



Global leader in digital medication adherence solutions

FY21 Results presentation
30 August 2021

MedAdvisor Limited ABN 17 145 327 617

mymedadvisor.com

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FY21 Results Agenda

01 MedAdvisor Overview

02 FY21 Financial Review

03 Operational Review – Au

04 Operational Review – US

05 Strategy & Outlook

06 Q&A

Robert Read

Managing Director & CEO

Simon Glover

CFO

Chris Ridd

Chairman





MedAdvisor

Your health in your hands

We are passionate about improving the way medications are managed

Improving healthcare outcomes by giving people back control of their medications through simplicity, convenience & education

About Us & Strategic Overview

MedAdvisor is directly addressing the global problem of medication non-adherence which is a US\$630b p.a⁽¹⁾ problem, costing 125,000 lives in the US every year⁽²⁾

Leveraging unique medication data and insights, with access to patients and the ability to drive improved outcomes, MedAdvisor is solving a complex global problem of medication adherence. Doing this in large markets presents significant commercial opportunities.

01 Ability to reach large patient populations – Creating even larger patient populations in our core markets to attract more program sponsors to pay for programs

02 Created a strong network – large scale market places with solutions that enhance value to other key stakeholders (payors, providers, pharma companies and pharmacists)

03 Improving health outcomes – Helping patients improve their medication management (and health outcomes) by empowering them through MedAdvisor's world class patient app and health programs

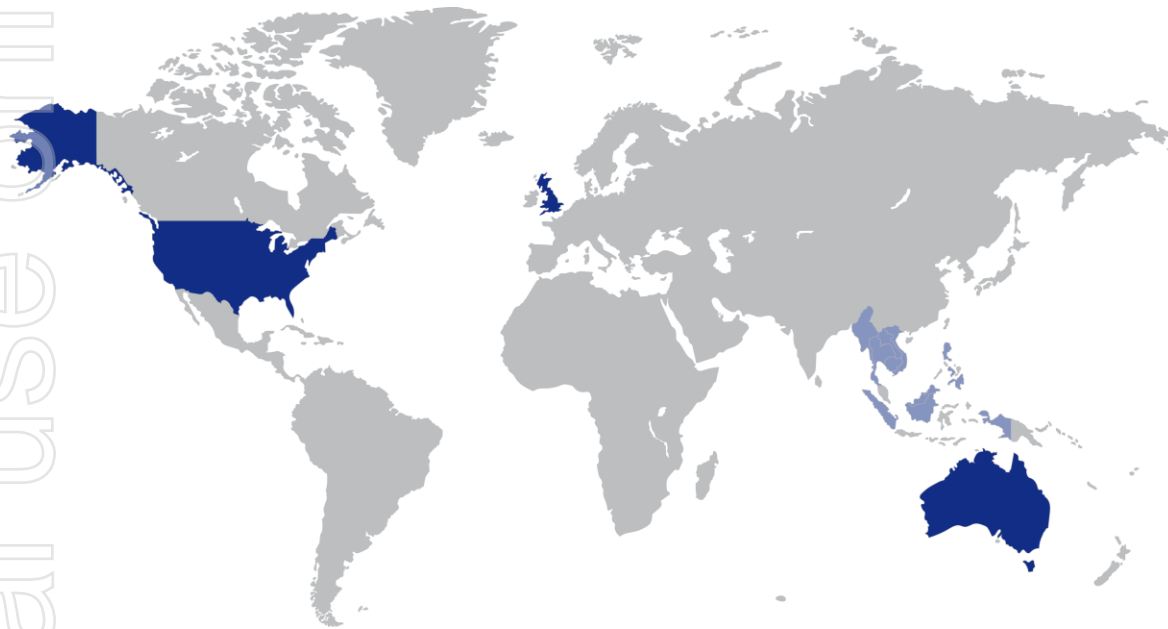
04 Taking MedAdvisor global – Digitalise existing US pharmacy network leveraging experience and success in Australia and roll out successfully in the UK



MedAdvisor has expanded beyond Australia

Founded and developed in Australia and focusing on growing in the US & UK markets

Corporate Overview¹



■ MedAdvisor Operations including joint venture in South East Asia to be wound down

195
Employees globally

2.0m+
Digitally Connected
Patients in Au

180m
Patients accessible in USA

80%
Of top 100 Pharma
Companies as clients

\$38.8m
FY21 Operating
Revenue ⁽²⁾

27%
Like-for-Like Growth⁽²⁾

55%
Gross Margin %

\$135m
Market Capitalisation ⁽³⁾

1. All \$ in AUD with AUD:USD \$0.75

2. Like-for-like estimate for combined business

3. 377m shares on issue; Closing share price on 27th August 2021 of A\$0.36



FY21 has changed the shape of the business

Transformational year with a significant acquisition providing scale and opportunity in the world's largest medicines market ⁽¹⁾

01

Take MedAdvisor Global

1. Acquisition of Adheris (Nov 2020) in USA
2. Launched in the UK with a SaaS offering

02

Focused Investment driving ROI

1. Exit of SEA JV to re-invest in other markets
2. R&D investments to capitalise on market opportunity with new app & pharmacy modules

03

Growing our Network in core markets

- AU – Network growth plus recent Priceline win
 - Strong patient growth 2m+ patients
- US – Introduction of digital to pharmacy network

04

Quality People

Hiring critical leadership in AU and the US to drive strategic plan. New Executive structure to execute

~25k

Pharmacy network in USA

180m

Patient reach in the USA

75%

Revenue now in the USA

2m

Patients in AU via 65% of all Australian pharmacies

¹ [https://www.statista.com/statistics/245473/market-share-of-the-leading-10-global-pharmaceutical-markets/#:~:text=The%20United%20States%20was%20the,hospital%20market%20only%20for%20China\).](https://www.statista.com/statistics/245473/market-share-of-the-leading-10-global-pharmaceutical-markets/#:~:text=The%20United%20States%20was%20the,hospital%20market%20only%20for%20China).)



FY21 Built a strong distribution foundation with attractive unit economics

- 65%+ market share in Au with reach of ~2m patients can drive significant revenue from patient reach and access

- The US business has access to medication data of 57% of all scripts in the US and has invested in Sales & Marketing since acquisition to drive revenue through existing distribution channel

OPERATING REVENUE

\$38.8m

+27% YOY

AU ARR

\$6.6m

+67% OF AU REVENUE

LTV PER PHARMACY

\$34k

+5% YOY

AU PATIENTS

2.0m

+23% YOY

CASH AT BANK

\$7.2m

-42% YOY

UNDERLYING EBITDA

-\$12.6m

-10.4% YOY

US REVENUES

75%

OF GLOBAL

US REVENUE

\$29m

+35% YOY

US RECURRING CUSTOMERS

97%

3% FROM NEW CUSTOMERS

1. Revenue growth is like-for-like revenue growth during the period of Adheris ownership.
 2. Underlying EBITDA excludes the impact of excludes impact of acquisition and non-recurring opex of \$2.0m





"I have multiple prescriptions which are difficult to manage. MedAdvisor allows me to order all the outstanding items from home at any time...and communicate with the pharmacist for access to diabetes items like needles and strips. It makes it much easier for both myself and my pharmacist."

-Felicity (Australia)

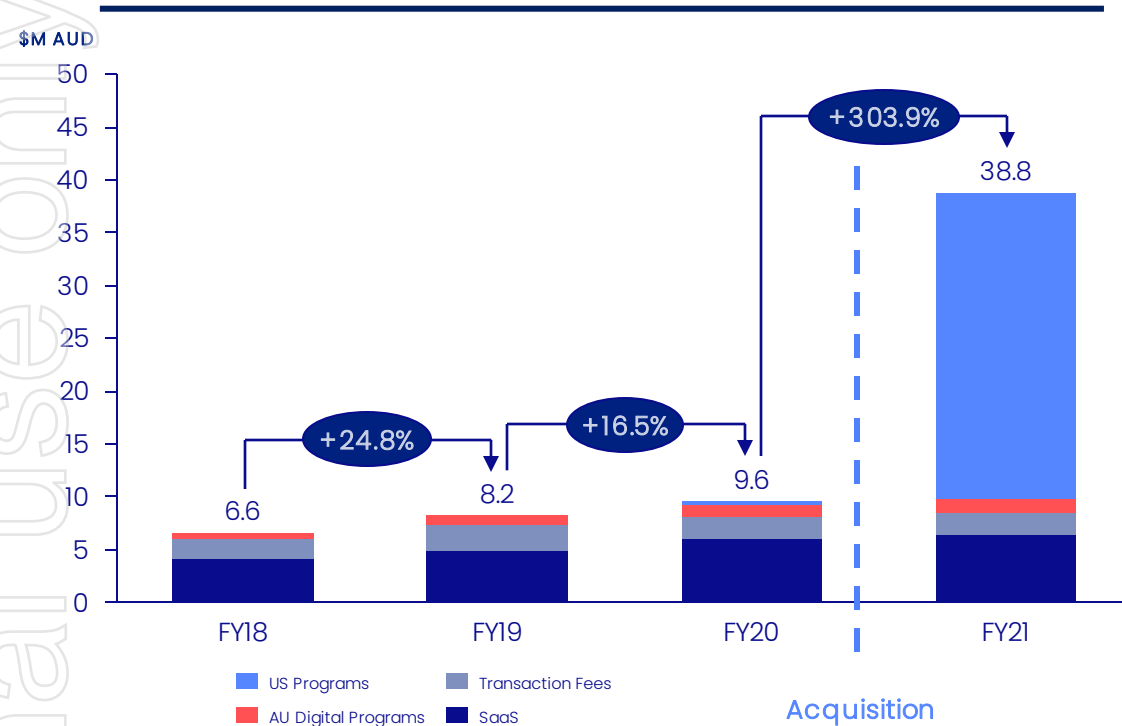
02 / **FY21 Results Review**

Simon Glover
CFO

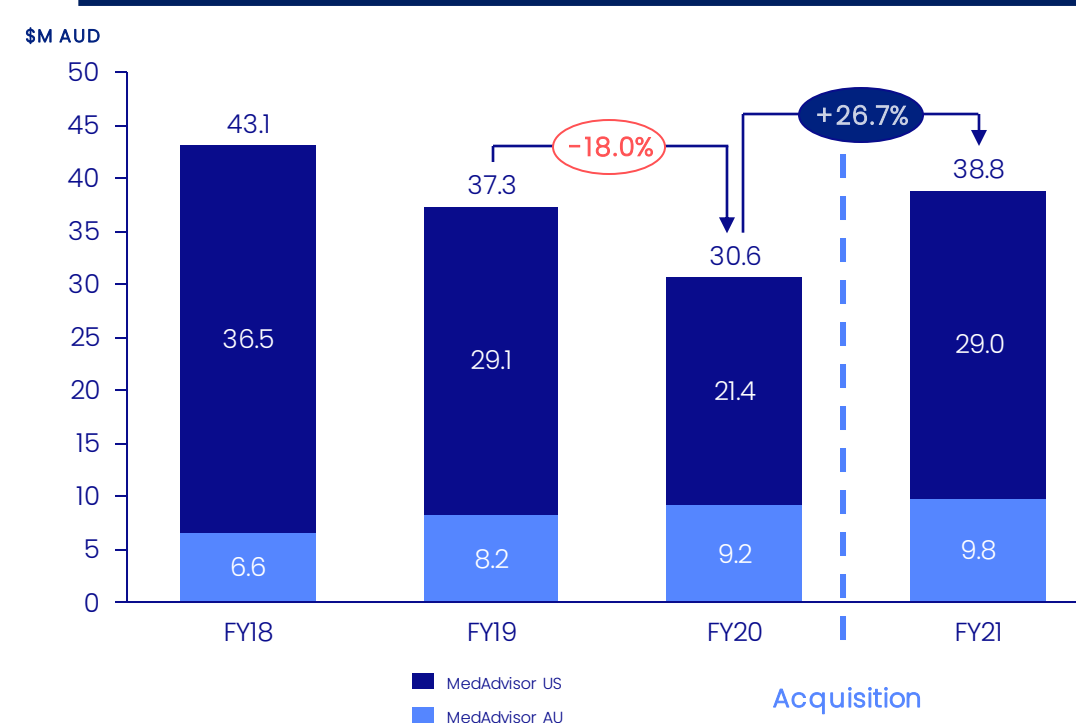
Revenue

FY21 Revenue shows like-for-like growth of 26.7%, with recovery in Adheris on back of new programs and investment in sales post-acquisition

Reported Revenue (\$M AUD)^{1,2}



Like-for-Like Revenue (\$M AUD)^{3,4}



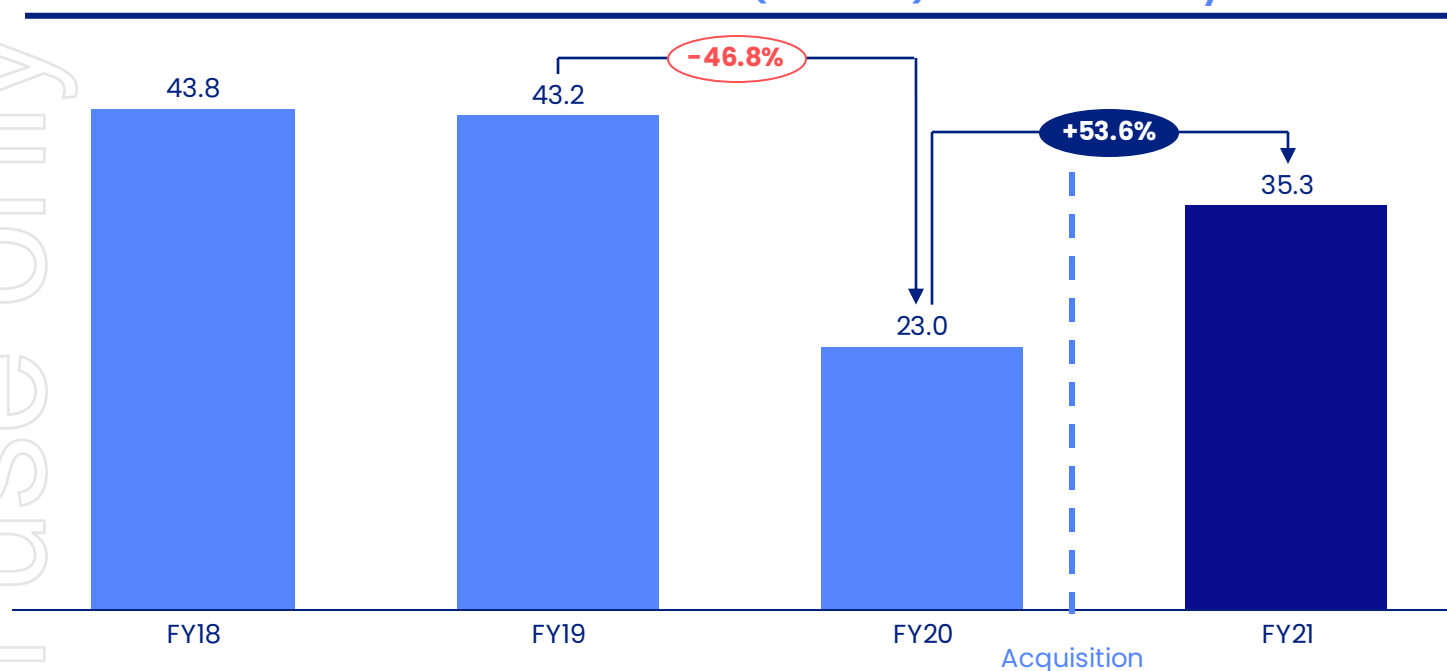
- US revenue step down FY19 to FY20 due to patent expiration for several high volume products
- Recovery from FY20 to FY21 driven by introduction of new products under patent, investment in sales and business development resources in US post-acquisition

1. FY20 reported revenue of \$9.6m includes \$0.4m from one-off set up fees from US
 2. FY21 reported revenue of AUD\$38.8m, includes AUD\$29.0m contribution from Adheris for 7 ½ months (date of acquisition 17 Nov 2020)
 3. Like-for-Like revenue shows US revenue translated at a constant AUD/USD of \$0.75 from date of acquisition to 30 June for FY19 and FY20
 4. Financial Year (FY) refers to the 12 months ended 30 June

Revenue

Adheris has seen a strong recovery in revenue in FY21 following the acquisition in November 2020

Adheris revenue FY18 to FY21 (\$M USD) – full financial year

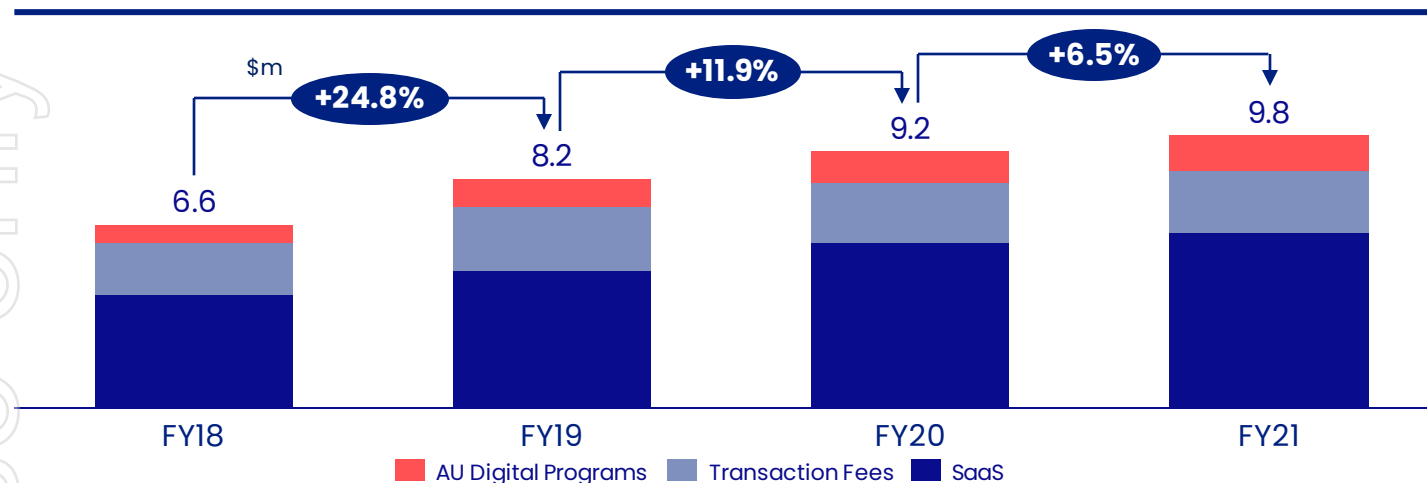


- US revenue step down FY19 to FY20 due to patent expiration for several high volume products and lack of investment in sales and marketing
- Recovery on back of new programs and investment in sales and business development resources post-acquisition
- Revenue per program increased +58% year-on-year
- Focus on increasing depth of coverage within key clients as demonstrated by increase in revenue per top 10 customer
- Number of digital programs for FY21 – 7 with % of pharmacies agreed to run digital programs now up to 30%

	FY18	FY19	FY20	FY21
# of programs	123	106	84	82
Revenue per program (USD \$'000)	356	407	274	434
Revenue per program for Top 10 customers (USD \$'000)	509	685	518	889
% revenue from recurring customers	98.2%	98.4%	96.7%	97.4%
% revenue from new customers	1.8%	1.6%	3.3%	2.6%
Churn as % of revenue (lost customers)	(0.7%)	(4.0%)	(3.2%)	(3.5%)

MedAdvisor AU revenue driven by SaaS base supported by strong fundamentals, with growing contribution from digital programs

MedAdvisor Australia revenue FY18 to FY21 (AUD \$M)



- FY21 growth impacted by sales resource constraints. New EGM Sales & Marketing enhancing capability for FY22
- Foundations for future revenue growth:
 1. Pricing – new standard and premium SaaS pricing structure; ability to leverage value through additional features
 2. Base price increase June 2021
 3. Signed Priceline July 2021; approx. ~250 incremental pharmacies
 4. Programs opportunity – additional resources invested; utilisation of Adheris's expertise

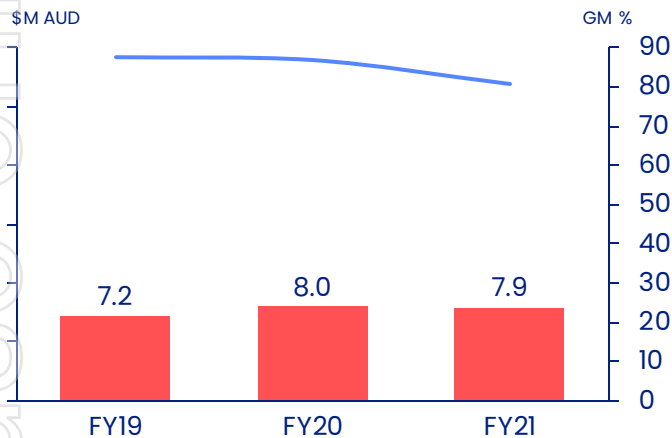
	FY18	FY19	FY20	FY21	3 Year CAGR
Network – Pharmacies	3,099	3,297	3,566	3,672	5.8%
Network – Patients	1.1m	1.2m	1.7m	2.0m	23.4%
Annual recurring revenue ("ARR") ¹	\$4.5m	\$5.4m	\$6.3m	\$6.6m	13.8%
Lifetime Value ("LTV") ²	\$26.2k	\$29.5k	\$33.3k	\$34.5k	9.1%
Cost of Acquisition ("CAC") ³	\$1.6k	\$1.6k	\$1.2k	\$1.1k	-32.2%
LTV/CAC ratio ⁴	7.6	18.5	27.5	32.3	60.8%
Pharmacy Churn % ⁵	(5.3%)	(5.3%)	(5.2%)	(5.0%)	(1.5%)
Digital Programs	30	50	72	80	38.7%

1. Annual recurring revenue represents the value of the total annual revenue from SaaS fees
2. Lifetime value represents the net margin generated by pharmacies allowing for churn
3. Cost of acquisition is calculated as the cost of acquiring pharmacies and includes marketing costs and certain people costs
4. LTV/CAC ratio shows the relationship of the lifetime value of pharmacies to the cost of acquiring
5. Pharmacy churn is calculated on a 12 month rolling basis

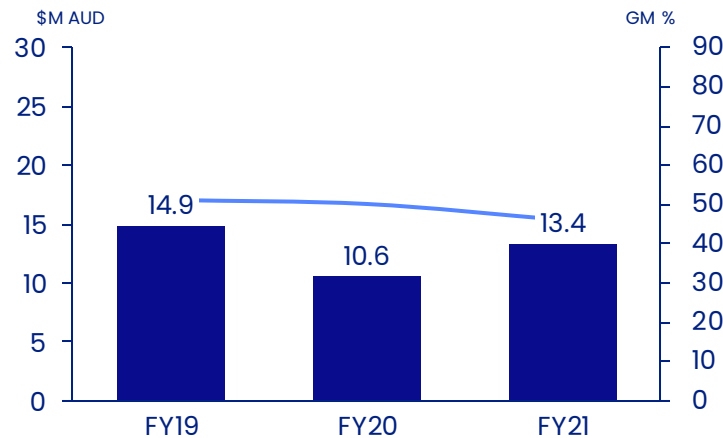
Gross Margin

MedAdvisor has a high AU gross margin, US gross margin of ~ 46% has significant scope to increase

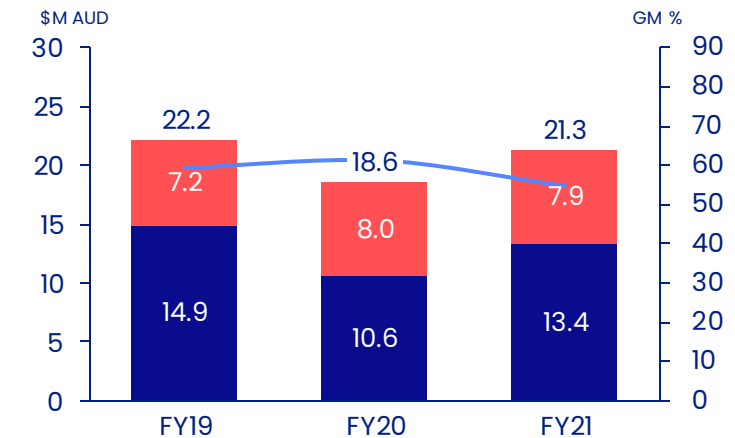
MedAdvisor AU gross margin \$M (AUD) & %



LFL US gross margin \$M (AUD) & %



LFL annual gross margin \$M (AUD) & %

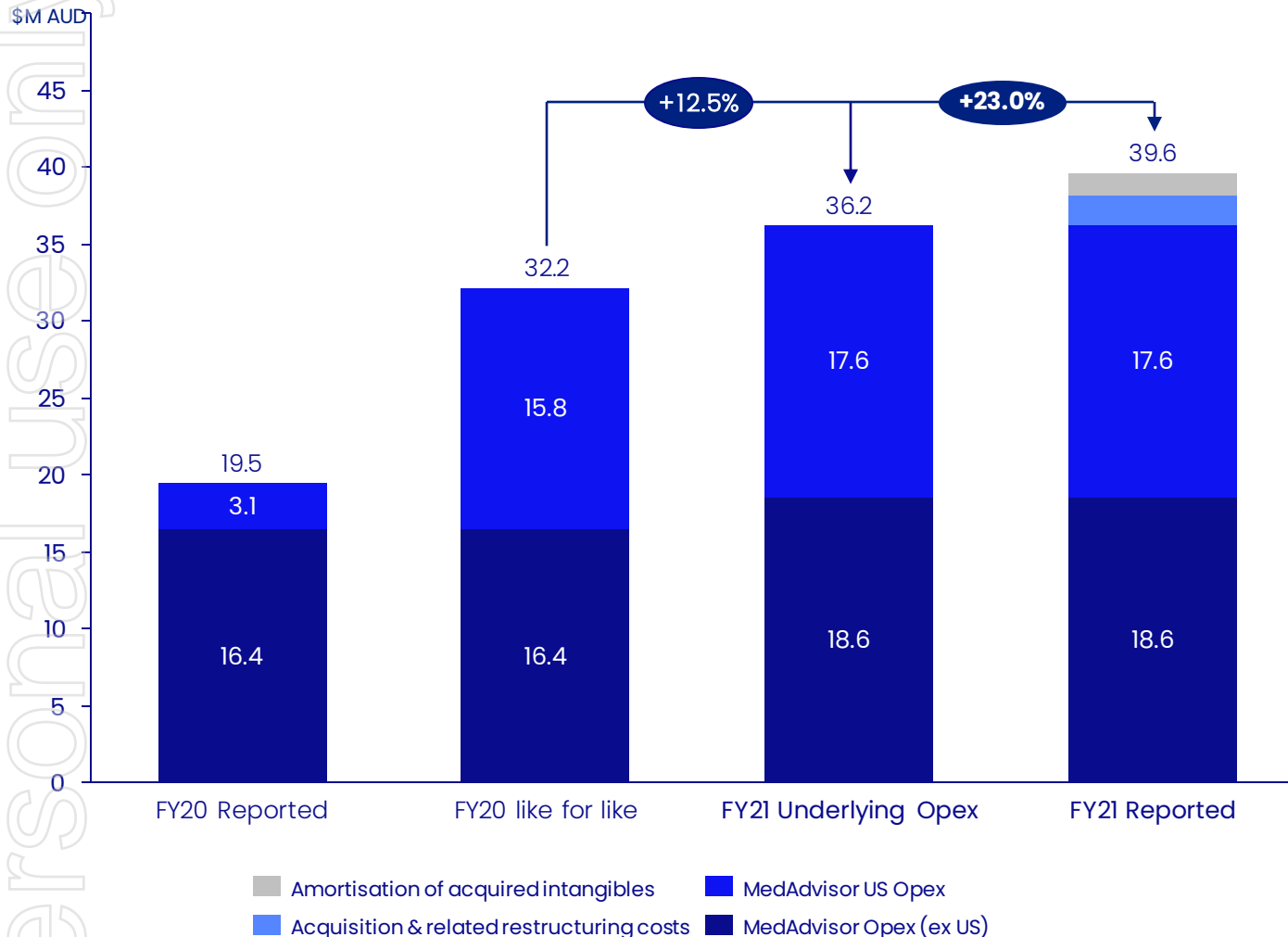


- FY21 MedAdvisor gross margin impacted by re-platforming to facilitate global expansion; FY22 GM % to revert to ~84%.
- FY21 MedAdvisor US gross profit margin of ~46%; will vary depending on product and channel mix. Typically, gross margin decreases as revenue increases due to volume being pushed to high abatement % pharmacy chains
- **Key strategies underway to drive gross margin expansion:**
 1. Introduction of Dynamic Engagement (US) in market in 2022
 2. Digital adoption via Adheris network, including SaaS
 3. Health insurer customers
- Gross margin of 54.9% on LFL expected to increase post FY22 with implementation of strategies; US long term target ~60%+

Overheads

Medadvisor operating costs of \$36.2m adjusted for acquisition and related costs, up 12.5% on a like-for-like basis

Reported and like-for-like operating costs



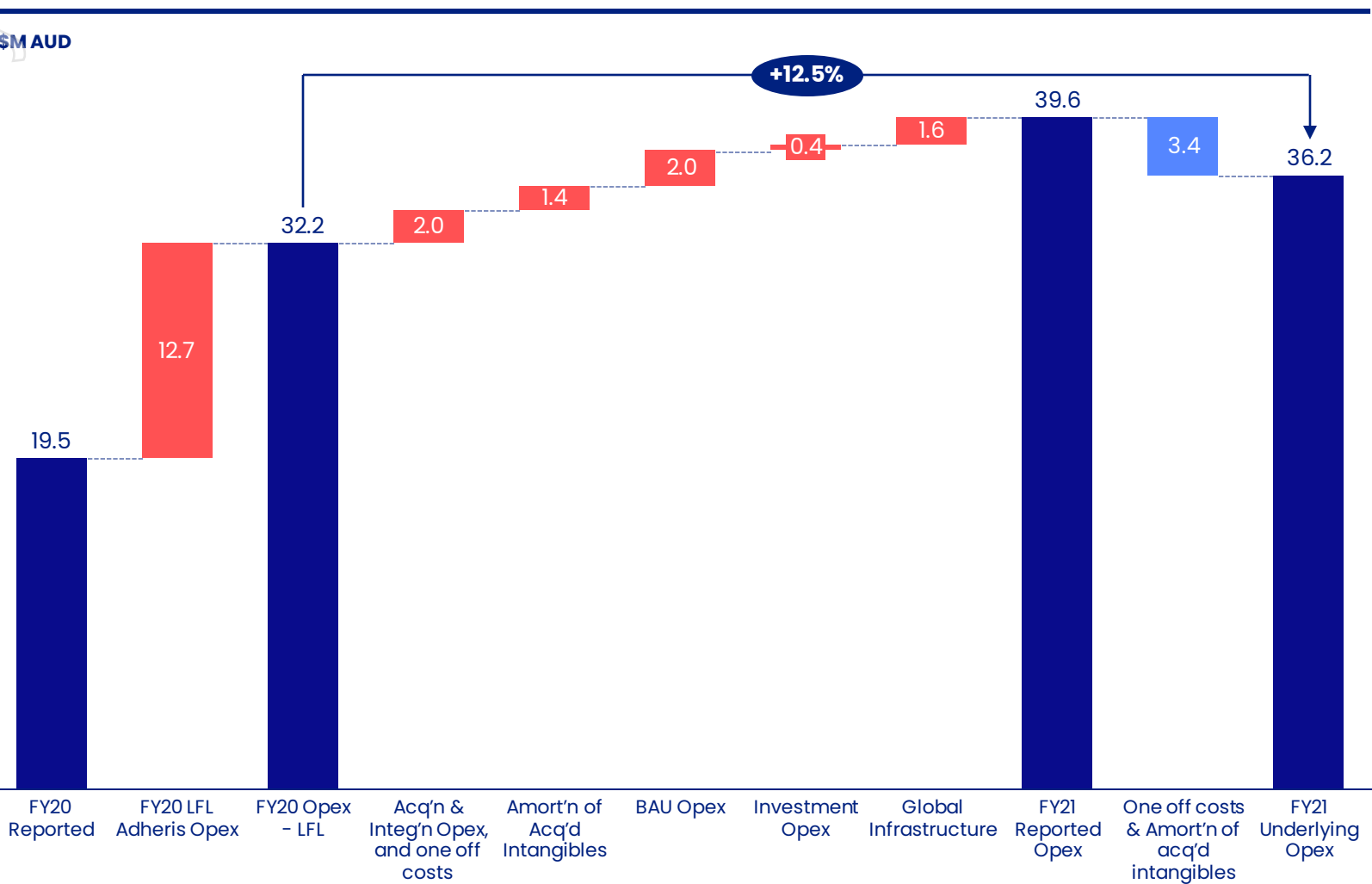
Comments:

- Operating costs on an underlying basis up 12.5% year-on-year
- Reported operating costs include:
 - \$2.0m for acquisition, integration and related one-off restructuring costs
 - \$1.4m for amortisation of acquired intangibles identified as part of the Adheris acquisition. Intangible assets include software, brand names, IP (trademarks and patents), customer and partner relationships. Annualised, the amortisation of acquired intangibles is \$2.3m
- MedAdvisor US opex includes Adheris, LLC and MedAdvisor US costs

Overheads

MedAdvisor opex of \$36.2m after one-offs and acquisition costs, up from \$32.2m on a like-for-like basis

FY21 like-for-like operating costs (\$M AUD) by type



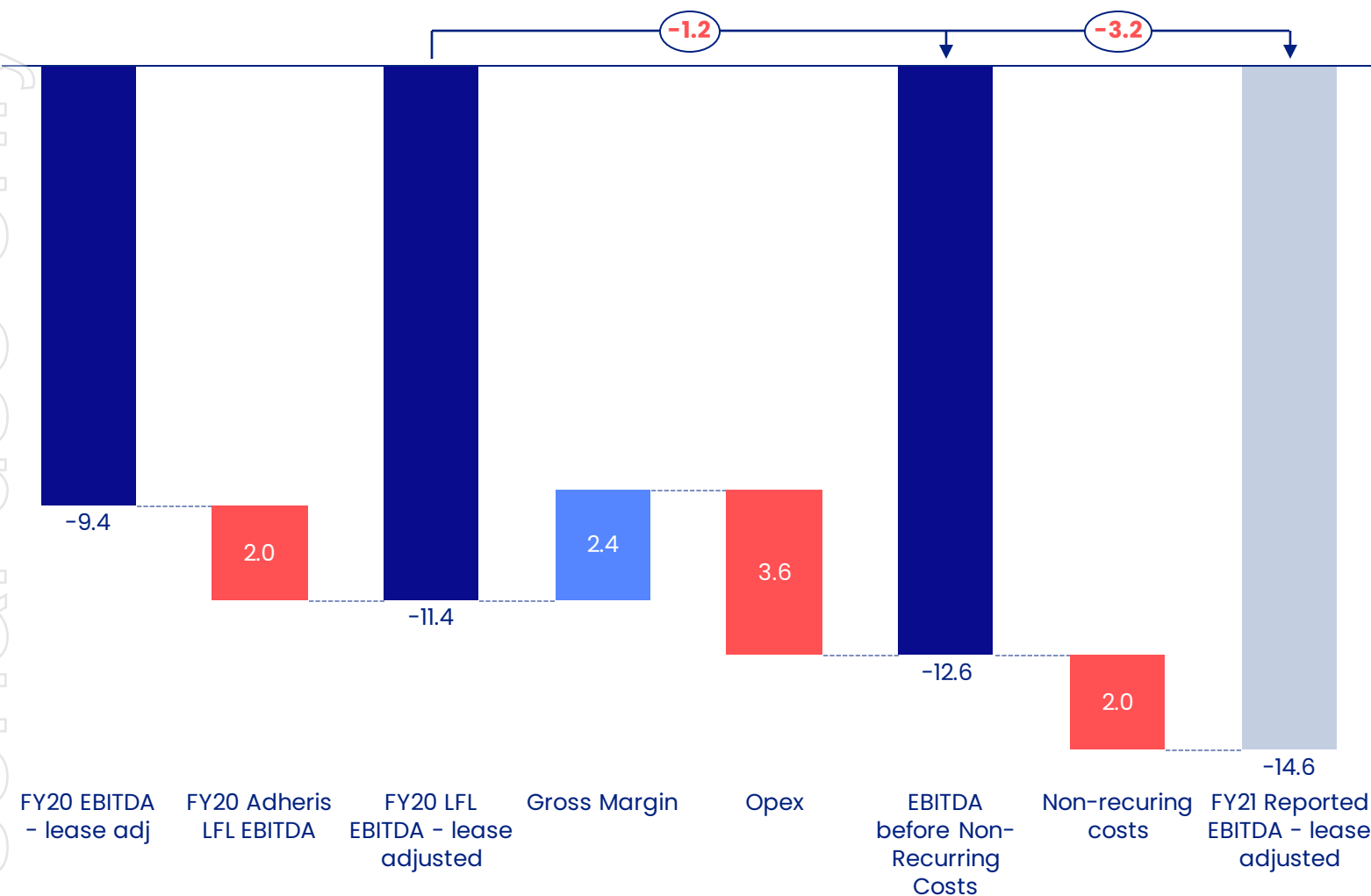
Comments:

- FY21 opex impacted by acquisition and associated one-off restructuring costs (\$2.0m) and amortisation of acquired intangibles (\$1.4m)
- BAU opex of \$2.0m driven by investment in US sales and IT infrastructure (\$1.4m), and costs associated with maintenance of AU product suite (\$0.7m)
- Investment opex includes global expansion into new markets being US, UK, and Asia (\$1.8m), partially offset by reduced spend in AU (\$1.5m)
- Global infrastructure driven by establishment of functions to accommodate global expansion such as legal, insurance and support functions

EBITDA

FY21 EBITDA on a like-for-like basis of \$12.6m loss before non-recurring costs

Reconciliation of EBITDA FY20 FY21 (\$M AUD)

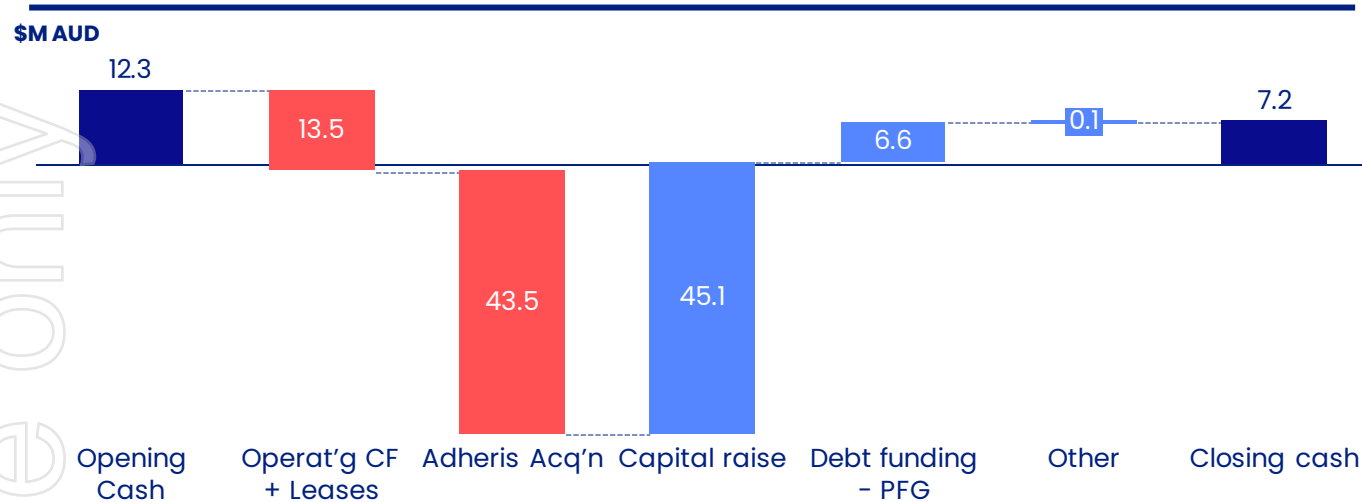


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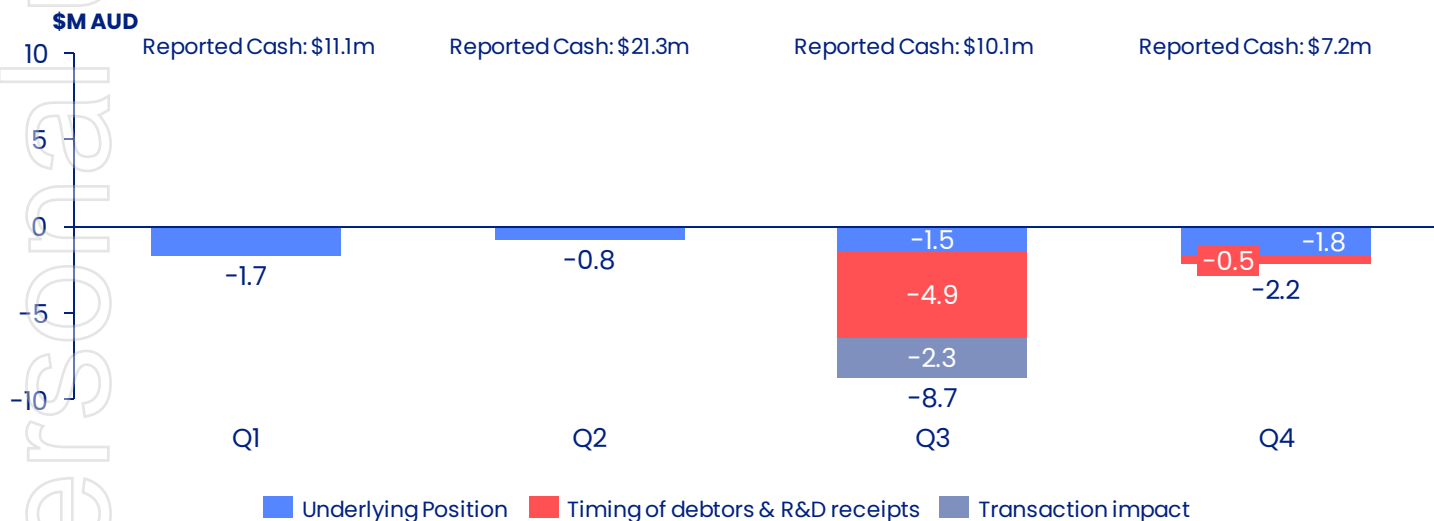
- EBITDA adjusted for lease payments results in a loss of \$12.6m
- Gross margin uplift of \$2.4m reflects a margin of 55%
- Opex includes maintenance, global infrastructure and investment spend discussed above
- Non-recurring costs include acquisition costs of \$1.5m and restructuring costs of \$0.5m

FY21 Cashflow reflects acquisition of Adheris and required funding; underlying cashflow for Q3-Q4 is ~ \$1.5m to \$1.8m outflow

FY21 reconciliation of cash



FY21 quarterly operating cash flow



- Operating cashflow inclusive of lease payments of (\$13.5m) impacted by timing of receipts by key customers (\$6.6m) received in Q1 FY22
- Total purchase consideration paid for Adheris \$43.5m
- Capital raised to fund acquisition \$40.3m net of costs, with further capital raise of \$4.8m net of costs used to fund earn out
- Borrowing proceeds used to fund redemption of convertible note to Syneos Health US, Inc (\$5m USD), on a three-year term
- Underlying cashflow for Q3 and Q4 \$1.5m and \$1.8m respectively with timing of debtors (\$6.6m) impacting closing balance
- R&D receipt of \$1.2m received in Q4
- Q3 transaction related costs include the payment and receipt of pre-acquisition balances



"I was forever forgetting to take medicines and running out and getting stuck.

This never happens anymore."

- **Saskatoon** (Australia)

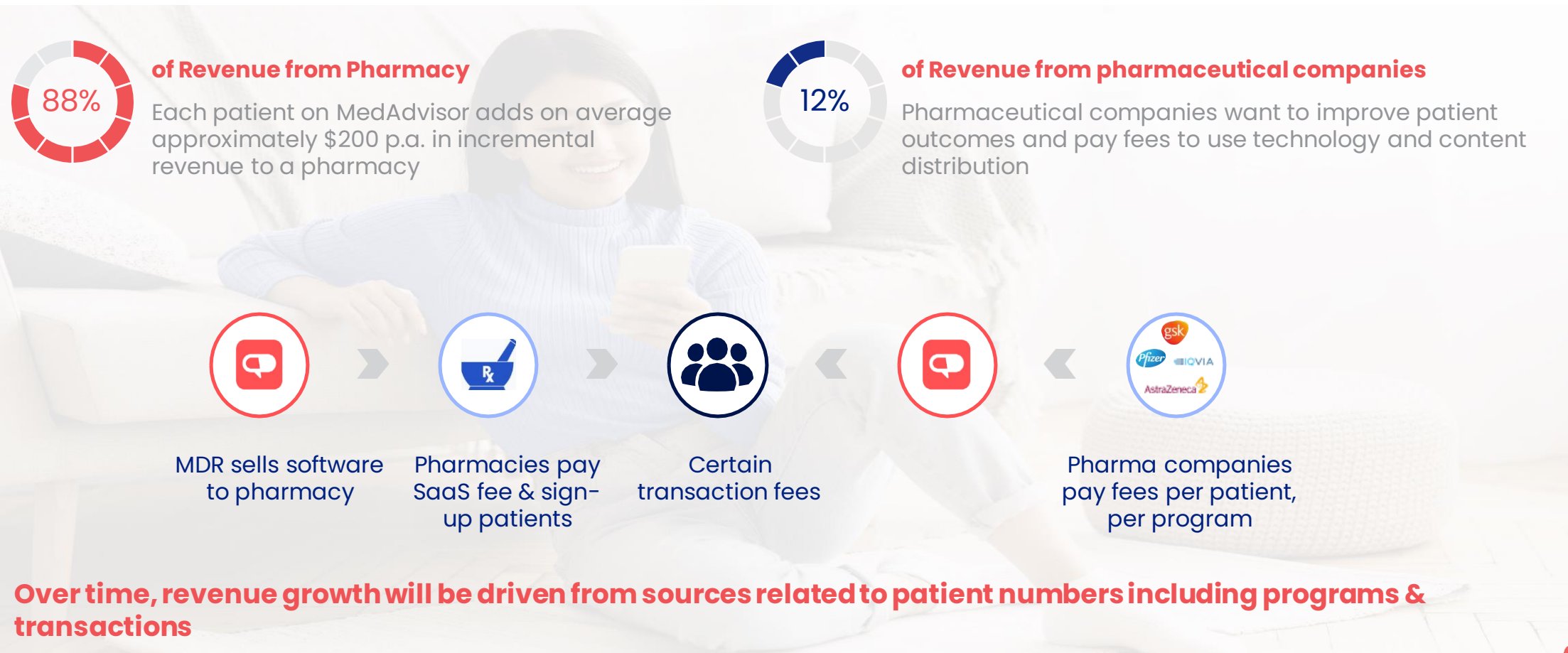
02 / Operational Review - Au

Robert Read

Managing Director & CEO

MedAdvisor's Australian model is centred around the patient

MedAdvisor is a free app for patients, revenue comes from pharmacies and pharmaceutical companies



MedAdvisor is solving the non-adherence problem through its patient centric solutions

Medication data powers solutions to help patients directly or via healthcare practitioner (HCP)

Our Platform Helping Patients & Pharmacists



Prompted interventions by pharmacists at point of dispense



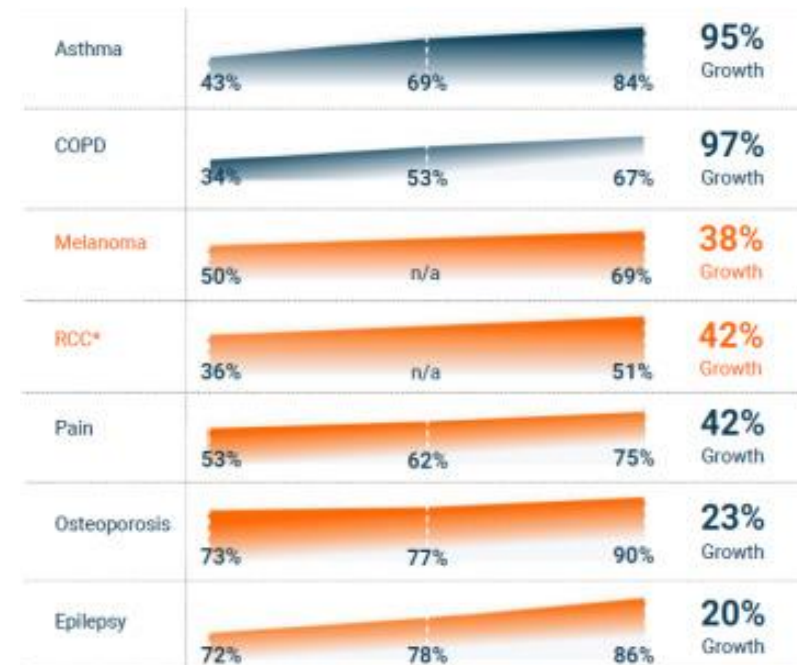
App, SMS & Web to help track, manage & order medications



Education messages from pharmaceutical companies straight to the pockets of patients



MedAdvisor impacts adherence by 20%+



*Non MedAdvisor patients

+ MedAdvisor patients

~MedAdvisor patients receiving Digital Adherence Program



MedAdvisor has delivered some important milestones in Australia

Growing the network, investing in R&D to improve our products for our customers

65%

+106 PHARMACIES

- ✓ Recent pharmacy roll outs and wins including API (Priceline) in July, to add ~250 stores and additional patients in FY22
- ✓ Introduced new SaaS tiered pricing model (June 1)
- ✓ New integrations with government systems such as Australian Immunisation Register
- ✓ Hired new sales team led by new EGM Sales & Marketing

2m

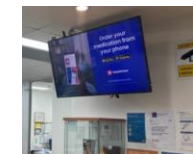
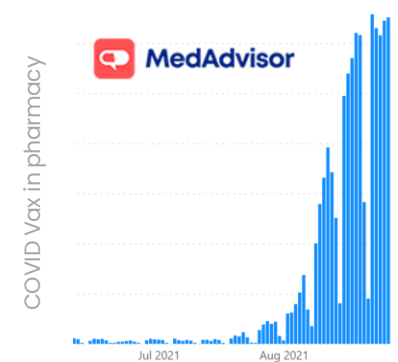
+0.3M PATIENTS

- ✓ Strong patient growth from new Remote Patient Verification and marketing driving patients to pharmacy from other channels.
- ✓ Our new brand launched
- ✓ Strong growth with new in-App payments and medication delivery services
- ✓ COVID Vaccination Booking Module & partnership with HealthEngine
- ✓ Rebuilt consumer app (v6) – launched in UK, in Au in H1 FY22
- ✓ Introduced ePrescribing solution to patients and pharmacy. Creating the most seamless workflow for both patient and pharmacy in the market

12

TOP 20 PHARMA

- ✓ Added 7 new clients and 8 new products in FY21
- ✓ Changed pricing model to align interests with clients
- ✓ Hired additional team member to help execute commercial opportunity



Australian market is fragmented, MDR has taken a leading market share

Consolidated way to engage with patients and pharmacies in Australia

Market Size

5,750
Pharmacies

Existing Reach

3,700
Pharmacies

+3%

12m+ ⁽¹⁾
Chronic
Patients

2.0m
Patients

+18%

Pharmacy Customers

3700+ Pharmacies & Groups



Pharma Customers

25+ Companies



1- Department of Health, Australian Government; (<https://www.health.gov.au/health-topics/chronic-conditions-in-australia>)



Australian product evolution is driven by investments in R&D in FY21

MDR invests heavily in a capable team of 40+ innovating & releasing frequent new product updates

MedAdvisor Patient App



- **App rebuild.** Allowing simplified code base and faster and more responsive design. Improved accessibility
- **ePrescribing**, first conformant patient app in Australia (ADHA)
- **In-app payments** & home delivery, with transaction fees to MedAdvisor
- **Remote Verification** creates ability for patients to remotely verify reducing reliance on pharmacy channel for sign-ups & adding new patients to our network pharmacies

Free to patient

Some transaction fees for script renewals via GP.

Pharmacy Product "PlusOne"



- **New medication delivery management** module built and deployed
- **Bookings** – Integrated with external patient booking system HealthEngine for in pharmacy flu & COVID vaccination
- **AIR Integration** – First to integrate flu recording to Australian Immunisation Register (AIR)
- **COVID Module** for pharmacy including the ability for pharmacists to look up patient records from the AIR prior to vaccinating
- **Integrated vaccine adverse event monitoring** solutions

Introduced Tiered Pricing

Base

\$159 + GST per month

Premium

\$179 + GST per month





03 / Operational Review – US

“MedAdvisor has helped me get my HbA1c down from 9.7 to 6.1 by reminding me to take my insulin on time and check my blood glucose level during my busy day. It is so easy to use. This app has extended my life.”

– **Paul** (Australia)

Overview of Adheris when we bought it?

- Operating for ~30 years, Adheris had become the industry standard for delivering adherence programs delivered at scale, with precision measurement.
- Large scale platform with ability to reach ~180m patients via 3 channels (direct mail, in-pharmacy prints and text messages), with a client base of leading pharmaceutical companies as well as deep relationships with the major US pharmacy chains
- More than 80% of the top 100 pharmaceutical companies in the US paid Adheris to run these programs
- Adheris had developed and patented a sophisticated software engine that enabled patient and prescription data to be extracted from ~25k retail pharmacies to power programs
- Robust data-driven products yielding actionable insights, engaging patients and health care providers
- Adheris had been in a period of revenue decline, driven in part by lack of a digital channel to patients and under investment

Highlights

180m

Patients

2.2B

Scripts per annum

~25K

Preferred pharmacies

430m

Scripts via Prescribers

US\$26.4m

2020F Revenue



Operational initiatives were designed to return Adheris to growth, whilst laying the digital foundations for accelerated profitability from 2023

Delivered 34% like-for-like revenue growth from core business. Positive customer reaction to innovation agenda

First 6 months

Add sales and marketing resources to grow core

Initiative

- Separate from Syneos and integrate to MedAdvisor
- MedAdvisor US sales team plus new hires to join Adheris team (doubling sales team post-close)
- Ramp investment in sales and marketing
- Identify talent internally and externally to drive accelerated go-to-market operations

Status



6-12 months

Complete digital pharma offering

Initiative

- Deliver new digital pharmacy and patient solutions
- Introduce SaaS offering to subset of the Adheris network
- Drive inOffice growth via doctor network with additional pharma sponsored interventions

Status

On track 30%+ digital active by December

Exploring digital services to pharmacy, phasing still to be finalised

Looking to provide enhanced abandonment solutions to pharma



Potential size of the US awareness and adherence market is significant

Opportunities to grow strongly in large TAM for Adherence and Awareness (DTC) through existing network

Revenue Source

Patient Programs

Per patient, per annum

Direct to Consumer

Per patient, per message

Retail Pharmacy

SaaS & transaction fees

Total Potential Market Size (USD)

Estimated Market Size

- Pharma estimated to be spending **USD \$1.9b⁽¹⁾** to lift adherence
- Payors are willing to spend for cost avoidance and reimbursement.
- 86% of medication volume is generic, payors motivated to lift adherence irrespective of brand

- Pharma spends **USD \$6b⁽²⁾** p.a. on patient awareness and advertising in the US
- Typically orientated towards TV, social and print media

- SaaS – ~55,000+ Pharmacies in US;
- **USD \$1B** estimated value
- 40-60% (est) of market addressable over time

~\$8B p.a.

Why & How

- Payors can securely engage with their population and leverage MedAdvisor's HCP network to improve healthcare related behaviours, lower costs and increase reimbursement (STAR Ratings & HEDIS)

- Ability to target awareness messages on the basis of understanding medication information
- Potential to redirect some funds to adherence with the ability to reach patients more effectively

- Leverage Au app as SaaS solution for ordering app for small chains and independents
- Other digital medication solutions



MedAdvisor's strategic priorities for the US to drive profitable growth

Digital roll out is the "catalyst", allowing MedAdvisor to leverage predictive analytics to change the revenue model, boost margins and increase the addressable market

	Adheris Standalone	Strategic Priorities	Status
Digital Transformation	<ul style="list-style-type: none"> • Data and Analytics capability • Paper based outreach • No digital platform 	<ul style="list-style-type: none"> • Ensure network are connected to run digital programs • Introduce new digital patient engagement solutions 	<ul style="list-style-type: none"> • 30% of Adheris store network agreed to run digital programs • 7 programs live in 6% of Adheris network
Dynamic Engagement <i>Evolving the revenue model</i>	<ul style="list-style-type: none"> • Pharma buys discrete interventions, channels & outreach on a message by message basis 	<ul style="list-style-type: none"> • Implement a tailored and targeted messaging to patients based on profile, history and predictive algorithms • Apply omni-channel engagement 	<ul style="list-style-type: none"> • Build is on track and on budget • Selling in Q4 for initial go live in CY22
Expand Network of Partners	<ul style="list-style-type: none"> • Business tailored to pharmaceutical companies • Value for other stakeholders less than the Australian experience 	<ul style="list-style-type: none"> • Re-orientate to patient centric model which optimises outcomes for all stakeholders (including payers, providers and retail pharmacies) 	<ul style="list-style-type: none"> • Introduced wider capability to network • Strong positive early reactions from both pharmacy & pharma





05 / Strategy & Outlook

"Before I downloaded the app, I was always losing my scripts. I would place my scripts in a special spot and then I would forget where that special spot was. Now I can hit re-fill and my carer can pick up the scripts for me."

- **Gail** (Australia)

Digitalisation: Initial milestone of 40m+ patients digitally accessible in the US expected to be reached by December 2021

A digital patient in the US, behaves in a consistent manner to app patients in Australia

Now			Dec 31 2021	
	Stores	Est. Digital Patients	Stores	Est. Digital Patients
Full Adheris Network	25,000	126m	25,000	126m
01 Discussions	90%	113m	100%	126m
02 Verbal Agreement or Signed MSA	30%	43m	45%	60m
03 Active Data Flow	6%	5m	40%	50m
04 Programs Active	6%	5m 7 Live Programs	40%	50m

The digital patients accessible in Au

20x

Engagement Metric	Au App	US Digital
Opt Out rate	<2.0%	<2.0%
Click through rates	10-30%	9.5+%



Dynamic Engagement, driving new revenue model & increased margins in the USA expected to start in CY22

Leverages Adheris' predictive analytics, sophisticated modelling & AI to target the right message to the right patient, in the right frequency via the optimal channel

Current Revenue Model

Implication

ABC Pharma

Select 1 or more channels of...

- inPharmacy \$x per msg
- inHome \$y per letter
- inOffice \$z per notification
- inMotion \$v per message
- Data & Insights \$a per data pack

Average \$ per program <\$0.5m

- Pricing per program (channel) hard to move and well established. Often high ROIs for program sponsors, with Adheris not being paid for performance
- Messaging channels not customised to patients resulting in reduced effectiveness

Tomorrow CY22+

Dynamic Engagement

ABC Pharma

MedAdvisor will determine right channel mix and program

- Per patient p.a. revenue model irrespective of channel
- Customised and targeted messaging of patients based on profile, history and predictive algorithms
- 2x revenue per patient p.a

Predictive modelling ensuring more messaging for patients that need it, in the channels that they respond best to.

- Increased revenue per patient - (2x from 30-50% of revenue base)
- Increased margin (similar volume of messages, but more effectively used)



MedAdvisor expanding into the UK

Founded in Australia and expanding to UK, similar market 3x the Au market



UK key growth opportunity – SaaS led, then programs opportunity

- MedAdvisor's leading SaaS solution to a market 3x Au, with attractive market dynamics
- First UK customer, Day Lewis with a white label product
- Supported by National Pharmacy Association which represents 6500 independent pharmacies
- Integrated with NHS digital systems, producing highly automated workflows for patient and pharmacy

 **Day Lewis Pharmacy**

First client Day Lewis

300 Stores



\$300m TAM

~14,000 UK Pharmacies ⁽¹⁾

Initial SaaS roll out

Prior to build patient audience

~14,000

Pharmacies in the UK

66m

UK population

\$88b ⁽²⁾

Wholesale drug market

1. ~11,700 England, <https://psnc.org.uk/services-commissioning/essential-facts-stats-and-quotes-relating-to-pharmacy-and-pharmacy-professionals/> 1250 Scotland [https://www.gov.scot/policies/primary-care-services/pharmacy/#:-:text=There%20are%20around%201250%20community%20pharmacies%20in%20Scotland.and%20716%20in%20Wales.\(https://gov.wales/sites/default/files/statistics-and-research/2019-10/community-pharmacy-services-april-2018-march-2019-071.pdf\)](https://www.gov.scot/policies/primary-care-services/pharmacy/#:-:text=There%20are%20around%201250%20community%20pharmacies%20in%20Scotland.and%20716%20in%20Wales.(https://gov.wales/sites/default/files/statistics-and-research/2019-10/community-pharmacy-services-april-2018-march-2019-071.pdf)) – translated to \$AUD
2. <https://www.statista.com/topics/5056/pharmaceutical-industry-in-the-uk/>



Guidance remains unchanged for H1 FY22 and 12 months to December 2021

Revenue Outlook

\$55–57m+

12 months to Dec 21

\$30m+

H1 FY22

Gross Margin

~55%

Gross Margin

- MDR re-affirms guidance of \$55–57m for 12 months to December 2021.
- Consolidated group gross margins of 55%
- Continuing benefits of improving operating leverage

Management Team and Board of Directors

Over 70+ years of combined healthcare and technology experience

Executive Team



Robert Read

CEO & Managing Director



John Ciccio

CEO USA



Simon Glover

CFO



Wayne Marinoff

EGM Sales & Marketing
AU & UK



Ruba El Afifi

Chief Operating Officer



Jamal Butt

CEO UK



Board of Directors



Chris Ridd

Non-Executive Chairman



Peter Bennetto

Non-Executive Director



Sandra Hook

Non-Executive Director



Joshua Swinnerton

Co-Founder & Executive
Director



Jim Xenos

Non-Executive Director



Lucas Merrow

Non-Executive Director



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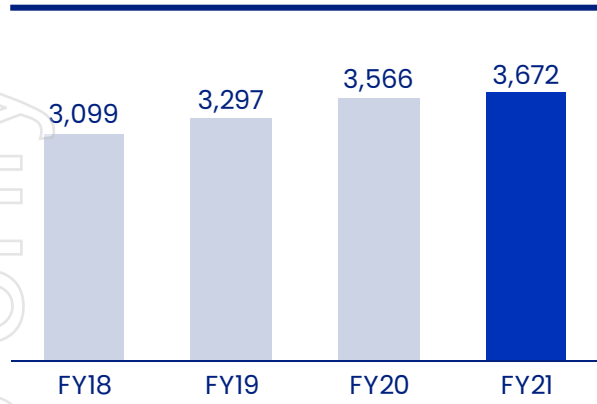


Analyst Pack

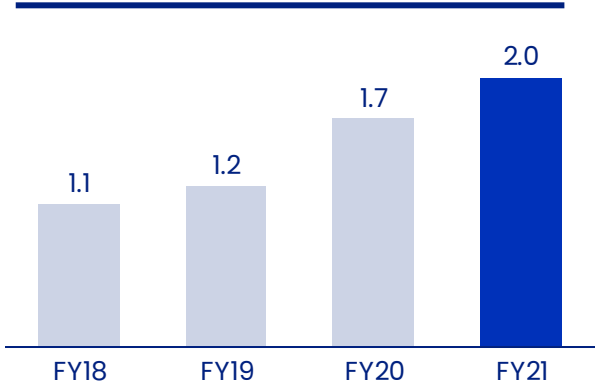
mymedadvisor.com

FY21 MedAdvisor Australia performance providing foundation for growth

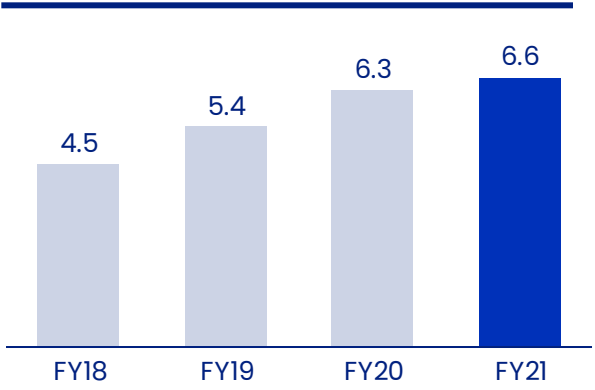
Pharmacy network



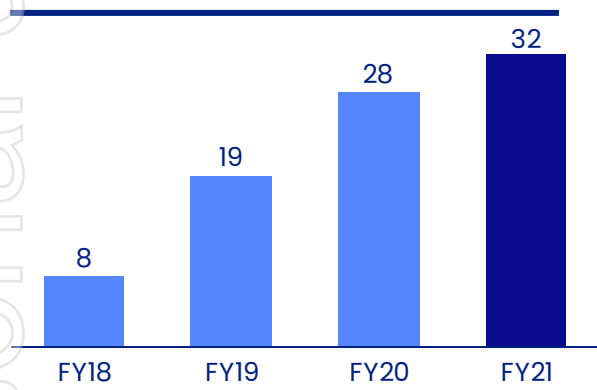
Patients (m)



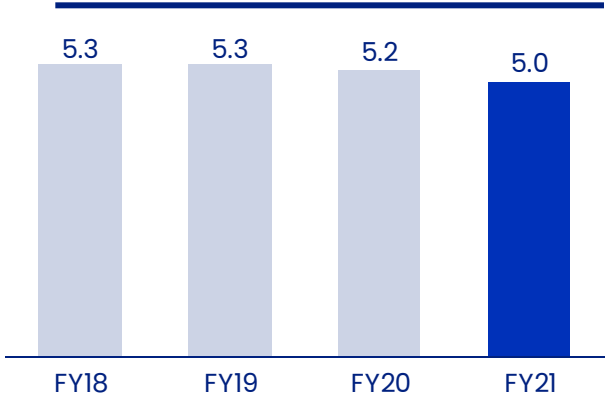
Annual Recurring Revenue



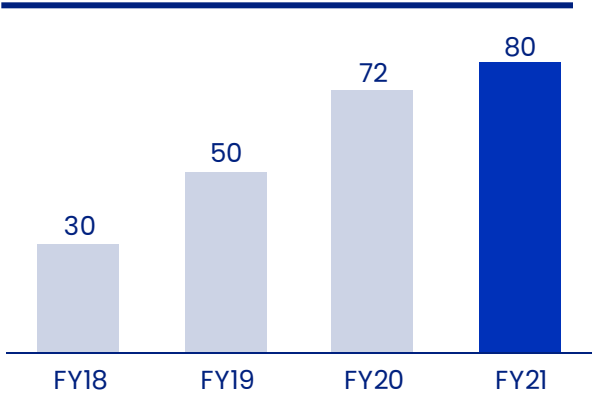
Lifetime Value/CAC¹



Churn %²



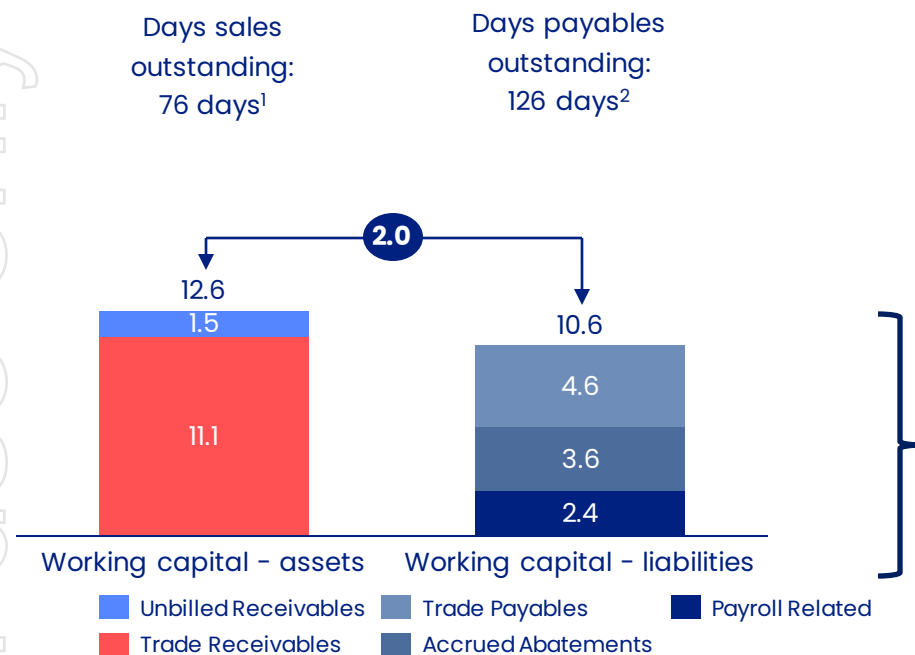
Digital Programs



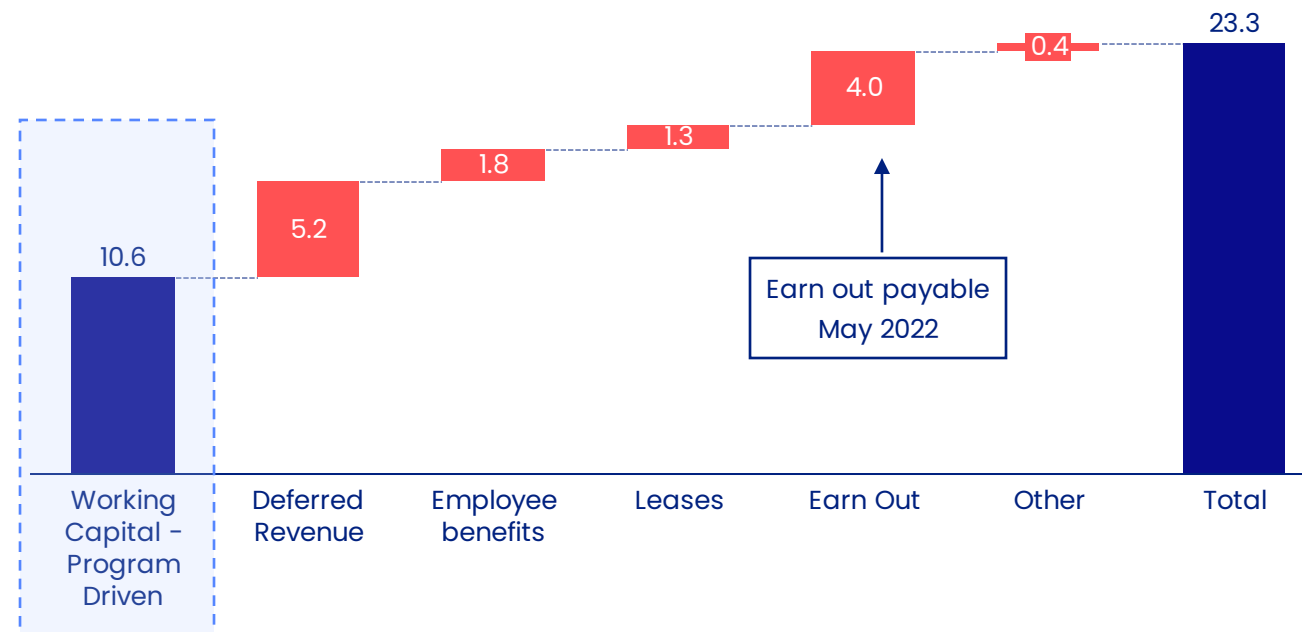
1. Lifetime value/CAC represents the ratio of lifetime value of pharmacies to the cost of acquisition of pharmacies
2. Churn is calculated on a rolling 12-month basis

Working capital cycle favourable and cash generative

Working capital for Adheris programs as at 30 June 2021 (\$M USD)



Reconciliation of Current Liabilities as at 30 June 2021 (\$M USD)



- Total receivables of \$12.6m, \$2.0m greater than trade payables, accrued abatements, and payroll related liabilities
- Trade receivables sees days sales outstanding of 76 days which compares favourably to trade payables days outstanding of 126 days for six months ended 30 June 2021
- Remaining current liabilities represent balances payable over extended period of time such as employee entitlements and leases, and the final earn out payable in May 2022. Note deferred revenue represents revenue billed in advance for the programs

1. Days sales outstanding calculated by: Average Trade Receivable Balance (Dec 20+ Jun 21)/6 month sales to 30 June 2020/181 days

2. Days payables outstanding calculated by: Average Trade Payables + Accrued Abatements Balance (Dec 20+ Jun 21)/6 month COGS + related opex to 30 June 2020/181 days

FY21 Revenue shows like for like growth of 26.7% on like-for-like basis

Year Ended 30 June 2021 (\$000)	FY21	FY20	Var % +ve/(-ve)	FY20 LFL ⁶	Var % +ve/(-ve)
Operating Revenue	38,772.6	9,602.6	303.8%	30,608.7	26.7%
Other Revenue	1,507.6	1,468.1	2.7%	1,468.1	2.7%
Total Revenue	40,280.2	11,070.7	263.8%	32,076.8	25.6%
Gross Margin	21,305.9	8,381.4	154.2%	18,937.9	12.5%
Gross Margin %	55.0%	87.3%	(37.0%)	61.9%	(159.9%)
Operating Expenses	36,213	19,514	85.6%	32,195	12.5%
Acquisition and non recurring opex ¹	1,991	0	0.0%	0	0.0%
Amortisation of acquired intangibles ²	1,414	0	0.0%	0	0.0%
Operating Expenses	39,619	19,514	103.0%	32,195	23.1%
EBIT	(16,888)	(9,774)	(72.8%)	(11,899)	(41.9%)
EBIT Normalised³	(14,877)	(9,774)	(52.2%)	(11,899)	(25.0%)
EBITDA - adjusted for lease payments⁴	(14,606)	(9,390)	(55.6%)	(11,413)	(28.0%)
EBITDA Normalised - adjusted for lease payments⁵	(12,596)	(9,390)	(34.1%)	(11,413)	(10.4%)
Profit/(Loss) Before Income Tax	(17,227)	(9,780)	(76.2%)	(11,904)	(44.7%)

- Total Revenue growth of 263.8%, 25.6% (LFL)
- Operating revenue is up 303.8% (26.7% LFL) due to strong performance by Adheris during the year, particularly in Q4
- Other revenue reflects R&D tax concessions and government grants
- Operating expenses up 12.5% LFL due to increased investment in the US, UK and Asia
- Normalised EBITDA loss increase (10.4% LFL) due to increased investment in the UK

1. Acquisition and non-recurring opex includes costs associated with the acquisition and integration of Adheris LLC (\$1.4m) and restructuring costs (\$0.5m)
2. Amortisation of intangible assets identified from independent valuation of acquired assets (identified intangibles include software, relationships)
3. EBIT Normalised is EBIT adjusted for the acquisition and non-recurring opex and the amortization of acquired intangibles
4. EBITDA adjusted for lease payments previously included in opex
5. EBITDA above excluding acquisition and non-recurring opex and the amortization of acquired intangibles
6. LFL includes Adheris, LLC's results for the corresponding period in FY20 (ie from 17 November 2019 to 30 June 2020)

Cashflow statement

Year Ended 30 June 2021 (\$000)	FY21	FY20	\$ Var
Receipts from customers (inclusive of GST)	37,958	10,130	27,828
Payments to suppliers and employees (inclusive of GST)	(51,526)	(20,005)	(31,520)
Receipt from R&D Tax concession	1,331	1,188	143
Interest received	39	101	(63)
Interest paid	(346)	(95)	(252)
Net cash inflow/(outflow) from operating activities	(12,544)	(8,681)	(3,863)
Payment for acquisition of subsidiary	(43,494)	0	(43,494)
Payments for property, plant and equipment	(392)	(324)	(68)
Net cash inflow/(outflow) from investing activities	(43,886)	(324)	(43,562)
Proceeds from new share issue (net of capital raising costs)	45,084	16,632	28,452
Proceeds from debt raise (net of establishment fees)	6,564	0	6,564
Receipts from related parties	525	555	(29)
Repayment of lease liabilities	(930)	(238)	(692)
Net cash inflow/(outflow) from financing activities	51,244	16,949	34,295
Net increase/(decrease) in cash held	(5,186)	7,944	(13,131)
Cash & equivalents at beginning of the year	12,345	4,401	7,944
FX movement opening balance	(8)	0	(8)
Cash & equivalents at end of the year	7,151	12,345	(5,194)

- Total cash receipts \$37.9m, +\$27.8m
- Underlying cash outflow from operations impacted by timing of debtors (\$6.6m), subsequent to year end this issue has been resolved.
- R&D receipt of \$1.2m received
- Proceeds from capital raise, \$45.1m and debt raise, \$6.6m used to fund acquisition of Adheris \$43.5m and subsequent earn out and convertible note redemption

FY21 Balance sheet

Year Ended 30 June 2021 (\$000)	FY21	FY20	\$ Var
Cash & cash equivalents	7,151	12,345	(5,194)
Trade receivables	12,464	1,839	10,625
Other	1,702	376	1,327
Current Assets	21,317	14,560	6,757
Property, plant & equipment	2,231	394	1,838
Right of use asset	2,341	1,073	1,268
Intangibles	54,547	5,244	49,302
Other	482	0	482
Total Non Current Assets	59,601	6,711	52,890
Total Assets	80,918	21,271	59,647
Trade payables	10,705	1,190	9,515
Borrowings	6,393	0	6,393
Other liabilities	9,557	521	9,036
Employee provisions	1,918	1,119	799
Lease liability	2,768	1,421	1,347
Deferred tax liability	732	0	732
Total Liabilities	32,073	4,251	27,822
Net Assets	48,845	17,021	31,825

- Cash balance of \$7.2m , down from \$12.3m due to timing of debtor receipts (\$6.6m). This debtor was received in Q3 and new payment arrangements put in place
- Trade receivables of \$12.5m reflect US program revenue invoiced pharmaceutical companies; average days sales outstanding of 76 for six months end 30 June 2021. This is expected to reduce with new payment arrangements in place
- Increase in intangible assets represent goodwill, brand, software and relationships acquired on the acquisition of Adheris
- Borrowings represent fully drawn 3-year term loan with Partners for Growth USD5,000,000 and partially drawn USD4,000,000 revolver facility