

ASX ANNOUNCEMENT

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JV partnership with US\$12B healthcare services group Zuellig Pharma launches MedAdvisor in Asia

Initial launch in Philippines and South Korea with other markets to follow

- Heads of Agreement signed with Zuellig Pharma to form a 50:50 joint venture (JV) based in Singapore
- The JV will commercialise MedAdvisor's medication management platform in Asia under an exclusive licence agreement
- Zuellig Pharma is one of Asia's largest healthcare services groups, servicing over 350,000 medical facilities in Asia, with operations across 13 markets
- The platform will be marketed to Zuellig Pharma's network of pharmacies, medical clinics and pharmaceutical manufacturers in target markets
- Initial launch in Philippines and South Korea planned for FY20, with other Asian markets to follow
- The addressable population for the Joint Venture is +560 million people across the region
- Agreement provides strong validation of MedAdvisor's medical management platform and technology and furthers the Company's international expansion

MedAdvisor Limited (ASX: **MDR**, the **Company**), Australia's leading digital medication management company, is pleased to announce it has signed a Heads of Agreement to form a joint venture with Zuellig Pharma Holdings Pte Ltd (Zuellig Pharma), one of the largest healthcare services groups in Asia.

About Zuellig Pharma

With close to 100 years of operating history, Zuellig Pharma's US\$12 billion business provides healthcare services to over 350,000 medical facilities (pharmacies, medical clinics, hospitals) across Asia and works with over 1,000 corporate clients, including the top 10 pharmaceutical companies in the world. It also operates large-scale patient engagement programs on behalf of pharmaceutical companies and provides employee health management services to corporate employers. Zuellig Pharma puts emphasis on providing pharmacy and medical clinic customers with state-of-the-art digital customer service capabilities to help cater to the growing convenience and service expectations of patients; and considers MedAdvisor a strong partner with the ability to support an extensive number of its customers in the region.

Joint Venture furthers MedAdvisor's international expansion

MedAdvisor will form a 50:50 joint venture based in Singapore with Zuellig Pharma to commercialise MedAdvisor's medication management platform in Asia.

MedAdvisor will license its core intellectual property to the JV on an exclusive, royalty-free basis and will develop localised versions of its platform for pharmacies and patients in the Filipino and South Korean markets. Both parties have conducted in-depth product-market fit assessments and are confident that MedAdvisor's technology can be effectively rolled out in these countries, which share a similar prescription model as Australia.

Zuellig Pharma will market the JV's offering to its extensive network of pharmacies, medical clinics and pharmaceutical manufacturers, initially focussing on the Philippines (total c. 27,000 pharmacies) and South Korea (total c. 21,000 pharmacies) in FY20, followed by launches in additional Asian markets.

MedAdvisor will retain ownership of all Intellectual Property in the platform, including any customisations for specific countries.

Targeting a large market

The addressable population in the defined markets exceeds 560m people. The pharmaceutical spend is estimated to be US \$69B¹.

The JV will generate multiple streams of revenue including software as a service (SaaS) subscription fees from pharmacies, transaction-based revenue (SMS reminders, in-app/online payment processing fees, GP electronic script requests, etc) and program fees from pharmaceutical manufacturers for the delivery of digital patient engagement programs.

MedAdvisor will invest working capital in the business in FY20 which will be matched by Zuellig Pharma. It is expected that the initial investment will be sufficient to make the JV self-sustaining and MedAdvisor's commitment is less than 10% of our current cost base. Both parties will receive fees for assisting the JV with sales and technical support once the JV is operational.

Robert Read, CEO of MedAdvisor commented: "This is one of the most significant developments in our Company's history. As one of the largest healthcare businesses in Asia, Zuellig Pharma is the perfect partner to take our offerings into the region. We are also genuinely excited that the global product platform we are developing for the US and UK, will work just as well in Asia."

John Davison, CEO of Zuellig Pharma added: "The MedAdvisor platform has the potential to help millions of people manage their medications safely and effectively. Pharmacies have an essential role in providing healthcare to the community and we are committed to helping them serve their patients better. This Joint Venture expands Zuellig Pharma's growing suite of digital solutions that address key pain points in delivering quality healthcare. We look forward to building a successful partnership with MedAdvisor, as we work together to make healthcare more accessible in Asia."

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¹ Various sources including Researchgate.net, PacificbridgeMedical.com and Australian Government Healthcare Resources Guide (2016)

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 their community pharmacy, providing them with real time access to their personal medication records. Available free on mobile and internet devices, the platform also incorporates a variety of valuable and convenient features including reminders and pre-ordering of medications, which together improves adherence to common medications by approximately 20%.

Since launching in 2013, MedAdvisor has welcomed over one million users through its connections with ~55% of pharmacies and thousands of GPs across Australia. MedAdvisor was recognized in the 2018 AFR Fast 100.

About Zuellig Pharma

Zuellig Pharma is one of the largest healthcare services groups in Asia, operating with the purpose of making healthcare more accessible. It provides world-class distribution, digital and commercial services to support the growing healthcare needs in the region.

The company was started almost a hundred years ago and has grown to over US\$12 billion in turnover, covering 13 markets with 11,000 employees. It services more than 350,000 medical facilities (pharmacies, medical clinics, hospitals), and works with over 1,000 corporate clients, including the top 10 pharmaceutical companies in the world.

More recently, it launched the Zuellig Health Solutions Innovation Centre to develop new services and address pressing healthcare needs in Asia. Since then, its teams have been focused on creating data, digital and disease management solutions, supporting patients with chronic conditions and helping payors manage healthcare costs.