Australian market

continues to show material opportunities for growth across a range of key metrics.

First, with a potential patient network of over 12 million+, increased uptake in usage of the MedAdvisor App remains a key focus, with pharmacy still a primary channel for customer acquisition. Additionally, MedAdvisor is exploring other viable, scalable of new customer app sign-ups, including via GPs, hospitals and direct-to-consumer.

Secondly, building on its strong market position and the industry leading capabilities of PlusOne, MedAdvisor can continue to grow market share with community pharmacies. Pharmacies increasingly see that PlusOne is necessary to effectively compete, particularly in the context of ePrescribing.

The greater efficiency in service delivery, recording and claiming means pharmacists can do more value added services for patients and drive more non-dispense revenues for their business. The time saved in orders management further contributes to the positive returns that using MedAdvisor unlocks. For those who engage fully, PlusOne creates a competitive advantage, combatting the threat of online entrants by enabling pharmacies to digitally connect with their patients, offer increased convenience through a click & collect functionality and home delivery and facilitate the provision of in-pharmacy services.

Thirdly, there remains significant potential in Australia for MedAdvisor in the delivery of Health Programs. Revenue from pharmaceutical companies funding Health Programs continues to grow with 1H20 revenue up 33% for the same period, and with the signing of a long-term agreement with Chemist Warehouse in October 2019, MedAdvisor access to patients increased considerably making its efficient distribution platform for Health Programs even more attractive for program funders.

USA

MedAdvisor recently announced the signing of two Health Programs with leading pharmaceutical companies, through its strategic partnership with Adheris Health. The second program signed in January, will deliver the first material revenue from the US expansion and an important milestone in the commercialisation and scale of the US market opportunity. The pilot programs will run over a period of 12 months, with the revenue generated equivalent to 80% of FY19 total Health Program revenue, indicating the scale of the US opportunity.

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New Board appointments

In October, MedAdvisor welcomed the appointment of Mr Jeffrey Sherman to the Board of the Company, as the nominee director of HMS Holdings Corp. following their \$11m investment in the Company. Mr Sherman, who is based in Texas USA, has more than 30 years of experience in the healthcare industry in key leadership positions. For the last 5 years Mr Sherman has been CFO and Treasurer of HMS Holdings Corp (NASDAQ:HMSY), a US\$3B Market Cap innovative health services company. Mr Sherman is responsible for financial operations, corporate strategy and development.

In addition, MedAdvisor recently announced the appointment of Mr Chris Ridd as a Non-Executive director of the company and its new Chairman of the Board. Chris replaces Mr Peter Bennetto who will remain as a Non-Executive Director of MedAdvisor. Chris developed his tech career at Microsoft over a span of 15 years where he took on various assignments in the areas of business analysis, marketing, sales and channel development. His final role with Microsoft was as the Director of their Dynamics business group. He was a director and Australian CEO of accounting software firm Xero (ASX:XRO) and myprosperity, a cloud based financial adviser platform. Chris led Xero's expansion in the Australian market from a small start-up to become the largest online cloud accounting software company, growing from seven staff and 3,500 customers, to 270 staff and 320,000 customers. In 2015, Chris was awarded The CEO Magazine's Financial Services Executive of the Year & Runner Up in Managing Director of the Year.

Financial position

The Group has \$16,257,519 in cash plus \$127,033 in cash on deposit as security, bringing a total cash balance of \$16,384,552 as of 31 December 2019, following the successful capital raise in October 2019.

The net assets of the Group at 31 December 2019 were \$20,852,302, an increase in net assets of \$12,207,481 from 30 June 2019.

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 period.

Matters subsequent to the end of the financial year

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 Group, the results of those operations or the state of affairs of the Group in future years.

Auditor's Independence Declaration

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

Signed in accordance with a resolution of the Directors:



Robert Read
Director
Camberwell, Victoria

Dated: 26 February, 2020

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000

PO Box 248 Collins Street West VIC 8007

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F +61(0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of MedAdvisor Limited for the half year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in blue ink, appearing to be "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to be "BY CHAN".

B Y CHAN
Partner

Dated: 26 February 2019
Melbourne, Victoria

MEDADVISOR LIMITED
ABN 17 145 327 617

STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

	Notes	Consolidated	
		2019 31-Dec-19 \$	2018 31-Dec-18 \$
Revenues from continuing operations	7	4,442,788	3,882,288
Other revenue	7	78,143	80,783
Direct expenses	8	(549,835)	(479,751)
Development costs		(1,234,988)	(1,430,075)
Employee benefits expenses	8	(5,460,826)	(4,440,305)
Marketing expense		(1,273,454)	(1,153,252)
Depreciation and amortisation expenses		(254,163)	(126,466)
Directors fees		(93,623)	(93,623)
Other expenses		(925,352)	(738,647)
Finance costs	8	(55,227)	(5,477)
Profit / (loss) before income tax		(5,326,537)	(4,504,524)
Income tax (expense) / income		-	-
Profit / (loss) for the half year		(5,326,537)	(4,504,524)
Other comprehensive income		24,484	-
Total comprehensive income (loss) for the period		(5,302,053)	(4,504,524)
Profit/(loss) for the half year is attributable to:			
Non-controlling interest		(72,931)	-
Owners of MedAdvisor Limited		(5,253,606)	(4,504,524)
		(5,326,537)	(4,504,524)
Loss per Share			
Basic loss per share	4	\$ (0.024)	\$ (0.024)
Diluted loss per Share	4	\$ (0.024)	\$ (0.024)

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 half year ended 31 December 2018

MEDADVISOR LIMITED
ABN 17 145 327 617

STATEMENT OF FINANCIAL POSITION

Notes	2019 31-Dec-19 \$	2019 30-Jun-19 \$	
ASSETS			
Current Assets			
Cash and cash equivalents	9	16,257,519	4,400,719
Trade and other receivables	10	1,389,619	1,129,752
Other assets	11	519,606	330,602
Total Current Assets		18,166,744	5,861,074
Non-Current Assets			
Other assets	11	250,000	250,000
Fixed assets	12	1,573,076	405,295
Intangible assets	13	5,284,402	5,258,483
Total Non-Current Assets		7,107,478	5,913,779
Total Assets		25,274,222	11,774,853
LIABILITIES			
Current Liabilities			
Trade and other payables	14	1,180,606	1,850,094
Income in advance	15	767,594	474,977
Employee benefits	16	860,986	751,957
Leases	17	248,841	-
Total Current Liabilities		3,058,027	3,077,028
Non-Current Liabilities			
Employee benefits	16	70,208	53,004
Leases	17	1,293,685	-
Total Non-Current Liabilities		1,363,893	53,004
Total Liabilities		4,421,920	3,130,032
Net Assets		20,852,302	8,644,821
EQUITY			
Contributed equity		45,090,264	28,136,013
Reserves		1,256,328	1,153,934
Retained earnings / (losses)		(25,950,325)	(20,645,126)
Equity attributable to the owners of MedAdvisor Limited		20,396,267	8,644,821
Non-controlling interest		456,035	-
Total Equity		20,852,302	8,644,821

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
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STATEMENT OF CHANGES IN EQUITY

Notes	Contributed Equity \$	Share Options Reserve \$	Foreign Currency Translation Reserve \$	Retained Earnings/(Losses) \$	Non-Controlling Interest \$	Total Equity \$
Consolidated						
Balance 1 July 2019	28,136,014	1,204,843	(50,908)	(20,645,126)	-	8,644,822
Transactions with owners in their capacity as owners:						
Ordinary shares issued	17,100,000				527,521	17,627,521
Capital raising costs (net of GST)	(467,905)					(467,905)
Share Options issued		400,064				400,064
Share Options exercised	322,155	(322,155)				-
Foreign currency transactions			24,484	-	1,445	25,929
AASB 16 Retained Earnings Adjustment				(51,593)		(51,593)
Total comprehensive income for the half-year			-	(5,253,606)	(72,931)	(5,326,538)
Balance 31 December 2019	45,090,264	1,282,752	(26,424)	(25,950,325)	456,035	20,852,302
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	975,000					975,000
Capital raising costs (net of GST)	(5,538)					(5,538)
Share Options issued		286,353				286,353
Share Options exercised	627,236	(627,236)				-
Foreign currency transactions			(35,461)			(35,461)
Total comprehensive income for the half-year				(4,504,524)		(4,504,524)
Balance 31 December 2018	27,576,596	1,391,422	(35,461)	(17,048,265)	-	11,884,293

The above statement of changes in equity should be read in conjunction with the accompanying notes.
Comparative figures are for the half year ended 31 December 2018

MEDADVISOR LIMITED
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STATEMENT OF CASH FLOWS

	Notes	Consolidated	
		2019 31-Dec-19 \$	2018 31-Dec-18 \$
Cash Flows From Operating Activities			
Receipts from customers (inclusive of GST)		4,800,517	3,624,067
Payments to suppliers and employees (inclusive of GST)		(9,996,040)	(7,730,171)
Interest received		27,213	80,489
Net cash inflow (outflow) from operating activities		(5,168,310)	(4,025,615)
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(29,062)	(91,680)
Payments for intangibles		(106,391)	-
Net cash outflow from investing activities		(135,453)	(91,680)
Cash Flows From Financing Activities			
Proceeds from new share issue		17,100,000	975,000
Capital raising costs (net of GST)		(467,904)	(5,538)
Receipts from related parties		528,467	
Receipts from unrelated parties		-	49,500
Net cash (outflow) inflow from financing activities		17,160,563	1,018,962
Net increase/(decrease) in cash held		11,856,800	(3,098,333)
Cash and cash equivalents at the beginning of the year		4,400,719	10,474,777
Cash and cash equivalents at the end of the year	9	16,257,519	7,376,445

The above statement of cash flows should be read in conjunction with the accompanying notes.
Comparative figures are for the half year ended 31 December 2018

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. General

These financial statements represent those of MedAdvisor Limited ('MedAdvisor' or the 'Group') and the entities it controls for the half-year ended 31 December 2019.

2. Basis of preparation

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2019 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted

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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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)	<u>1,311,712</u>
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	<u>51,595</u>

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.

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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – cont'd

2. Basis of preparation– cont'd

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.

The impact on the financial performance and position of the consolidated entity from the adoption of these Accounting Standards has been assessed and no restatement of comparative disclosures is required.

3. Critical accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

4. 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 six (6) month period to 31 December 2019.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	6 months to 31-Dec-19	6 months to 31-Dec-18
Weighted average number of shares used in basic earnings per share	217,889,887	189,184,075
Weighted average number of shares used in diluted earnings per share	224,141,799	201,874,971

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 weighted average number of shares have been disclosed for comparative purposes for the 6 months ended 31 December 2018.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – cont'd

5. Issued Capital

	Number of Shares	\$
Shares		
Balance at 30 June, 2019	195,987,488	28,136,013
New Share Issue	48,928,570	17,100,000
Employee Share Options exercised	1,025,008	322,155
Share issue transaction costs, net of tax		(467,904)
Balance at end of reporting period - 31 December 2019	245,941,066	45,090,264
Options		
Balance at 30 June, 2019	9,413,809	
MedAdvisor Zero Cost Options under Employee Incentive Plan	5,176,938	
Employee incentive options exercised	(1,382,817)	
Employee incentive options expired	(2,783,295)	
Balance at end of reporting period	10,424,635	

6. 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.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS – cont'd

6. Operating segments – cont'd

	MedAdvisor \$	USA Operations \$	UK Operations \$	Asia Operations \$	Corporate \$	Total \$
2019						
Revenues	4,495,596	-	25,335	-	-	4,520,931
Net loss before tax	(2,705,461)	(1,705,210)	(382,307)	(145,864)	(363,211)	(5,302,053)
Segment assets	24,330,655	145,803	5,220	702,945	89,600	25,274,222
Total Assets						25,274,222
Segment liabilities	4,276,733	15,807	8,774	5,484	115,122	4,421,920
Total Liabilities						4,421,920
2018						
Revenues	3,963,071	-	-	-	-	3,963,071
Net loss before tax	(2,820,225)	(1,443,829)	-	-	(240,470)	(4,504,524)
Segment assets	15,024,462	61,364	-	-	88,546	15,174,373
Total Assets						15,174,373
Segment liabilities	3,213,151	24,502	-	-	52,427	3,290,080
Total Liabilities						3,290,080

7. Revenue

	6 months to 31-Dec-19 \$	6 months to 31-Dec-18 \$
From continuing operations		
Sale of services	4,442,788	3,882,288
	4,442,788	3,882,288
Other revenue		
Interest received	42,143	80,783
Sundry income - Grants	36,000	-
	78,143	80,783

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – cont'd

	6 months to 31-Dec-19 \$	6 months to 31-Dec-18 \$
8. Expenses		
Profit before income tax includes the following specific expenses:		
Direct Costs:		
Platform access fees	97,232	89,817
Direct transaction costs	246,096	257,593
Managed services costs for the MedAdvisor platform	206,507	132,341
	<u>549,835</u>	<u>479,751</u>
Employee Benefits Expenses:		
Development	2,644,391	2,270,620
Marketing	1,417,706	1,367,861
Business development - international	77,158	77,051
People & Culture	193,209	-
Administration	728,298	438,419
Share based payments	400,064	286,354
	<u>5,460,826</u>	<u>4,440,305</u>
Finance costs:		
Other bank charges	7,885	5,461
Interest expense	47,342	17
	<u>55,227</u>	<u>5,477</u>
9. Cash and Cash Equivalents		
	as at 31-Dec-19 \$	as at 30-Jun-19 \$
Cash on hand	304	303
Cash at bank	16,257,215	4,400,416
	<u>16,257,519</u>	<u>4,400,719</u>
10. Trade and Other Receivables		
Trade debtors	1,269,843	1,078,106
Other debtors	119,776	51,646
	<u>1,389,619</u>	<u>1,129,752</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – cont'd

10. Trade and Other Receivables – cont'd

Allowance for expected credit losses

The consolidated entity has recognised a loss of (\$42,412) (30 Jun 2019: (\$35,000)) in profit or (loss) in respect of the expected credit losses for the half-year ended 31 December 2019.

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	
	31-Dec-19	30-Jun-19	31-Dec-19	30-Jun-19	31-Dec-19	30-Jun-19
	%	%	\$	\$	\$	\$
Not overdue	0%	0%	902,342	862,600	-	237
0 to 3 months overdue	3.0%	1.0%	287,834	183,401	8,848	2,150
3 to 6 months overdue	26.0%	18.0%	43,354	23,831	11,351	4,234
Over 6 months overdue	28.0%	66.0%	78,725	43,274	22,213	28,379
			<u>1,312,255</u>	<u>1,113,106</u>	<u>42,412</u>	<u>35,000</u>

as at	as at
31-Dec-19	30-Jun-19
\$	\$

11. Other Assets

Current

Prepayments	392,574	203,581
Security deposits - (with Banks and other institutions)	127,032	127,022
	<u>519,606</u>	<u>330,602</u>

Non Current

Other receivables	250,000	250,000
	<u>250,000</u>	<u>250,000</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – cont'd

	as at 31-Dec-19 \$	as at 30-Jun-19 \$
12. Property, Plant and Equipment		
Leasehold Improvements		
Cost	217,539	217,539
Accumulated depreciation	(53,456)	(37,915)
Written Down Value	<u>164,083</u>	<u>179,624</u>
Office Furniture & Equipment		
Cost	351,652	352,561
Accumulated depreciation	(158,017)	(126,890)
Written Down Value	<u>193,635</u>	<u>225,671</u>
Right of Use Asset - Lease		
Cost	1,669,452	-
Accumulated depreciation	(476,986)	-
Written Down Value	<u>1,192,466</u>	<u>-</u>
Motor Vehicle		
Cost	30,514	-
Accumulated depreciation	(7,622)	-
Written Down Value	<u>22,892</u>	<u>-</u>
Total Written Down Value	<u>1,573,076</u>	<u>405,296</u>
13. Intangible Assets		
Goodwill		
Cost	4,013,868	4,013,868
Intellectual property		
Cost	131,219	131,219
Accumulated amortization	(64,170)	(57,780)
Written Down Value	<u>67,049</u>	<u>73,439</u>
Software		
Cost	1,664,715	1,558,324
Accumulated depreciation	(461,230)	(387,148)
Written Down Value	<u>1,203,485</u>	<u>1,171,176</u>
Total Written Down Value	<u>5,284,402</u>	<u>5,258,483</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – cont'd

	as at 31-Dec-19 \$	as at 30-Jun-19 \$
14. Trade and Other Payables		
Trade creditors	692,598	746,615
Other creditors and accruals	488,008	1,103,478
	<u>1,180,606</u>	<u>1,850,094</u>
15. Income in Advance		
Gross pharmacy subscriptions in advance	538,797	369,815
Patient engagement programs	228,797	105,163
	<u>767,594</u>	<u>474,977</u>
16. Employee Entitlements		
Current		
Provision for employee leave	860,986	751,957
	<u>860,986</u>	<u>751,957</u>
Non Current		
Provision for employee leave	70,208	53,004
	<u>70,208</u>	<u>53,004</u>
Total Employee Entitlements	<u>931,194</u>	<u>804,961</u>
17. Lease Liabilities		
Current		
Lease Liabilities	248,841	-
	<u>248,841</u>	<u>-</u>
Non Current		
Lease Liabilities	1,293,685	-
	<u>1,293,685</u>	<u>-</u>
Total Lease Liabilities	<u>1,542,526</u>	<u>-</u>

18. Contingent Liabilities and Contingent Assets

The Group had no contingent liabilities as at 31 December 2019 and 30 June 2019.

19. Events after the Reporting Date

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

End of Notes

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on page 8 to 21, are in accordance with the Corporations Act 2001 and:
 - i. comply with Accounting Standards; and in particular AASB 134 Interim Financial Reporting, and the Corporations Regulations 2001, and other mandatory professional reporting requirements;
 - ii. give a true and fair view of the financial position as at 31 December 2019 and of the performance for the 6 months on that date of the company.

2. 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.



Robert Read
Director
Camberwell, Victoria

Dated: 26 February 2020

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

We have reviewed the accompanying half-year financial report of MedAdvisor Limited which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of MedAdvisor Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



B Y CHAN
Partner

Dated: 26 February 2019
Melbourne, Victoria