



FY18

Investor Presentation (ASX: MDR)

www.medadvisor.com.au

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MedAdvisor Ltd (ASX:MDR)

Shares on Issue <i>(433m subject to voluntary escrow)</i> <i>(24 Aug 2018)</i>	1,323m
Class B Performance Shares*	55m
Options (\$0.03, \$0.04 & \$0.08 strike prices)	54m
Employee Options (including Read Performance Rights)	68.9m
Fully Diluted	1,501m
30 Day VWAP Share Price <i>(30 June 2018)</i>	\$0.044
Market Cap	~\$58m
Cash Balance (as at 30 June 2018)	\$10.5m

*Associated hurdles for Class B Performance Shares unlikely to be met

Top Shareholders

EBOS (ASX: EBO)	14.0%
Wavey Industries Pty Ltd	13.2%
Kojent Pty Ltd	10.9%
Romida Enterprises Pty Ltd	7.2%
Morgan Stanley Australia Securities	5.0%
JP Morgan Nominees Australia Ltd	3.3%
Sigma Company Ltd (ASX:SIG)	3.2%

Non-Executive



Peter Bennetto,
Non-Executive Chairman

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



Sandra Hook,
Non Executive Director

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



Jim Xenos,
Non Executive Director

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



MedAdvisor is a high margin, recurring revenue SaaS business with +1m connected users and +50% of the Australian pharmacy market using its platform.

Over 1 million Connected Users

1 Global Opportunity

- ✓ Australia is <2% of world medicines market and MDR is the most sophisticated and integrated platform globally
- ✓ Advancing opportunities in US & UK – PDX Integration the first move into US market

2 Multiple Revenue Streams

- ✓ \$7.4m total revenues mainly from pharmacies, manufacturers and patients.
- ✓ Additional revenue streams from transaction and convenience services
- ✓ Hospital revenue stream to come online in 2019

3 Tier 1 Customers

- ✓ Greater than 50% of Australian Pharmacies, including leading brands
- ✓ 16 global pharmaceutical manufacturers running Patient Engagement Programs





4

Strong Domestic Market Position

- ✓ >1m connected patients (~10% of potential market)
- ✓ 55% pharmacy market share
- ✓ >\$260m of prescriptions ordered through platform from GPs & Patients
- ✓ Emerging GP proposition

5

High Barriers To Entry

- ✓ Fragmented pharmacy market, 3,500 owners for 5,500 pharmacies
- ✓ Tech integration with 11+ dispense systems plus GP systems integration
- ✓ >\$16m invested in platform to date

6

Significant Opportunities to Scale

- ✓ Highly engaged users
- ✓ >7m patients at MDR network pharmacies
- ✓ 12 million patients* in Australia alone with a chronic disease and require regular medication

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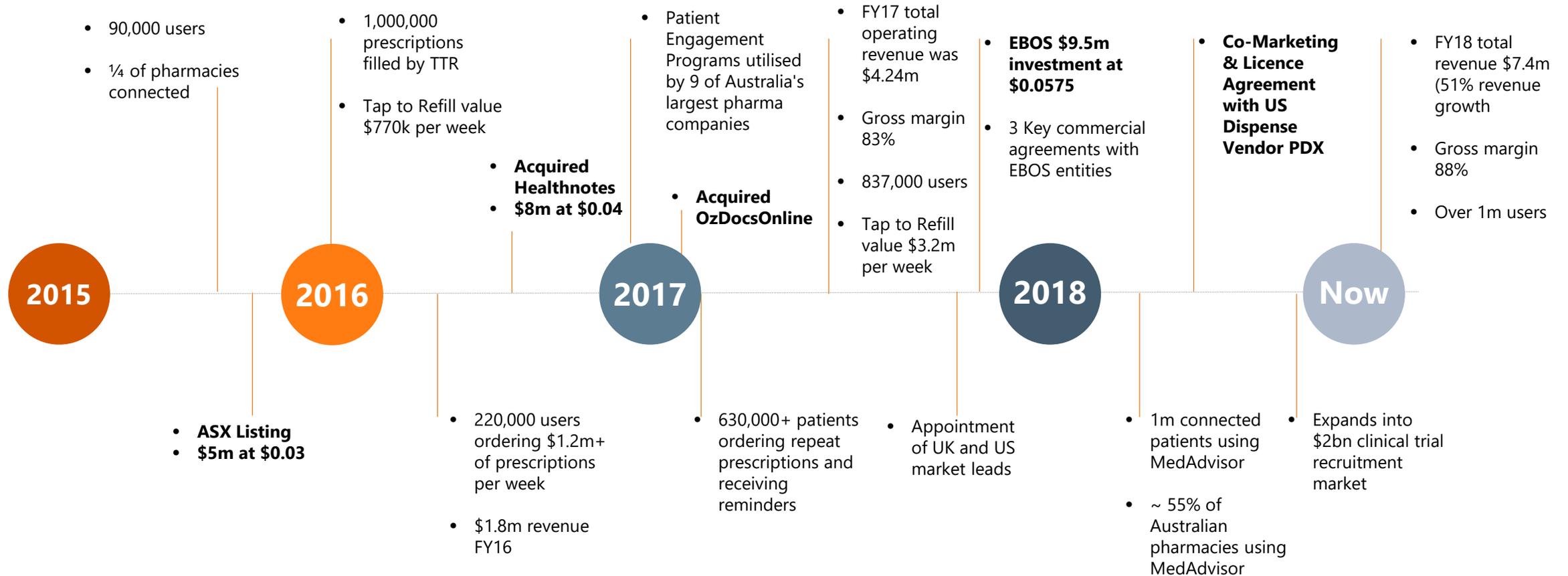
Strong Industry Validation

- ✓ \$9.5m investment from EBOS Group, who now hold just over ~14%
- ✓ Used by all key pharmacy chains in Australia
- ✓ 16 global pharmaceutical manufacturers Patient Engagement Programs

\$50m
Revenue
Potential if
MDR can
attract 6
million users

(In Australia alone,
representing \$8-9 average
revenue per patient)

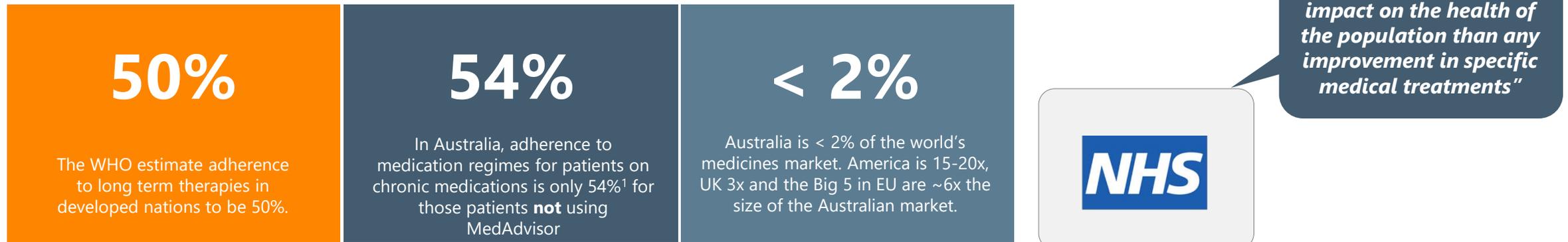
Progress to Date





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

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



Pharmacy Sector is under pressure: increasing price competition

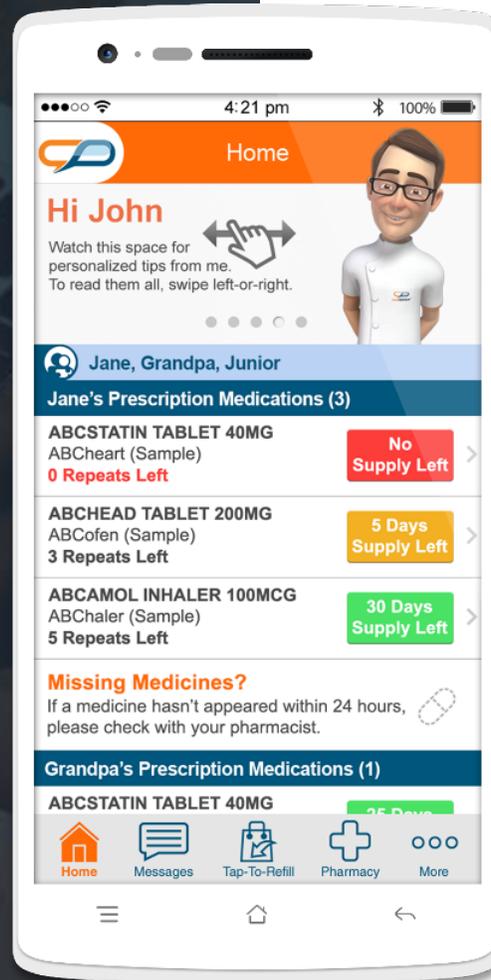
1. Dispensing fees are reducing for pharmacy as Governments look to shift more remuneration to services.
2. Community pharmacy is coming under pressure from big box, supermarkets and online competition so focussing on medications journey and services is key for community pharmacy.
3. Threat of Amazon means that pharmacy needs to improve links with patient and convenience services with digital technology.

Sources:

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

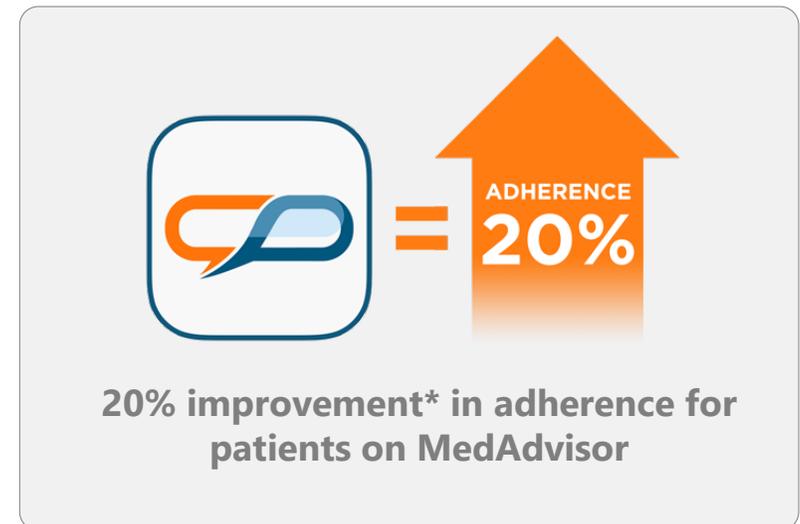


The Solution



MedAdvisor is a customer relationship management platform, improving health outcomes by digitally connecting patients with their pharmacy and doctor, increasing patient engagement and convenience.

MedAdvisor increases a patient's adherence to their prescribed medications.



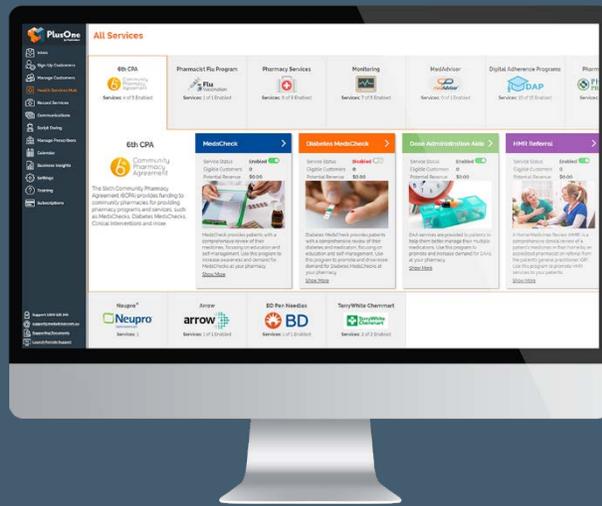
* MedAdvisor adherence data (2016), based on 12 month data taken at June 2016 with a total patient pool of approx. 115k.

How MedAdvisor works



MedAdvisor provides a suite of technology that digitally connects patients with their pharmacist and doctor, increasing patient engagement, convenience and medication adherence.

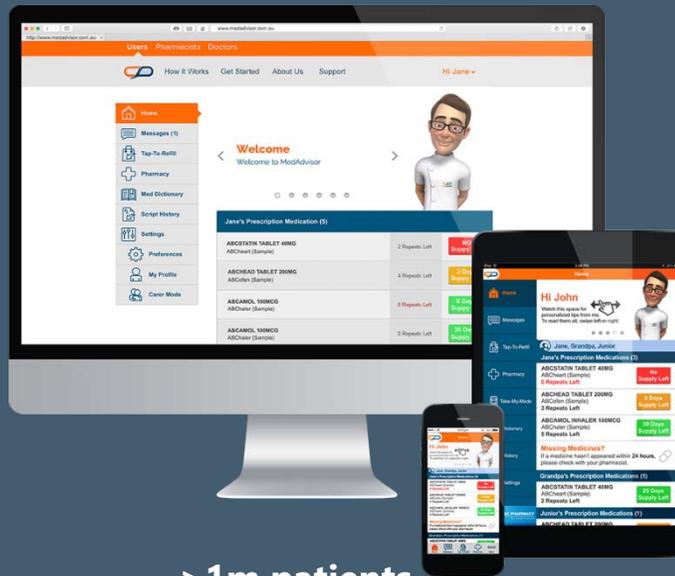
Pharmacy Software PlusOne



Software deployed at >50% of Australia's pharmacies.

Helps pharmacy manage & communicate with customers via SMS, APP

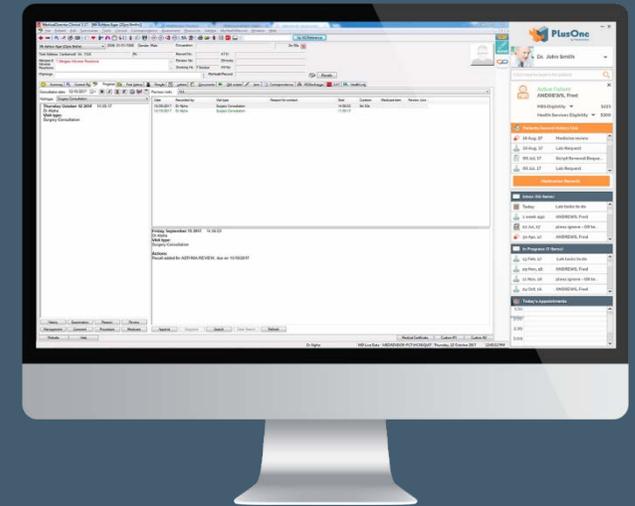
Patient Platform "Skip the queue" MedAdvisor App & SMS



>1m patients

- ✓ Order script renewals
- ✓ Request specialist referrals
- ✓ Book e-consultations
- ✓ Manage medication supply

GP Software



~7,500 GP relationships through OzDocs, GP Connect & GP Link

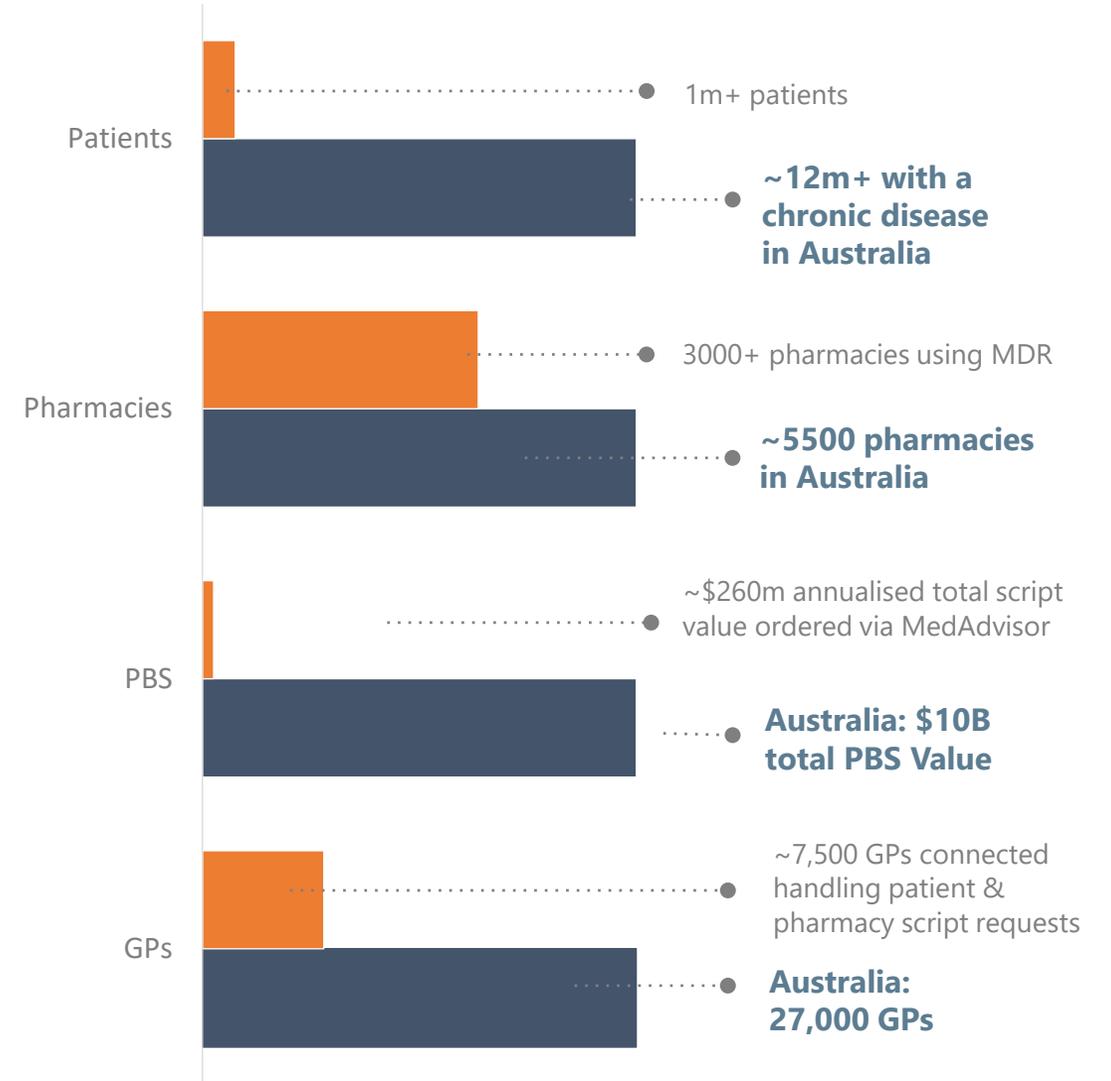
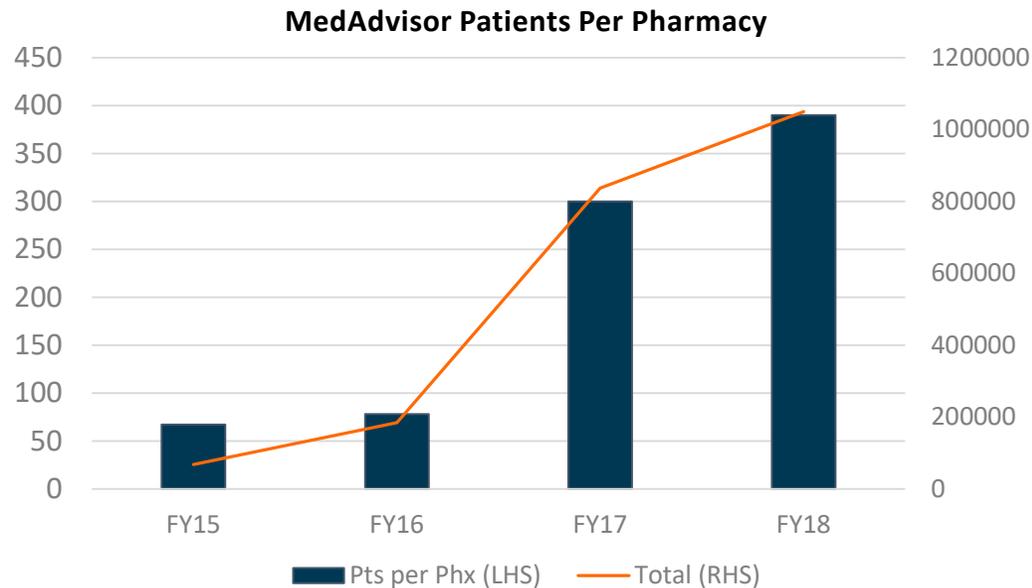
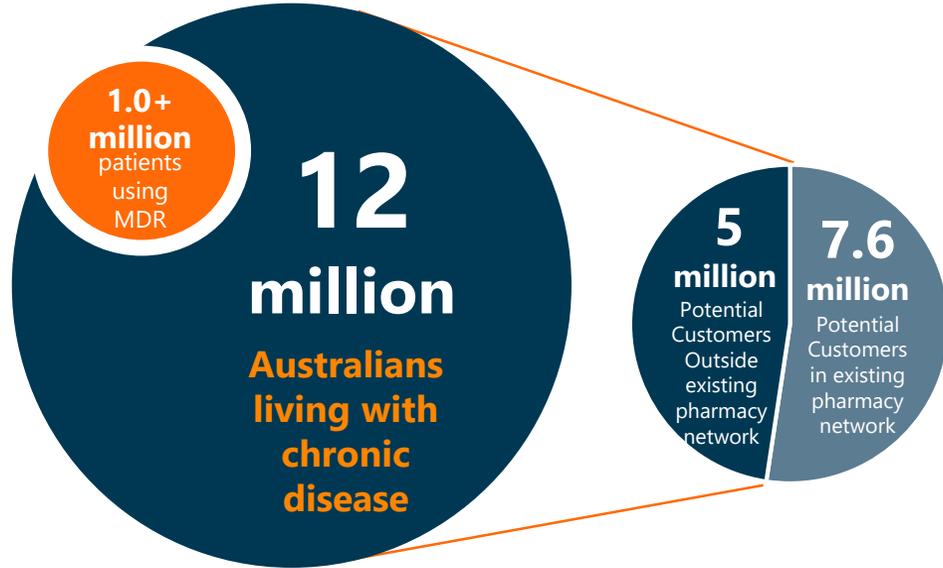
- ✓ Book GP appointments
- ✓ Patient Script Renewals
- ✓ Web/Fax Script pharmacy requests
- ✓ Specialist Referrals



The Opportunity

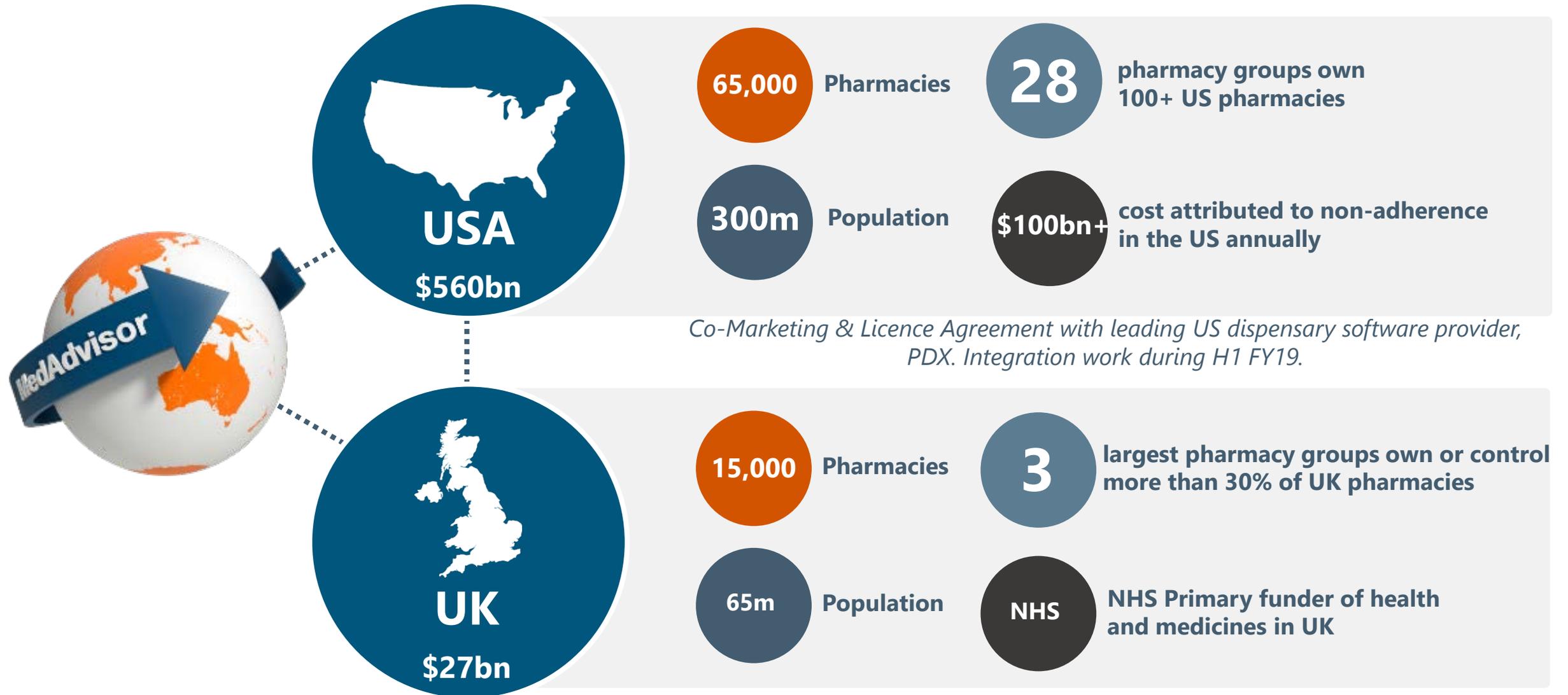


Domestic Patient Acquisition Opportunity



GPs connected via GP Connect (Web, Fax or Print), OzDocs or GP Link

International markets are significant opportunities: USA & UK



Co-Marketing & Licence Agreement with leading US dispensary software provider, PDX. Integration work during H1 FY19.

Approved by NHS Digital to integrate with key GP Software

1. Total Medicines Market
2. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3934668/>



Selected Manufacturers - Patient Engagement Programs



Key Pharmacy Customers



Partners



Tier 1 Customers and Stakeholders



Revenue model

SaaS Revenue and User Based - transactional Revenue



Subscription revenue from pharmacy (SaaS) – 63%

- ✓ 3,000+ Pharmacies
- ✓ Monthly subscription fees
- ✓ Value adding fees

User Based revenue – 37%

Transactional revenue

- ✓ SMS Revenue
- ✓ GP & other transactions

Connecting Program Funders to eligible patients

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

GPs & Hospital (new)

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

Pharmacy Platform – Driving SaaS Revenue through Value to Pharmacy



Value to Pharmacy

1

Increased Revenue

- ✓ MedAdvisor patients are 20% more adherent to chronic meds, which means 20% more revenue
- ✓ \$120 per month investment leads to \$264,000¹ potential annual revenue uplift & \$66,000 potential annual margin uplift

2

Customer Loyalty

- ✓ MedAdvisor Patients are >95% loyal to their nominated pharmacy growing revenue

3

Cost Efficiencies

- ✓ Work flow management is streamlined, 57% of orders coming in overnight, not at peak times, allowing pharmacy to spend more time with customers

4

Patient Engagement

- ✓ Send group broadcasts to total or segmented patient pool
- ✓ Send disease group messages
- ✓ Promote services

Stable Platform of SaaS Revenue

Now

- ✓ 3,000+ Pharmacies +55% of market
- ✓ Monthly or Annual subscription fees

- ✓ Low customer churn <5%
- ✓ Majority monthly contracts

ROI for a Pharmacy

\$120
per month
investment

\$264,000
potential
annual pharmacy
revenue
uplift

\$66,000
potential
annual margin
uplift

1. Assumes good performing pharmacy with ~1320 patients with a ~5 script uplift due to adherence & loyalty

PlusOne Platform – Driving user revenue for both parties



Value to Pharmacy - PlusOne

1 New Pharmacy Software

- ✓ Installed software to operate Patient Communications (App, SMS, Landline, etc)
- ✓ Customer relationship management platform for pharmacy

2 Professional Services Module

- ✓ Identify & recruit patients based on patient eligibility, book, record & claim revenue from services delivered

3 Health Services Hub

- ✓ Marketplace for programs that automates marketing of these programs for pharmacies
- ✓ New revenue streams from hosting programs, identifying, recruiting and booking patients in for Pharmacist delivered services

4 Booking System

- ✓ In Pilot. Allows both patients and pharmacies to share appointments for service bookings

5 GP Connect

- ✓ Allows pharmacies to order scripts on behalf of nursing homes to various doctors who can be communicated to via MedAdvisor Console and eFax

Most active pharmacies generate incremental revenue

- ✓ Most active pharmacies are delivering more services to more patients, send more SMS reminders and generate more than double the monthly subscription in other revenues.

Revenue to MDR

Per Patient Fees from in store Programs booked

Average transaction revenue per Store is \$60/month

Top sites adding \$130+ /month extra revenue per store



Value to Manufacturers – Patient Engagement Programs (PEPs)

In Australia a pharma manufacturer must only provide medication information if they know that the patient has been prescribed it. Until MDR, this has limited them to physical print outs delivered via Doctors and Pharmacists.

MedAdvisor is the first platform that provides manufacturers with the ability to have direct engagement with the patient:

- ✓ **Digital Adherence Programs** have been shown to lift adherence by 35%+
- ✓ **Pharmacist Intervention Programs** help to target specific groups of patients within a pharmacy
- ✓ **Disease Awareness Campaigns** allow undiagnosed conditions to be identified and action taken.
- ✓ **Clinical Trial Recruitment (\$2bn market)** – MDR has completed 4 clinical trials with an average recruitment time of <3 weeks - a massive improvement on industry averages

Revenue Earned

Fees per Digital Adherence Programs

Clinical Trial Recruitment – fees per patient recruited

Pharmacist Intervention Programs via Health Services Hub

Selected Manufacturers using MedAdvisor

MedAdvisor has engaged with 16 of the largest Global Pharma's.



The Value Proposition for the Consumer & GP



Value to Consumer



Convenience

- Skip the queue, no waiting in pharmacy
- Easily track and manage scripts, medication & vitamin supply
- Set dose and refill reminders
- Skip the queue at your GP, order repeat scripts without visiting your GP if appropriate
- Carers can manage medication for patient

Value to GPs



- Automates inconsistent approach to patients for repeat prescriptions
- Audits & Records scripts issued to patients
- Provides a free booking engine
- Allows bulk processing of script requests from pharmacy

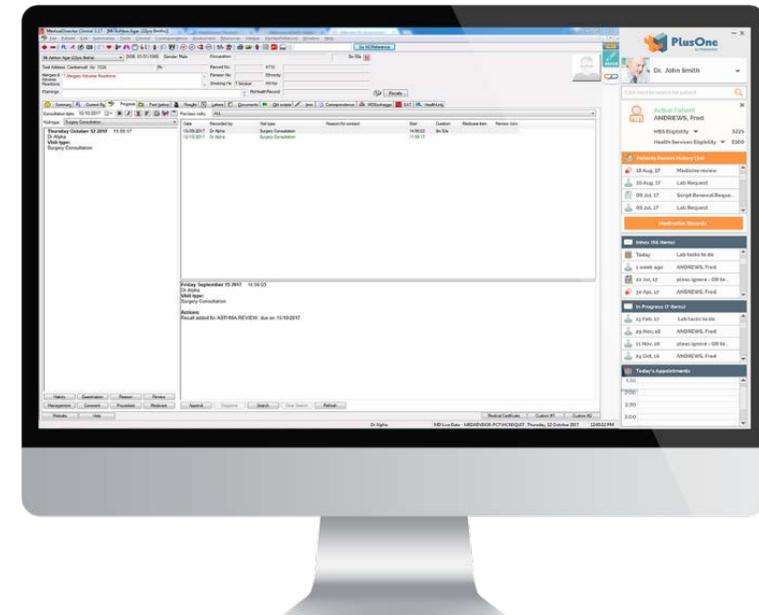
Revenue (transactional)

Consumers

- Transactional fees for GP Scripts \$4.50
- Future: Fees from convenience based services, home delivery & click and collect

GPs

- Fees per GP Connect script \$0.07-\$0.20

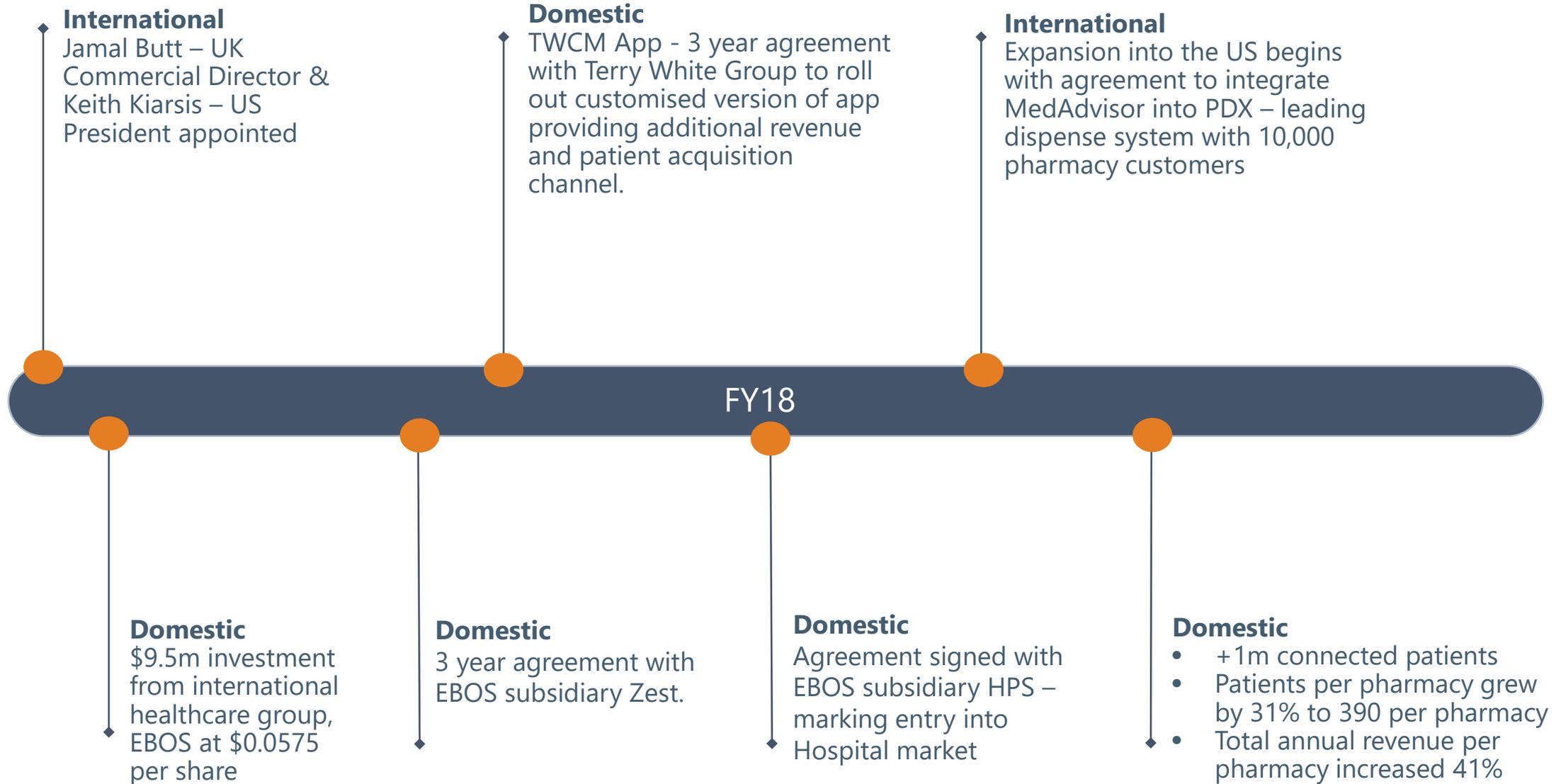




FY18 Results



FY18 Highlights – Domestic & International Expansion



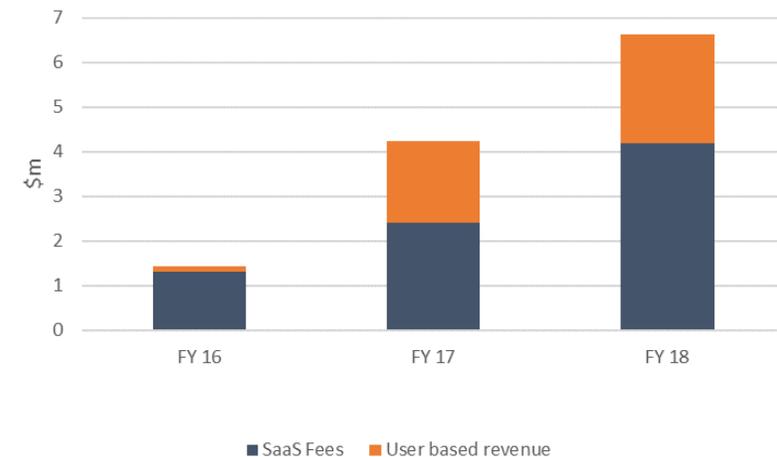


Record FY18 Revenue

- Over 1m connected users, 25% user growth in FY18
- Total Revenue \$7.4m, 51% revenue growth
- Gross Margins expanded to 88%
- Profitable at Core Business level
- 63% of revenue is SaaS, recurring revenue
- Fully funded - cash reserves of \$10.5m (as at 30 June 2018)

Metric	FY16	FY17	FY18	17/18 growth %
Total Revenue	\$1.76	\$4.9	\$7.4m	51%
Gross Margin	73%	83%	88%	7%
Core Business EBITDA	(\$1.3m)	(\$0.5m)	\$1.9m	492%
Investment Opex	\$1.7m	\$2.8m	\$6.1m	118.1%
Reported EBITDA	(\$3.0m)	(\$3.3m)	(\$4.3m)	(29.4%)

Operating Revenue Growth FY16 to FY18

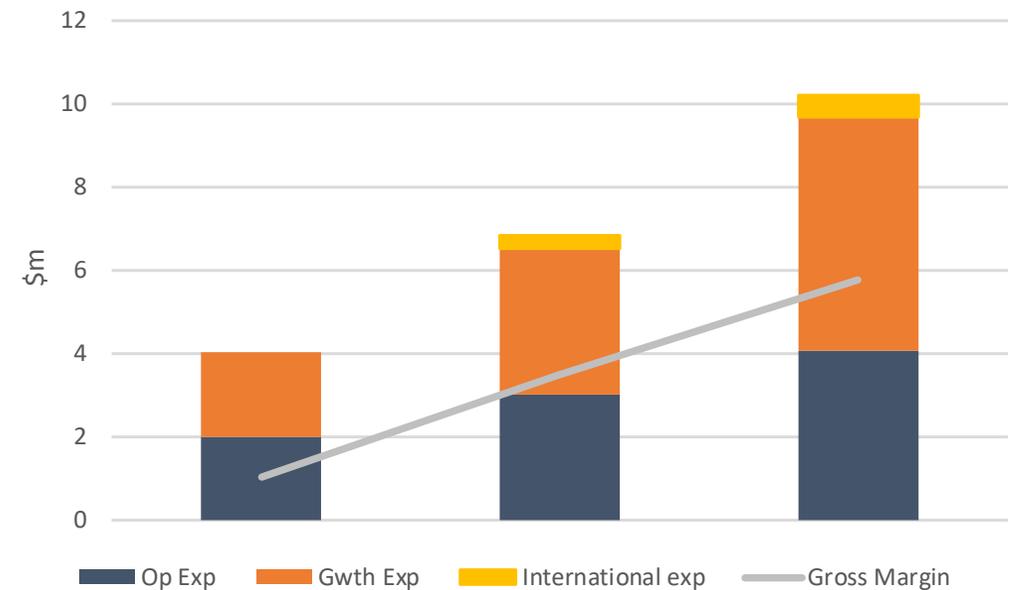




Gross margin exceeds fixed opex

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

Gross margin to expenses (Growth & Fixed Opex)



Operating expenses before non-cash expenses, costs associated with share based remuneration and one off trans costs



Domestic Revenue



- **Grow pharmacy networks and revenue** through new services
- **PlusOne platform** to increase transactional revenue from in pharmacy
- **Grow pharmaceutical revenue** streams leveraging digital programs and in pharmacy services
- **Introduce new convenience based services** to boost transaction revenue streams

Domestic Profit



- **Revenue momentum exceeding cost base growth** leading to domestic profitability
- **Maintenance cost base covered by gross margin**
- **Fully funded to reach domestic breakeven**

New Markets



- **Driving market entry strategy** with integration with leading US dispensary software provider underway
- **Continue to progress opportunities in the UK** to secure market entry partner
- **Well funded to execute on international opportunities** as they arise

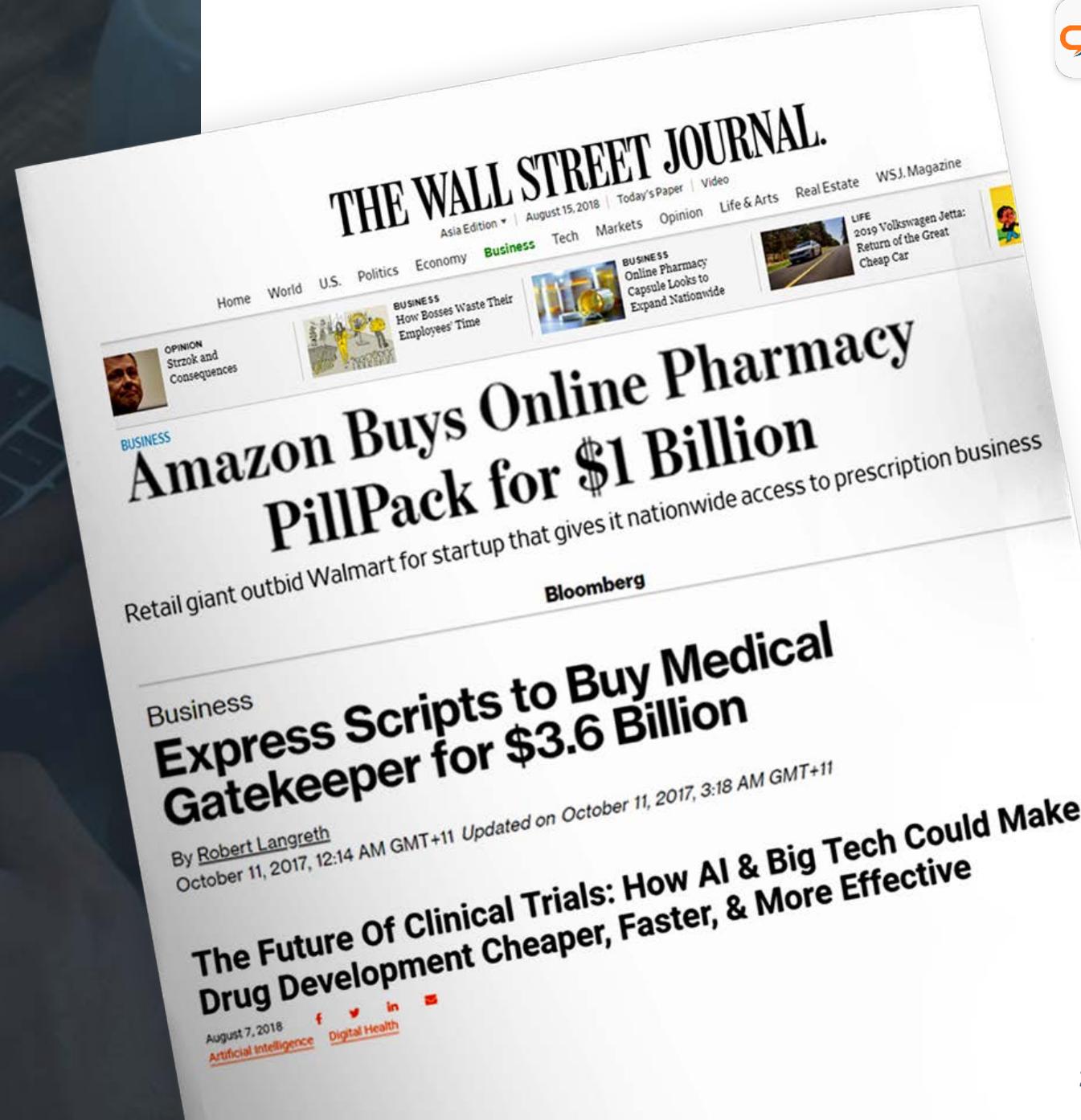


Why now?





Activity in the sector



Strong Executive Team



Robert Read,
CEO & MD

Experienced Private Equity and Venture Capital investor and previously a senior exec at GSK one of the world's largest pharmaceutical companies. CEO of MDR since July 2015



David Chatterton
CTO

20+ years experience leading software teams 10+ years as the CTO and CIO at Aconex, leading global expansion into the US and Middle East. David has a PhD in Computer Science from Monash University, & is a certified AWS Solution Architect



Saurabh Mishra, *International BD*

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



Josh Swinnerton, *Founder & CPO*

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



Simon Chamberlain,
GM Strategy & Product

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



Theo Antonopoulos,
Head of Sales & Marketing

Extensive sales & marketing experience at both GSK and Sanofi. Leading marketing & sales teams in GP, Specialist and Hospital Channels



Carlo Campiciano,
CFO & Company Sec

Highly qualified accountant & CFO with over 27 years' experience in audit and management accounting. Also a background teaching and consulting to high growth businesses..

International



Mr Jamal Butt

- Extensive background working within the UK's largest pharmacy groups, including Head of Pharmacy at Boots, Head of Healthcare Solutions with Boots UK (the UK's largest retail pharmacy)
- Most recently UK Head of Healthcare Services and Business Development with Celesio UK.
- Currently a Non-Executive Director with a local UK National Health Service Trust
- Mr. Butt is a qualified pharmacist and studied at University College London and also Oxford University.



Mr Keith Kiarsis

- Over a decade of experience focused on improving medication adherence.
- Worked in healthcare research at Harvard Medical School, and has co-authored three papers published in peer-reviewed journals.
- Held several leadership roles including Chief Strategy Officer of Health Literacy Worldwide, a provider of adherence programs in the APAC region
- Held several senior positions with Adheris Health where he led the Healthcare Population Management, Strategic Business Development, as well as Business Analytics, making him ideally placed to lead MedAdvisor's US expansion strategy.
- Graduate of Harvard Medical School.



1. Global opportunity

- Massive global opportunity providing technology to an unmet medical need; medication non-adherence
- US entry commenced, deal with PDX dispensary
- UK market attractive, key leadership in place

2. Multiple revenue streams

- Growing SaaS revenue, user based revenues scaling
- New user based revenue streams coming online

3. Strong industry validation

- EBOS investment of \$9.5m
- ~55% of Australian Pharmacies using MDR
- 16 global pharmaceutical manufacturers delivering Patient Engagement Programs on the platform

4. Strong domestic market position

- ~55% pharmacy market share with deep integrations into 11+ dispense systems
- Over 7.6m patients at MDR network
- Over 1m digitally connected users

5. High Calibre Customer base

- Used by all key pharmacy chains
- 16 global pharmaceutical manufacturers running Patient Engagement Programs

6. High barriers to entry

- Fragmented pharmacy market
- Customer base of ~55% pharmacies
- Tech integration with 11+ dispense systems plus GP systems integration
- >\$16m invested in platform to date

7. Significant opportunities to scale

- Highly engaged users
- Large untapped client base
- High operating leverage

8. Strong executive team

- Extensive experience in global technology companies, pharma manufacturers, pharmacy chains and health insurers

