Appendix 4E

MedAdvisor Limited
ABN 17 145 327 617

MedAdvisor

Results for Announcement to the Market

Full-year ended 30 June 2022
(Previous corresponding period: Full-year ended 30 June 2021)

	Year ended 30 Jun 2022 $'000	Year ended 30 Jun 2021 $'000		Movement %	$'000
Revenue from ordinary activities	67,750	38,773	Up	75%	28,977
Loss from ordinary activities after tax attributable to the members of MedAdvisor Limited	(17,346)	(13,949)	Up	24%	(3,397)
Loss for the financial year attributable to the members of MedAdvisor Limited	(17,346)	(13,949)	Up	24%	(3,397)

	Year ended 30 Jun 2022 (cents)	Year ended 30 Jun 2021 (cents)
Net tangible assets per ordinary security	(6.24)	(2.13)

Dividends

Not applicable

Control Gained or Lost over Entities

Not applicable

Other

Additional disclosure requirements in accordance with ASX Listing Rule 4.3A are contained in this report.

This report should be read in conjunction with the 2022 Investor Presentation and any public announcements made by the Company during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The information set out above and in the attached Financial Report is provided to the ASX in accordance with a resolution of the directors.

Rick Ratliff
CEO & Managing Director

26 August 2022
Camberwell, VIC

MedAdvisor

Annual Report 2022

Progressing our plan, delivering results.

MedAdvisor is a leader in digital medication adherence solutions.

Contents

FY22 was a year of consolidation, progress, achievement and results.

Significantly, FY22 saw MedAdvisor remain steadfastly focused on executing its global growth strategy and scaling its unique product suite in key markets.

Key FY22 results and achievements:

Digitalisation of the US Market

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Signed national US retailer to digital adherence solution

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Continued growth across AU pharmacy network

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Entry into the NZ market

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GuildLink acquisition

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Operating revenue +75%

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Chair and CEO Letter

Linda Jenkinson
Non-Executive Chair

Rick Ratliff
CEO & Managing Director

To our shareholders,
We are pleased to present MedAdvisor's 2022 Annual Report, covering the 12 months ended 30 June 2022 (FY22). This was a pivotal year for MedAdvisor.

We would like to thank all of the Company's team members, senior executives and Directors for their commitment and dedication. Their desire to improve people's lives through MedAdvisor's unique health technology platform enabled the Company to achieve multiple strategic objectives that underpin sustainable long-term growth, including:

- In Australia, both organic growth and M&A growth, with the acquisition of GuildLink.
- Expansion into New Zealand, a new market for MedAdvisor.
- Several new contract wins, including a national US retailer to digital adherence solution.
- Investment in the digitalisation of the US business.
- Board and executive changes to support the next phase of growth, and deliver on the growth opportunities available in the US.

Improving people's health

MedAdvisor is directly addressing the global issue of medication non-adherence, which is a US $630bn per annum[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.

Focused growth strategy

Our growth is supported by four pillars:

1. **Focus on the patient**
   Deliver a compelling patient experience, while providing pharmacies and pharmaceutical companies proven mediums that help deliver improved medication adherence for patients.
2. **Create marketplace dynamics**
   Creating large patient populations in our core markets allows us to attract more program sponsors to pay for programs.
3. **Improving economics of customers**
   By helping patients ensure they are on the appropriate medication and are taking them appropriately, we reduce the costs to Governments, insurance companies and individuals associated with medication non-adherence.
4. **Geographic expansion**
   From a strong base in Australia, we are digitalising our existing US pharmacy network leveraging experience and success in Australia while successfully entering the New Zealand market.

Bolstered leadership to drive the next phase of growth

Having successfully acquired Adheris, and with around 80% of revenue now sourced in the US, MedAdvisor's Board and management have evolved to better support the Company in executing on the substantial US market growth opportunity.

In February 2022, Linda Jenkinson was appointed Non-Executive Director and Chair, following the retirement of previous Chair, Chris Ridd, as part of the planned transition to a more US-centric focus. Based in the US for the past 30 years, and spending equal time in the US and Australia/New Zealand, Linda is a highly experienced public and private company board member, director and a successful growth company CEO.

Together with the previous CEO & Managing Director, Robert Read, Chris helped steer the Company over the

1. https://www.rdmag.com/news/2016/11/medication-nonadherence-costs-billions-lost-revenue
2. https://pubmed.ncbi.nlm.nih.gov/10185113/
   Australian number calculated as an equivalent mortality rate to the US.

past two years, stabilised the tech platform and successfully acquired Adheris. On behalf of the Company, we wish Chris all the very best for his future endeavours and look forward to his continued support as a shareholder.

In July 2022, Rick Ratliff commenced as Group CEO & Managing Director, bringing tremendous experience and a strong track record in technology-enabled healthcare, specifically in the pharmacy technology sector. Rick's SaaS background is directly applicable to MedAdvisor's business as well as the US growth strategy for Adheris. Previous CEO & Managing Director, Robert Read continues as an Executive Director to facilitate the transition.

Following the resignation of Simon Glover from the role of Chief Financial Officer (CFO), Ancila Desai has been appointed CFO, effective 17 October 2022. Currently CFO of life sciences company IDT Australia Limited (ASX:IDT), Ancila's 20-plus years' experience in finance leadership roles, across multiple sectors positions her well to support MedAdvisor into the future.

In July 2022, following the successful acquisition of GuildLink and associated capital raising, Anthony Tassone was appointed a Non-Executive Director as a nominee for the Guild Group. At the same time, co-founder and Executive Director, Josh Swinnerton retired from the Board, but continues to provide support and innovation advice across the business.

The evolution of the Board and Executive team, along with the recent acquisition and successful capital raise will ensure an exciting year of growth ahead for MedAdvisor.

Further growth in Australia & New Zealand

Our focus in Australia and New Zealand will be on the integration of GuildLink and further penetration into the New Zealand market. Leveraging our relationship with the Pharmacy Guild of Australia (PGA), we will work with them to deliver growth in government programs and new revenue lines alongside other sponsors.

With a consolidated presence in the market we will focus on reaching more patients through pharmacy networks and patient engagement. We will also leverage extensive distribution to create further opportunities and connections to improve patients access to medications.

Further digitalisation and growth of the US pharmacy network

We plan to further invest in evolving the THRiV platform for predictive and tailored patient programs. Leveraging this we will focus on growing patient reach and improved outcomes. We will continue to digitalise the Adheris pharmacy network through next-generation digital products for patients in FY23.

To further leverage the investment in our platform we will investigate expansion into adjacent markets such as payer and specialty pharmacy networks.

With an exciting year ahead, we thank our shareholders for their continued support, and look forward to reporting on the Company's further progress and growth over the coming year.

I am excited to be joining MedAdvisor at such a pivotal point in the Group's progress.

With over 30 years' experience in the healthcare and pharmaceutical technology sectors, I have a significant and successful track record of growth in both the US and Australia, with direct experience in the markets and segments in which MedAdvisor is operating.

Rick Ratliff
CEO & Managing Director

I was delighted to be given the opportunity to join MedAdvisor's Board, and am privileged to take the Chair role. MedAdvisor has entered an exciting next phase of growth, with a lot more to be done now the foundations have been put in place. I'm excited by the growth potential I see for the business, and look forward to working closely with MedAdvisor's Directors and executives to support the business in fulfilling its tremendous potential.

Linda Jenkinson
Non-Executive Chair

A product suite designed to scale and deliver

MedAdvisor has world class digital and data platforms with unparalleled patient reach driving marketplace economics.

	US Market	ANZ Market
Patient Access	• 200 million people in the US can be reached without further opt in via c. 25,000 pharmacies • Over 40 million patients digitally accessible • Adheris has access to c. 36% of US pharmacies	• 23 million Australians visit a MedAdvisor pharmacy • Over 2.9 million patients digitally connected • MDR currently has access to 90% of Australian pharmacies
Medication Data	• Ability to extract and draw insight from 2.3 billion prescriptions, representing c. 50% of US prescriptions • 5+ years of longitudinal data & patient outcomes for 200 million people • Predicative analytics and AI models • High calibre data & insights team	• 90% visibility of Australian script data • Sophisticated algorithms to provide insight and services • 17 integrations with every dispense system in ANZ
Health Outcomes	• Education, enabling individuals to take their medication safely and effectively through tailored education • 30 years of history and trust with leading global pharma companies • Ability to influence adherence and behavioural outcomes driving 7:1 ROI	• Improved adherence for App users up to 12% • Pharma education, enabling individuals to take their medication safely, effectively and on time lifts adherence up to 30% • Convenience drives engagement

This refers to post acquisition with GuildLink.

On 27 July 2022 MedAdvisor announced completion of the acquisition of GuildLink Pty Limited (GuildLink). Upon integration this will provide the Group access to over 90% of community pharmacies in Australia and ability to reach more patients.

Delivering on key priorities to execute growth plans

MedAdvisor is directly addressing the global problem of medication non-adherence which is a US $630bn per annum[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.

MedAdvisor is focused on delivering its key priorities to progress and execute the Group's strategic growth plan and deliver results.

1. Expand digital reach

In the US, a milestone agreement was reached with a national US retailer who launched sponsored digital communications that are in the 'Best Interest' to their patients, giving MedAdvisor an expanded suite of adherence solutions. This agreement further validates MedAdvisor's digital omni-channel position in the US.

In addition in November 2021, the Group signed a digital US $3m COVID-19 awareness campaign, representing the largest digital program to date for MedAdvisor.

In the Australian business, the MedAdvisor App launch of Version 6 (V6) and the efficient rollout of PlusOne to a major pharmacy group on a 5-year deal contributed to AU network growth of 18.7%.

2. Launch of digital adherence solution

Through FY22 MedAdvisor developed and successfully launched 'THRiV', the Group's intelligent digital adherence solution. THRiV is on track to be one of MedAdvisor's largest product lines, with continued enhancements a key priority for FY23.

3. Market expansion

MedAdvisor expanded into the US payer market through a partnership with a private online marketplace for health insurance. The focus of the initial program was to support seniors navigate health insurance plans that allow them to keep their doctor, pharmacist, and drug coverage, whilst maintaining affordability. In addition, MedAdvisor is developing a relationship with a major US HealthTech provider focused on improving the financial and quality performance of healthcare organisations.

In Australia, 6.5 million vaccinations were booked and administered in MedAdvisor powered pharmacies.

4. Geographic pharmacy network growth

MedAdvisor entered the New Zealand market in February 2022 via an agreement with Green Cross Health (GXH). The agreement provides MedAdvisor with access to approximately 40% of the New Zealand pharmacy market.

The New Zealand roll out is progressing to plan with 204 pharmacies (58% of the Green Cross Health network) migrated to date, representing 25% of the NZ market.

1. https://www.rdmag.com/news/2016/11/medication-nonadherence-costs-billions-lost-revenue
2. https://pubmed.ncbi.nlm.nih.gov/10185113/ Australian number calculated as an equivalent mortality rate to the US.

US digitalisation continues to progress

Average THRiV deal size is c. 45% higher than traditional adherence deals

Digitalisation of the US Market

The digital reach with the understanding of a patient's medication, is significant at over 40 million people in the US.

Digital Enabling Technology

THRiV™ + Digital Medication Education (MedEngage)

Pharmacy Engagement

90%+ of Adheris pharmacy network indicated they intend to run digital adherence programs.

40m+ patients accessible via pharmacies who have signed agreements to go digital.

37%+ of the network have signed agreements to add digitalisation.

National US retailer contract is a significant milestone and provides validation for MDR's digital and omni-channel proposition.

Improved financial economics driven by THRiV

THRiV's expansion allows for premium pricing due to individual tailoring made available through leveraging predictive models and AI to drive improved outcomes.

THRiV drives:

- better product mix
- more targeted messaging
- larger contracts
- longer contract terms
- improved outcome for patients

THRiV leverages the largest patient and prescriber database, powerful predictive analytics, and our synergistic patient touch points to deliver intelligent solutions – giving patients the individualised support they need to start and stay on therapy. Four THRiV programs had launched as at 30 June 2022, and 29% of the active pipeline is composed of THRiV proposals.

25k pharmacies

>2.3bn prescription transactions

~200m patients

>50 Rx & patient attributes collected

Adheris executed an enhanced agreement with a national US retailer to help its customers take their medication more effectively, safely, and ultimately improve health outcomes through an extension of the services that the MedAdvisor group currently provides.

Under the new agreement, Adheris will provide the full suite of its adherence solutions including digital, in-pharmacy print and direct mail solutions to the retailer's customers.

Adheris engaged with a private online marketplace for health insurance to help pharmacies support their US Medicare populations by helping US Medicare beneficiaries find affordable health insurance coverage. Through this relationship, the marketplace coverage optimisation technology is integrated into communications with Medicare beneficiaries within Adheris Health's extensive network of approximately 200 million patients and approximately 25,000 pharmacies nationwide.

COVID-19 awareness program

Adheris executed its largest digital 'inMotion' program across its pharmacy network conducting a pilot of digital outreach to patient populations with low COVID-19 vaccination rates.

Planned investment in FY23

Platform upgrade and expansion – THRiV v2 and MedEngage. Additional features position the US business for differentiated entry into new markets and better outcomes for patients and stakeholders.

Scale: Reach & Access

- External data sources (e.g. consumer, labs, diagnoses)
- Patient-reported data (e.g. barrier & risk assessments)

Insights & Intelligence

- Richer models incorporating new data sources
- Intervention responsiveness
- Adjusts targeted messaging based on up-to-the minute behaviour as well as predicted future behaviour

Omni-channel Approach

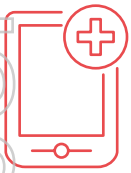
- IVR (Interactive voice response)
- Live call
- Chatbot (2-way)
- Mobile/Web App
- Channels and message cadence driven by patient-level needs

Tailored patient engagement Program and Resources

- Superior outcomes from personalised support
- Improved patient adherence and lower healthcare costs
- Increased product flexibility and channels for unique needs of specialty and payer markets
- Hyper-targeted direct-to-consumer ad delivery

Sustainably growing in AU and expanding into NZ

Over FY22, MedAdvisor continued to progress its growth strategy in Australia and expanded in New Zealand. Operational achievements underpinned a strong and sustainable financial performance.



In respect to patient reach, it is estimated that there are more than 12 million patients with a chronic condition in Australia[1], with MedAdvisor having over 2.9 million patients digitally connected to the MedAdvisor medication management platform.

Strong growth in annual subscription revenues

Over FY22, MedAdvisor continued to progress its growth strategy in Australia and expanded in New Zealand. Operational achievements underpinned a strong and sustainable financial performance.

MedAdvisor's Australian model is centred around the patient. The MedAdvisor app is free for patients, with revenue generated from pharmacies through SaaS subscriptions and transaction fees, and from pharmaceutical companies, on a fee per patient basis, that use the technology and network for content distribution. MedAdvisor estimates that each patient on the MedAdvisor app adds approximately $20 per annum in incremental revenue to a pharmacy, demonstrating strong ROI for retail pharmacy customers.

Successful technology update to the MedAdvisor app

In January 2022, MedAdvisor rolled out Version 6 (V6) of its app – the most advanced release to date. V6 provides an all round faster, more responsive, user experience. Features include:

- a modernised look and feel;
- responsive design that adapts to any screen size, creating a uniform experience whether on mobile, web browser or tablet;
- 8x increased processing speed compared to the previous version;
- multilingual support and improved accessibility for those with vision impairment including screen reader support, and support for high contrast mode; and
- a new 'offline' mode, allowing users to access the app without internet connection, and built-in provision for biometric based logins.

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

New Zealand – new market entry

MedAdvisor continued to build its presence in the pharmacy market, entering the New Zealand market in FY22. In February 2022 MedAdvisor signed a three-year agreement with Green Cross Health (GXH) providing MedAdvisor with access to approximately 40% of the New Zealand pharmacy market.

GXH is a provider of primary health care services to communities across New Zealand and represents over 350 community pharmacies under its Unichem and Life brands. The three phased agreement will result in the rollout of additional MedAdvisor digital solutions to the GXH network, with MedAdvisor earning both SaaS and transaction fee revenue under the agreement.

Supporting pharmacists in providing COVID-19 Vaccinations

MedAdvisor has streamlined the vaccination workflow so pharmacies can deliver more vaccinations to their community, in a fast and efficient manner. To date more than 4.9 million COVID-19 vaccinations have been administered through pharmacies in the MedAdvisor network. COVID-19 vaccinations (along with Influenza, and a wide range of vaccinations) utilise the MedAdvisor PlusOne online booking functionality, which contributes to transaction revenue and provides an important source of patient sign ups.

Pharmacists can invite patients to book their COVID-19 vaccination via the App or by sending an SMS. The patient can book online via the COVID-19 vaccination booking calendar, which enables completion of pre-screen questions before presenting for the vaccination. The patient's vaccination booking with the pharmacy is confirmed via SMS or email, and reminder messages are also sent to the patient. Integration with HealthDirect also drives vaccination bookings from the Vaccine Clinic Finder function to the PlusOne booking calendar.

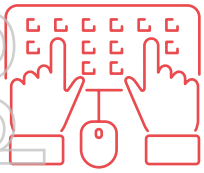
PlusOne provides vaccination recording form featuring, real time Australian Immunisation Register (AIR) integration to enable automatic upload of vaccination encounters, support for special Medicare cards, real time Pharmacy Programs Administrator claiming, adverse event recording, active surveillance of adverse events (for a subset of pharmacies only), integration with HealthEngine's booking system, and supervised Rapid Antigen Test forms.

Strategic review of UK business

In light of the attractive growth opportunities in the US, Australia and New Zealand, in July 2022, the Board determined to undertake a strategic review of the Company's UK operations to identify the best path forward for that business. The review is currently being undertaken.

Positioned stronger through strategic acquisition

On 27 July 2022, MedAdvisor acquired GuildLink from Guild Group Holdings Limited (a 100% owned entity of The Pharmacy Guild of Australia), enabling MedAdvisor to provide an enhanced platform that removes duplication and increases efficiencies for the benefit of Australian pharmacies.



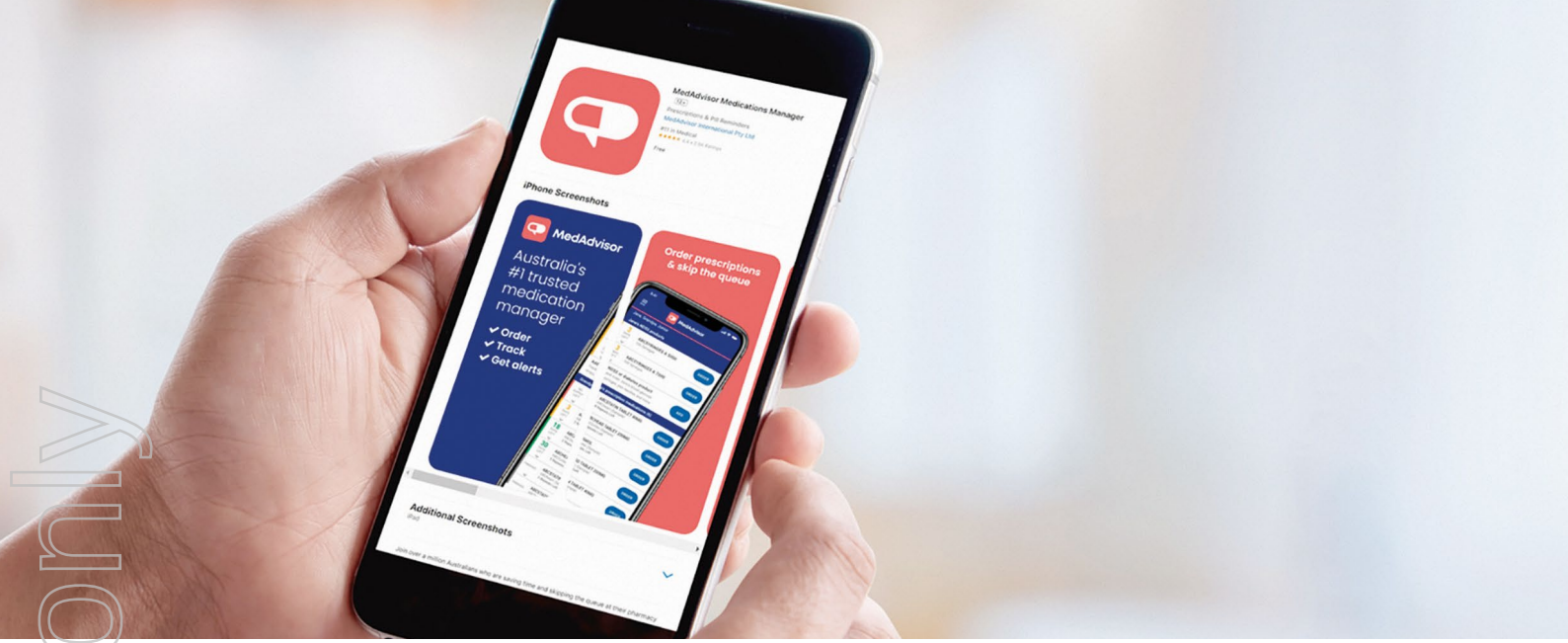
MDR has world class digital and data platforms with unparalleled patient reach driving marketplace economics.

The acquisition will enhance the pharmacist's ability to provide integrated bookings, clinical services, vaccinations, and medication management for their patients. The acquisition will also see PGA work in partnership with MedAdvisor to develop and deliver new and ongoing health service initiatives, including government programs, to provide and support the health needs of communities across Australia, pursuant to the terms of a Master Services Agreement (MSA).

The MSA, entered into by PGA, MedAdvisor and GuildLink, is a long-term arrangement (10 years with PGA having the right to extend for up to a further eight years) under which the parties will work together in respect of proposals within the other parties' core fields of expertise. The first program under this arrangement involves the ongoing provision of de-identified information to PGA for community pharmacies that opt-in to the program to assist PGA with health economics modelling and advocacy on behalf of its members and the pharmacy profession generally. The long-term 10-year program involves a "fee free" period for the initial two years, with a right for PGA to end the program on 12 months notice.

The acquisition of GuildLink was funded by MedAdvisor via the issue of 57,118,490 fully paid ordinary shares in the Company to Guild Group (Consideration Shares), which represented approximately 13% of the Company's issued share capital immediately after the issue. The Consideration Shares had an issue price of $0.16 and an aggregate value of approximately $9.14m. The acquisition price represents a multiple of ~1.3[1] times GuildLink's financial year ending 30 June 2022 revenue.

1. MedAdvisor estimate based on GuildLink's preliminary and unaudited Management Accounts for the 12 month period ending 30 June 2022.



GuildLink is a provider of digital healthcare solutions and medicines information for consumers, health professionals and other partners.

GuildCare

Cloud based platform that integrates with more than 10 dispense vendors and provides the pharmacy and its patients with access to 30+ professional services.

Government & Industry Contracts

Government contract programs centred on developing and providing access to pharmacy services.

Medicines Information

Partners with health information providers to ensure consistent information is available to improve health literacy and decision making about medicines for patients, carers, and healthcare professionals.

MedAdvisor purchased GuildLink to provide a leading medication and service management platform within the Australian market.

Strong market position Software installed in over 90% or 5,000+ pharmacies to deliver functionality across a consolidated platform.

Pharmacy Guild of Australia as Strategic Partner Consistent approach to deliver enhanced pharmacy services to patients.

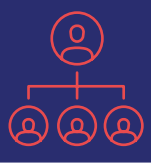
Attractive Economics for MDR FY23 growth in SaaS revenue to over $10m+ per annum and profitability at an ANZ level (pro forma basis) in FY22.

Superior growth opportunities due to combined business and acceleration of the Australian business unit to profitability.

FY22 at a glance

+44%

AU Operating revenue



+5000

Pharmacies in AU & NZ[1]

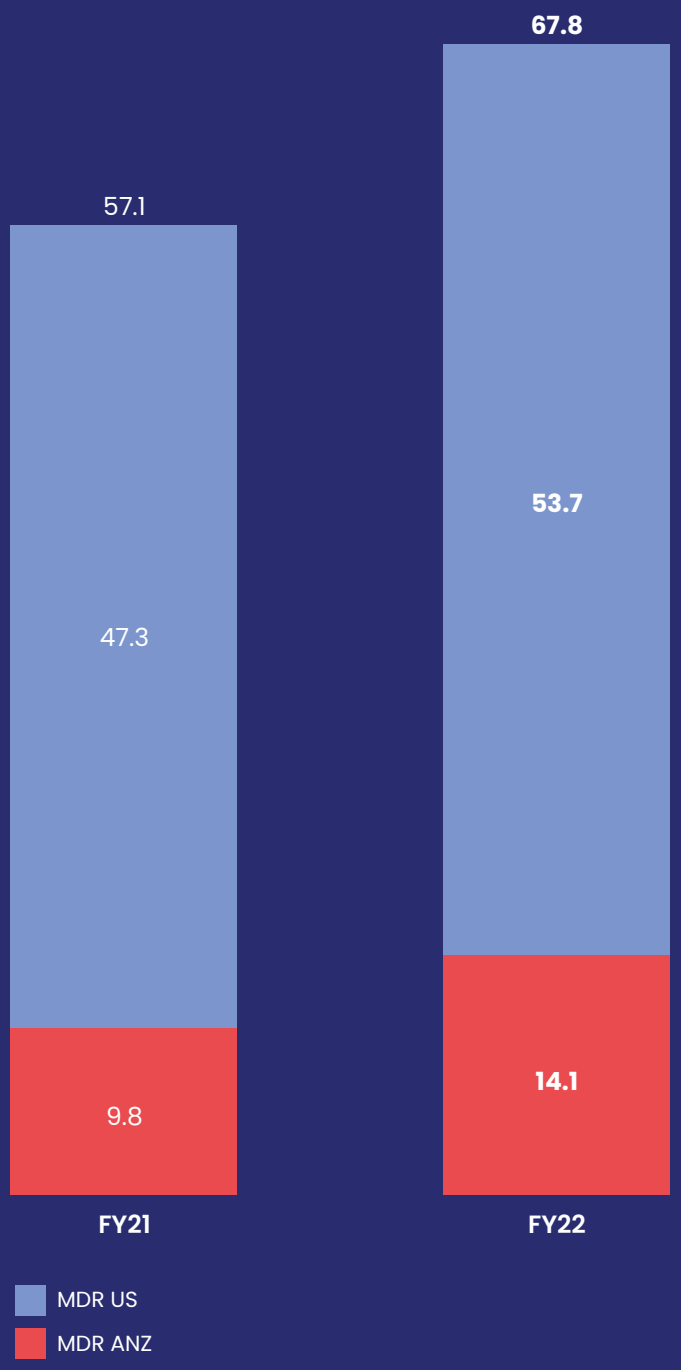
+19%

US Operating revenue

79

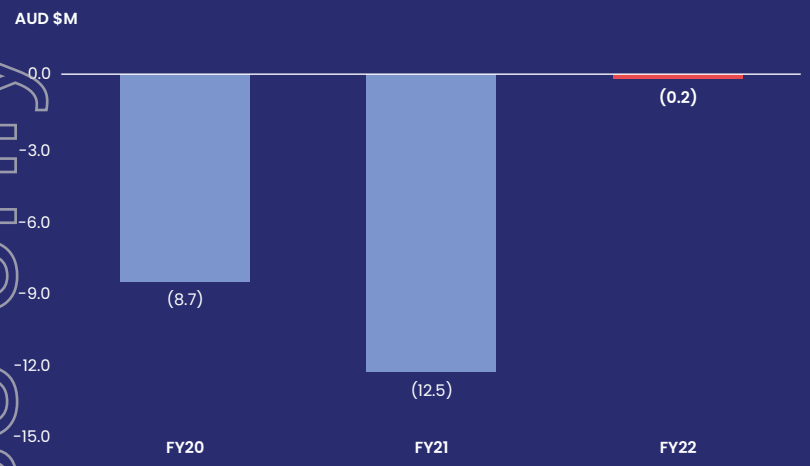
Average number of programs

Group operating revenue of $67.8m, up 75% on prior comparative period, and 19% on a like-for-like basis[2]



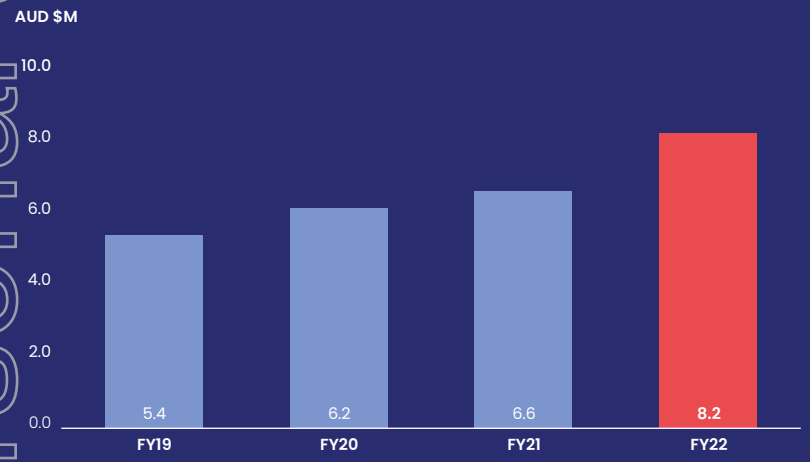
1. Post GuildLink acquisition.
2. Like-for-like revenue includes Adheris' results for the prior corresponding period from 1 July 2020 to 16 November 2020 (pre-acquisition period) translated at a constant AUD/USD of $0.73 for comparative purposes.

Reported Operating Cash Outflow



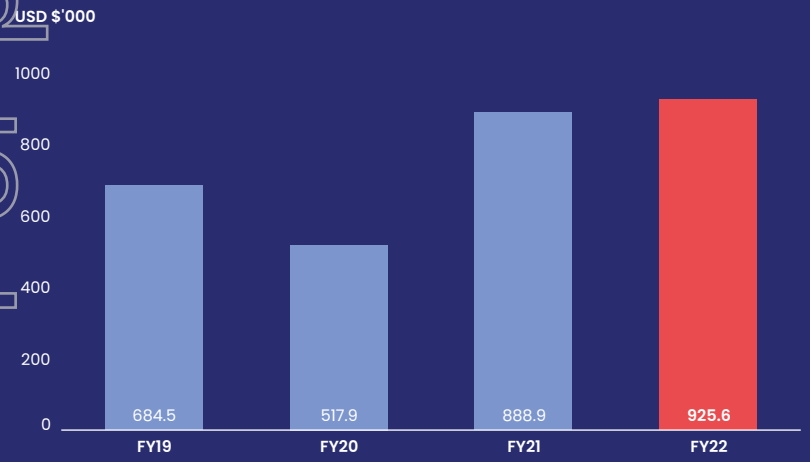
Reported EBITDA ($11.3m) reflecting investment in US

AU – Annual recurring revenue (ARR)



Pharmacy churn down to 1.3% annualised

US – Revenue per program for top 10 customers



19.6% revenue from new customers

Business update

MedAdvisor delivered FY22 revenue of $67.8m, up 74.7% on prior comparative period, and 18.5% on a like-for-like[1] basis.

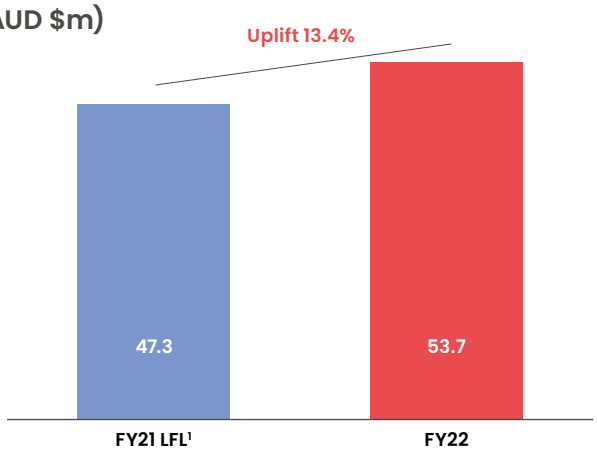
US operating revenue of US$39.0m ($53.7m), **up 13%** on a like-for-like[1] basis

Revenue growth in Australia of **44%** to $14.1m

Strong growth in operating revenue

US operating revenue of US $39.0m ($53.7m), was up 13% on a constant currency like-for-like[1] basis (FY21 LFL[1] operating revenue: US $35.3m). US revenue is characterised by a high degree of repeat business with large global pharmaceutical companies, of which over 95% of revenue is of a recurring nature. Pausing of the regular program for MedAdvisor's largest single product impacted revenue by US $5.3m by delaying the expected revenue by six months, with the program recommencing in the final quarter of FY22. Significant efforts have been made to diversify MedAdvisor's US customer mix over the course of the last 12 months with a net 12 new brands running programs compared to the same time last year. At 30 June 2022, 13 digital programs were live through the pharmacy network, already activated for digital programs, and four THRiV programs launched to date.

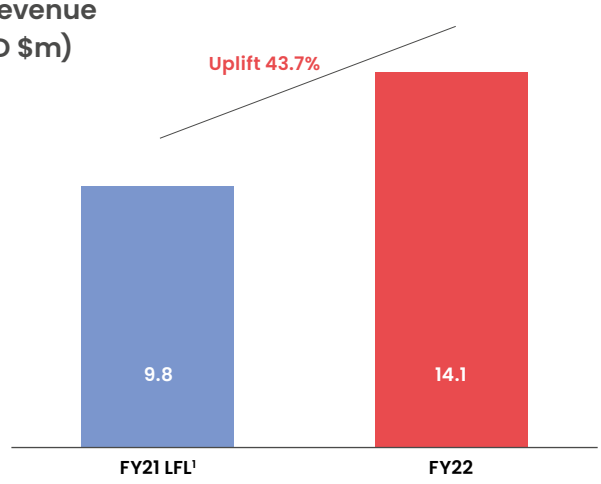
US revenue (AUD $m)



1. Like-for-like revenue includes Adheris' results for the prior corresponding period from 1 July 2020 to 16 November 2020 (pre-acquisition period) translated at a constant AUD/USD of $0.73 for comparative purposes.

Revenue growth in Australia of 44% to $14.1m was underpinned by increased network capacity and transactional revenue, historically low churn, and a new pricing structure. Annualised SaaS revenue of $8.2m, up 22.2%, and Transaction Fee revenue growth of 101.3% to $3.9m can be attributed to multiple factors including the expedited roll out of PlusOne to over 365 API pharmacies, 204 GXH pharmacies joining the MedAdvisor network, the overall uplift in booking volume for in pharmacy COVID-19 and Influenza vaccinations, and the successful uptake of MedAdvisor's Premium subscription product. Annualised pharmacy churn of 1.2% vs. 3.8% at June 2021. Annual recurring revenue now stands at $8.3m, up from $6.6m, and the Lifetime Value to Cost of Acquisition ratio continues its upward trajectory. MedAdvisor is well placed to drive greater value through its consolidated market presence post the acquisition of GuildLink and deliver further benefits to its end users, the patients.

AU revenue (AUD $m)



Uplift in Gross Margin

MedAdvisor has a reported gross margin of 51.6%, which is down on a like-for-like[1] basis by 6 basis points due to impact of reduced margins on the US Medicare payer program in its first year, partially offset by improved margins from the commencement of THRiV programs and realised benefit of AU re-platforming. Gross margin in Australia was strong at 83.3%, reflecting an improvement of 23 basis points on FY21, due to a lower cost to serve post re-platforming, with platform cost reduction and efficiencies being realised in the 12 months to 30 June 2022.

Opex efficiency

MedAdvisor continues to invest in developing its product and technology, as well as its capability in delivering solutions to its customers and patients.

Reported operating costs in FY22 were $46.3m, up 4.2% like-for-like[1]. Excluding foreign currency gains and losses, acquisition and related one-off costs operating expenses were $46.5m, up 8.6% like-for-like[1], driven by investments in digitising the US product suite, additional sales and IT infrastructure in the US and providing additional capability in support functions to operate globally.

Overall the EBITDA reported loss improved to ($11.3m), up 9.9% on a like-for-like[1] basis. This was driven by 17.3% improved gross margin contribution, offset by higher operating costs from the investments outlined above.

Board of Directors

Linda Jenkinson
Non-Executive Chair

B.Bus, MBA

Member of Audit and Risk Committee

Member of People, Remuneration and Nominations Committee

Director since 2022 (appointed 28 February 2022)

After an early career in consulting and advisory at Fortune 500 companies, Linda founded five companies, one being Dispatch Management Services Corp., which was listed on the NASDAQ. This milestone made Linda the third woman to list a company on the exchange. She also founded John Paul, which was later successfully acquired.

Directorships at listed entities (current and recent):

- Director of Air New Zealand Limited (NZX:AIR) from May 2014 to October 2021;
- Chair of Jaxsta Limited (ASX:JXT) since August 2018; and
- Director of The Eclipx Group (ASX:ECX) since January 2018.

Linda holds an MBA from The Wharton School, University of Pennsylvania and a Bachelor of Business Studies from Massey University. She is a qualified Chartered Accountant.

Rick Ratliff
CEO & Managing Director

MBA IT, BChE

Member of People, Remuneration and Nominations Committee

Director since 2022 (appointed 15 July 2022)

Rick joined MedAdvisor in July 2022 as CEO & Managing Director.

Prior to this, Rick spent over 30 years in the healthcare and pharmaceutical technology sector in key markets in which MedAdvisor/Adheris operate. This includes holding senior leadership roles at leading health technology businesses, including President and CCO at ConnectiveRx (a major competitor of Adheris) and acting CEO of Surescripts LLC, where he oversaw the acquisition and integration of RxHub LLC. Rick also worked with the Australian Federal Government to develop and deliver My Health Record, the leading online EHR available to all Australian citizens.

Rick holds a Bachelor of Chemical Engineering from the University of Oklahoma. He also holds a Master of Business Administration, Information Technology from the University of Tulsa.

Robert Read
Executive Director

B.Com, B.Arts, GAICD

Member of Audit and Risk Committee

Director since 2015

Robert joined and led MedAdvisor in 2015 as CEO, taking it from a small private company through its initial listing on the ASX. He was appointed Managing Director in 2015. Robert stepped down as CEO & Managing Director in July 2022.

Robert possesses extensive commercial experience in a wide range of businesses. Prior to MedAdvisor, Robert was the Director of Commercial Strategy and Operations in one of the world's leading pharmaceutical companies, GSK PLC (formerly GlaxoSmithKline PLC). He also held roles in venture capital and private equity. Robert is now Chief Commercial Officer at Medibank Private Limited's healthcare solutions business, Amplar Health.

Robert holds a Bachelor of Commerce and Bachelor of Arts from Monash University, majoring in Psychology and Management.

Sandra Hook
Non-Executive Director

GAICD

Chair of Audit and Risk Committee

Member of People, Remuneration and Nominations Committee

Director since 2016

Sandra has over 25 years of operational, financial management and strategic experience building brands, driving growth and leading change. This included serving as Marketing Director at Murdoch Magazines, Chief Operating Officer and Chief Executive Officer of News Limited.

Directorships at listed entities (current and recent):

- Director of iCollege Limited (ASX:ICT) from November 2021;
- Director of RXP Group (ASX:RXP) from March 2016 to November 2020;
- Director of the Redhill Education Limited (ASX:RDH) from September 2019 to October 2021; and
- Director of the board of IVE Group Limited (ASX:IGL) since May 2015.

RaeAnn Grossman
Non-Executive Director

B. Environment Policy & Planning; MSP, Health Care Policy & Planning

Director since 2022 (appointed 1 February 2022)

RaeAnn is a renowned industry expert in healthcare innovation and transformation, product strategy, partnership development, and risk adjustment and quality. With more than 25 years of experience in executive roles at an array of organisations, including commercial and government health plans as well as medical groups, integrated hospital systems, start-ups, and physician hospital organizations. Most recently, RaeAnn was President of Medicare Advantage/COO of Bright Health Plan, managing a multi-state Medicare Advantage plan. Prior to that RaeAnn held C-suite roles at various healthcare technology and consulting firms for nearly two decades, including extensive time with Gorman Health Group, which the premier consulting firm for government-sponsored healthcare programs.

Anthony Tassone
Non-Executive Director

B. Pharm (Hon), GAICD

Director since 2022 (appointed 27 July 2022)

Anthony is a community pharmacist and has been a proprietor of community pharmacies since 2006 in outer south eastern Melbourne. He has been the Victorian Branch President of the Pharmacy Guild of Australia since 2013.

Over the past decade, Anthony has served on a range of advisory boards for multinational pharmaceutical companies and had advisory roles with State and Federal governments.

In 2021, Anthony was appointed the National Vice President of Health Economics and Policy for the Pharmacy Guild of Australia.

Lucas Merrow
Non-Executive Director

MBA, BSc

Director since 2021 (appointed 10 August 2021)

Lucas co-founded and served as the Chief Executive Officer of Eliza Corporation – the leader in health engagement management and patient communications. Eliza Corporation was later successfully acquired. Prior to the founding of Eliza Corporation, Lucas co-founded and served as the Chief Operating Officer of Adheris Health, a leading firm in prescription adherence and patient education programs in the United States. MedAdvisor acquired Adheris Health in November 2020.

Jim Xenos
Non-Executive Director

BSc, DipEd, AFAIM, GAICD

Chair of People, Remuneration and Nominations Committee

Member of Audit and Risk Committee

Director since 2015

Jim is currently the Chief Executive Officer of NostraData Pty Limited, which he co-founded in 2010. Prior to co-founding NostraData, Jim held several Associate Director positions with GlaxoSmithKline PLC. Jim was also the Head of Retail at Sigma Healthcare Limited for Herron Pharmaceuticals.

Management Team

Annabelle Grant
Interim Chief Financial Officer

B. Com, CA

Annabelle was appointed Interim CFO in July 2022. She joined the organisation in June 2020 as Financial Controller. She is currently responsible for the global management of the MedAdvisor finance team.

Annabelle is a Chartered Accountant with over 15 years' experience in senior financial leadership roles in the energy and technology industries in Australia and the United Kingdom. Prior to joining MedAdvisor, Annabelle was the CFO at SIMEC Energy Australia and also held a number of senior finance roles over her 8 years at Origin Energy (ASX:ORG), leading numerous large teams, including Commercial Manager for IT.

Annabelle holds a Bachelor of Commerce from The University of Queensland and is a member of the Chartered Accountants of Australia and New Zealand.

Ruba El Afifi
Chief Operating Officer

Executive MBA, B. Bus

Ruba was appointed Chief Operating Officer in June 2021. She joined the organisation in September 2018 as the General Manager of People and Culture. She oversees the Product, Technology and People & Culture teams and the Project Management Office.

Prior to joining MedAdvisor, Ruba held over 20 years of experience across mid to large-scale organisations in the Information Technology, Finance and Professional Services sectors. This included serving as the General Manager of Human Resources of Aconex Limited, focusing on developing and delivering the Aconex Global Human Resource strategy and management.

Ruba holds an Executive Master of Business Administration from the Royal Melbourne Institute of Technology (RMIT) and a Bachelor of Business from Queensland University of Technology.

Wayne Marinoff
Executive General Manager ANZ – Sales & Marketing

B. Bus, Grad. Dip. Accounting

Wayne is the Executive General Manager of Sales and Marketing at MedAdvisor, joining the organisation in June 2021. Wayne oversees the successful implementation of revenue and marketing activities across Australia and the United Kingdom, focusing on growing the health programs in both markets.

Prior to joining MedAdvisor, Wayne worked in senior commercial positions for almost 30 years in the pharmaceutical industry for large Australian and multinational companies, such as Arrow Pharmaceuticals Pty Limited, Aspen Pharmacare Holdings Limited, Sigma Healthcare Limited and Eli Lilly and Company.

Wayne holds a Bachelor of Business majoring in Marketing from the University of South Australia and has undertaken postgraduate business studies in Accounting and Finance.

Jim Rotsart
Executive Vice President US, Client Relations

B. Pharm

Jim was part of the founding team that launched Adheris Health and was appointed the Executive Vice President of Adheris in March 1994.

Jim is a veteran of the retail pharmacy industry and was previously Divisional Merchandise Manager of Pharmaceuticals at CVS Pharmacy Inc. Jim was also Vice President of Pharmacy Operations at Brooks Drug and Senior Vice President of Pharmacy Operations at Revco Discount Drug Stores.

Jim holds a Bachelor of Pharmacy from the Massachusetts College of Pharmacy and Health Sciences.

Naomi Lawrie
General Counsel and Company Secretary
LLB (Hons), B. Com (Hons)

Naomi was appointed General Counsel and Company Secretary of MedAdvisor in August 2020. She manages and oversees legal, compliance and company secretarial matters.

Prior to joining MedAdvisor, Naomi held over 20 years of legal experience, including being appointed Partner at Corrs Chambers Westgarth in 2007. She has expertise in corporate and commercial law and has consulted for companies in various industries, including health and technology.

Naomi holds a Bachelor of Laws and a Bachelor of Commerce from The University of Melbourne.

Craig Schnuriger
Acting Chief Technology Officer
B. Bus Systems

Craig was appointed Acting Chief Technology Officer in March 2020.

Prior to this, Craig was the Head of Engineering. During his 10 years at MedAdvisor, Craig has led the technical team as it helps patients within Australia and around the world.

His experience before MedAdvisor heavily revolved around the pharmacy and insurance industry in Australia and the United States.

Craig holds a Bachelor of Business Systems from Monash University.

Directors' Report

The Directors present their report with the Consolidated Financial Report of MedAdvisor Limited and its controlled entities (the **Group**) for the year ended 30 June 2022.

Directors

The names of the Directors of MedAdvisor during or since the end of the financial year were:

Linda Jenkinson	Non-Executive Chair (appointed 28 February 2022)
Chris Ridd	Non-Executive Chair (resigned 28 February 2022)
Rick Ratliff	Executive Director/Chief Executive Officer (appointed 18 July 2022)
Robert Read	Executive Director
Joshua Swinnerton	Executive Director/Founder (resigned 27 July 2022)
Peter Bennetto	Non-Executive Director (resigned 26 November 2021)
RaeAnn Grossman	Non-Executive Director (appointed 1 February 2022)
Sandra Hook	Non-Executive Director
Lucas Merrow	Non-Executive Director (appointed 10 August 2021)
Anthony Tassone	Non-Executive Director (appointed 27 July 2022)
Jim Xenos	Non-Executive Director

The above named Directors held office during the whole of the financial year and since the end of the financial year unless otherwise stated above.

The Company Secretary during the financial year was Naomi Lawrie.

Information on the Directors, the Company Secretary and the executive team can be found on pages 16 to 19 and forms part of this report.

As at the date of this report, MedAdvisor has the following committees of the Board:

- Audit and Risk; and
- People, Remuneration and Nominations

Details of members of the committees of the Board during the financial year are included below and on pages 16 to 17 of the Annual Report.

Meetings of Directors

The number of Directors' meetings, including meetings of the committees, held during the financial year ended 30 June 2022, and numbers of meetings attended by each of the Directors were as follows:

			Meetings of committees			
	Full meetings of Directors		Audit and Risk		People, Remuneration and Nominations	
	Held[1]	Attended	Held[1]	Attended	Held[1]	Attended
Linda Jenkinson	3	3	–	-	–	-
Chris Ridd	10	10	5	4	2	2
Robert Read	13	13	6	6	3	3
Josh Swinnerton	13	11	–	–	–	–
Peter Bennetto	8	8	4	4	2	2
RaeAnn Grossman	4	4	-	-	-	-
Sandra Hook	13	13	6	6	3	3
Lucas Merrow	10	10	-	-	-	-
Jim Xenos	13	13	6	6	3	3

1. Indicates the number of meetings held which the Director was eligible to attend following their appointment or up to their retirement. Anthony Tassone was appointed subsequent to the end of financial year.

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 technology and enhancing medication adherence through health programs.

Operating results

During the financial year, the Group reported a comprehensive loss of $15,467,273 (2021: comprehensive loss of $15,444,523). Operating revenue totalled $67,750,061, growing 75% on the prior financial year (2021: $38,772,576).

Dividends

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

Review of operations

Please refer to the Business Update and Management Commentary sections of this annual report on pages 14 to 15 for the following information in respect of the Group (which forms part of this Directors' Report):

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

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

Financial position

The Group has $7,578,638 in cash plus $115,757 in cash on deposit as security, bringing a total cash balance of $7,694,395 as of 30 June 2022 following a net cash increase of $427,773 for the financial year.

The net assets of the Group at 30 June 2022 were $34,545,228, a decrease in net assets of $14,299,922 from 30 June 2021.

Significant changes in the state of affairs

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

Proceedings on behalf of the Company

No person has applied for leave of Court under section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings in the financial year.

Matters subsequent to the end of the financial year

The following events and transactions occurred subsequent to 30 June 2022, and before the date of this report:

Directors' Report

Continued

1. GuildLink Acquisition

On 27 July 2022, MedAdvisor International Pty Ltd (**MedAdvisor**), a wholly-owned subsidiary of MedAdvisor Limited, acquired 100% of the ordinary shares in GuildLink Pty Ltd (**GuildLink**) from Guild Group Holdings Limited (**Guild Group**), a 100% owned entity of The Pharmacy Guild of Australia (**PGA**).

The acquisition of GuildLink was funded by MedAdvisor via the issue of 57,118,490 fully paid ordinary shares in the Company to Guild Group (**Consideration Shares**), which represented approximately 13% of the Company's issued share capital immediately after the issue. The Consideration Shares had an issue price of $0.16 per share and an aggregate value of $9.14 million. The acquisition price represents a multiple of ~1.3 times GuildLink's revenue for the financial year ending 30 June 2022. The Consideration Shares were issued under MedAdvisor's Listing Rule 7.1 placement capacity. Upon the placement, Guild Group became the largest shareholder in MedAdvisor and nominated Anthony Tassone to the Board. The acquisition of GuildLink enables MedAdvisor to provide a consolidated platform that removes duplication and increases efficiencies for Australian pharmacies, and enhances their ability to provide integrated bookings, clinical services, vaccinations and medication management for their patients.

In conjunction with the acquisition, MedAdvisor, GuildLink and PGA entered into a Master Services Agreement for 10 years (with PGA having the right to extend for up to a further eight years) under which the parties will work together in respect of proposals within the other parties' core fields of expertise. The first program under this arrangement involves the ongoing provision of de-identified information to PGA for community pharmacies that opt-in to the program to assist PGA with health economics modelling and advocacy on behalf of its members and the pharmacy profession generally. This program involves a "fee free" period for the initial two years, with a right for PGA to end the program on 12 months' notice. The agreed annual fee for the provision of the service after the initial two years is $400,000. The "fee free" period is considered to be deferred consideration and accordingly the net present value will be included in the acquisition consideration and deferred revenue. This will be unwound over the period and recognised as revenue over that time.

Details of the acquisition are as follows:

	Provisional Fair Value $
Fair Value of consideration at acquisition date:	
Consideration shares issued to Guild Group:	
57,118,490 shares @ $0.16/share	9,138,958
Deferred consideration – net present value	733,357
	9,872,315
Recognised amounts of identifiable assets and liabilities	
Cash	1,546,386
Trade and other receivables	523,320
Prepayments and other current assets	453,213
Fixed assets	68,435
Trade and other payables	(38,697)
Employee benefits	(515,123)
Deferred revenue	(1,815,770)
Net assets acquired:	**221,764**
Goodwill – provisional:	**9,650,552**
Cash used to acquire business:	
Acquisition costs expensed to profit or loss at the date of this report	**297,421**

2. Equity Raising

In conjunction with the GuildLink acquisition, on 25 July 2022 the Company announced it would undertake a 1:4.2 accelerated non-renounceable entitlement offer (**ANREO**) to raise capital up to approximately $14.6 million.

The funds raised are intended to support the acceleration of growth initiatives in Australia, cover the costs of the acquisition, the ANREO and integration of GuildLink, support growth opportunities in the US, the final Syneos earn-out payment and provide general working capital for the Group.

The ANREO consisted of two components:

- Institutional Entitlement Offer: the Group successfully completed the institutional component of the ANREO on 27 July 2022, raising gross $10.2 million.
- Retail Entitlement Offer: the Group successfully completed the retail component of the ANREO on 22 August 2022, raising gross $4.4 million.

A total of 104,262,450 new Shares were issued under the ANREO.

3. Variation to PFG Line of Credit

As part of the approval process for the GuildLink acquisition, MedAdvisor also agreed to renegotiate the terms of its existing revolving line of credit facility (**Line of Credit**) with Partners For Growth VI, LP (**PFG**), announced to the market on 28 May 2021. Under the revised terms, the Line of Credit will be reduced from USD $4 million to USD $3.5 million. MedAdvisor has agreed:

- to borrow at least USD $2.5 million on the Line of Credit (**Minimum Usage Amount**) at all times or otherwise pay interest on the Minimum Usage Amount, applicable to the last 24 months of the Line of Credit;
- to a 3.0% per annum fee on any portion of the Line of Credit which is unused, applicable to the last 24 months of the Line of Credit, quarterly in arrears; and
- to a restructuring fee of USD $0.27 million, part payable at closing of the GuildLink acquisition and the balance at maturity.
- PFG will also take security over GuildLink on completion of the GuildLink acquisition.

At the reporting date MedAdvisor had drawn down USD $2.8 million of the Line of Credit which has been disclosed as a Current Liability at reporting date. Under the new agreement, at the date of this report, USD $0.3 million is now a Current Liability and USD $2.5 million is a Non-Current Liability (as the Minimum Usage Amount will be drawn down for the remainder of the facility terms i.e. to May 2024).

Apart from the above, no matters or circumstances have arisen since the end of financial year that have 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 financial years.

Directors' Report

Continued

Unissued ordinary shares or interests under option

Details of unissued ordinary shares or interests under option as at the date of this report are:

Unlisted ordinary shares under option

Class (ASX code)	Grant date	Expiry date	Exercise price	# of Options
MDRAI	15-Apr-16	14-Apr-31	$0.00	23,807
MDRAI	15-Dec-16	14-Dec-31	$0.00	91,425
MDRAI	27-Oct-17	28-Oct-32	$0.00	178,081
MDRAI	19-Dec-17	19-Dec-32	$0.00	35,712
MDRAI	12-Apr-18	12-Apr-33	$0.00	8,571
MDRAI	24-Sep-18	24-Sep-33	$0.00	168,555
MDRAI	10-Jan-19	10-Jan-34	$0.00	14,284
MDRAI	25-Aug-19	25-Aug-34	$0.00	8,571
MDRAI	23-Dec-19	8-Dec-34	$0.00	645,712
MDRAI	23-Dec-19	8-Dec-34	$0.28	71,428
MDRAI	23-Dec-19	8-Dec-34	$0.49	214,284
MDRAI	23-Dec-19	8-Dec-34	$0.56	714,285
MDRAI	23-Dec-19	8-Dec-34	$0.63	428,571
MDRAI	23-Dec-19	8-Dec-34	$0.84	428,572
MDRAI	28-Apr-20	26-Apr-35	$0.00	80,708
MDRAI	28-Apr-20	26-Apr-35	$0.35	28,571
MDRAI	27-Jul-20	13-Jul-35	$0.00	80,655
MDRAI	17-Nov-20	17-Nov-35	$0.00	14,285
MDRAI	18-Dec-20	8-Dec-30	$0.38	27,940
MDRAQ	21-Dec-20	30-Oct-23	$0.60	750,000
MDRAR	21-Dec-20	30-Oct-24	$0.675	750,000
MDRAP	21-Dec-20	30-Oct-29	$0.70	3,862,500
MDRAU	7-Apr-21	24-Mar-36	$0.40	150,000
MDRAV	7-Apr-21	24-Mar-36	$0.60	1,250,000
MDRAW	7-Apr-21	24-Mar-36	$0.70	540,000
MDRAX	7-Apr-21	24-Mar-36	$1.00	75,000
MDRAAC	7-Apr-21	24-Mar-36	$0.00	233,422
MDRAT	7-Apr-21	24-Mar-31	$0.00	42,778
MDRAY	28-May-21	28-May-28	$0.40	659,091
MDRAZ	28-May-21	28-May-28	$0.43	608,392
MDRAAA	28-May-21	28-May-28	$0.50	1,054,545
MDRAAB	28-May-21	28-May-28	$0.58	1,205,195
MDRAI	15-Jun-21	25-May-36	$0.00	45,000
MDRAI	7-Jul-21	6-Jul-36	$0.00	500,000
MDRAAD	7-Jul-21	6-Jul-36	$0.60	200,000
MDRAAE	7-Jul-21	6-Jul-36	$0.70	200,000
MDRAAF	7-Jul-21	6-Jul-36	$0.80	200,000
MDRAI	23-Sep-21	26-Aug-36	$0.00	40,000
MDRAAG	23-Sep-21	26-Jul-36	$0.30	300,000
MDRAI	18-Nov-21	28-Oct-24	$0.00	603,017
MDRAI	18-Nov-21	31-Dec-24	$0.00	180,000
MDRAAH	18-Nov-21	31-Dec-24	$0.30	1,785,713
MDRAI	26-Nov-21	30-Oct-24	$0.40	750,000
MDRAI	26-Nov-21	31-Dec-24	$0.30	1,500,000
MDRAI	27-Jul-22	26-Jul-25	$0.00	200,000
Total				**20,843,406**

Shares issued on exercise of options

2,379,405 ordinary shares were issued during or since the end of the financial year as the result of the exercise of options (2021: 1,705,860 ordinary shares). 2,014,285 ordinary shares were issued during or since the end of the financial year as the result of the exercise of performance rights (2021: nil).

Remuneration Report

1. Introduction

The Directors of MedAdvisor present the Remuneration Report for the Group for the year ended 30 June 2022. This Remuneration Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001*.

The Remuneration Report details the remuneration arrangements for the Group's Key Management Personnel (**KMP**) identified in the table below:

Name	Title	Independent	Term
Non-Executive Directors			
Linda Jenkinson	Chair	Y	Appointed 28 February 2022
Chris Ridd	Chair	Y	Resigned 28 February 2022
Peter Bennetto	Director	Y	Resigned 26 November 2021
RaeAnn Grossman	Director	N	Appointed 1 February 2022
Sandra Hook	Director	Y	Full financial year
Lucas Merrow	Director	Y	Appointed 10 August 2021
Jim Xenos	Director	N	Full financial year
Executive Directors			
Robert Read	Chief Executive Officer (CEO)		Full financial year
Joshua Swinnerton	Director		Full financial year
Other Key Executives			
Simon Glover	Chief Financial Officer (CFO)		Full financial year
Ruba El Afifi	Chief Operating Officer (COO)		Full financial year
John Ciccio	CEO – Adheris		Full financial year

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

References in the Remuneration Report to Executives only refer to 'Executive Directors' and 'Other Key Executives' identified above.

The following changes to KMP occurred after the reporting date and before the date of the financial report being authorised for issue:

- Appointment of Rick Ratliff as Chief Executive Officer and Managing Director on 18 July 2022.
- Resignation of Robert Read as Chief Executive Officer and Managing Director on 15 July 2022. Robert Read continues his tenure at MedAdvisor as an Executive Director.
- Appointment of Anthony Tassone as a Non-Executive Director on 27 July 2022.
- Resignation of Joshua Swinnerton as an Executive Director on 27 July 2022. Joshua Swinnerton continues his tenure at MedAdvisor as an executive employee.
- Resignation of Simon Glover as Chief Financial Officer on 15 July 2022.
- Announcement of appointment of Ancila Desai as Chief Financial Officer, effective 17 October 2022.
- Resignation of John Ciccio as CEO – Adheris on 18 July 2022.

This Remuneration Report is presented in the Company's functional currency of AUD.

2. Overview of Executive remuneration

(a) Remuneration principles

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

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

(b) Remuneration governance

The Board is responsible for:

- defining MedAdvisor's remuneration strategy; and
- determining the structure and quantum of remuneration for the CEO and other executives that support and drive the achievement of MedAdvisor's strategic objectives.

The Board has an overarching discretion with respect to the awards given under incentive plans and can adjust proposed incentive or vesting outcomes, subject to the applicable rules governing each incentive plan.

The People, Remuneration and Nominations Committee (**PRNC**) operates independently from management and may at its discretion appoint external advisors or instruct management to prepare and provide information as an input to its decision-making process.

Given the Company's stage of development, the Company may consider it appropriate to use equity-based remuneration in lieu of cash to preserve capital and to retain and incentivise key executives and Directors. The Company will disclose terms and valuations of all equity awards and provide a cogent explanation where the approach is different from those of more established companies.

Management provides information relevant to remuneration decisions and makes recommendations to the PRNC.

During the year, the Committee reappointed AON Advisory Australia Pty Ltd to provide remuneration advisory services. Such services were provided to the Committee free from any undue influence by management.

(c) Remuneration structure and framework

The Board recognises the need for a remuneration framework that will strike an appropriate balance between the need to attract and retain high calibre candidates from within this highly competitive market while still meeting the market and governance expectations of an ASX-listed company.

The remuneration structure applicable to the Australian based Key Management Personnel named in this Remuneration Report consists of fixed and variable at-risk remuneration in the form of short and long-term incentive opportunities.

The table below details the structure.

Remuneration component	Purpose
Fixed Remuneration	Fixed remuneration includes base salary, superannuation contributions and other ordinarily paid benefits, allowances, and any applicable fringe benefits tax (**FBT**). Set in consideration of the total overall remuneration package and the desired mix of fixed and 'at risk' remuneration. Positioning of the remuneration for each executive, MedAdvisor will be guided by independent market remuneration analysis comprising similar sized companies, in similar industries operating in similar jurisdictions. Other factors that will be considered include the individual's responsibilities, performance, qualifications, experience, and location as well as the strategic imperatives of the Company.

Remuneration Report

Continued

Remuneration component	Purpose
Short-term incentives (STIs)	MedAdvisor performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the Company values. The performance measures are set annually after consultation with the Directors and executives and are specifically tailored to the areas where each executive has a level of control. The Key Performance Indicators (**KPIs**) for the executive team are aligned with the Group's short-term objectives and overall strategy. Performance areas include: • Financial – revenues and operating results; and • Non-financial – strategic and individual goals set for each executive having regard to their overall accountability and scope of influence. STI awards are determined annually and may be delivered in cash and or equity subject to each participant achieving agreed Company and individual KPIs for the year. The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.
Long-term incentives (LTIs)	Long-term incentives ensure alignment of shareholder interests with executive interests by facilitating the meaningful accumulation of MedAdvisor shares upon successful achievement of pre-determined long-term business goals. The LTI is also expected to drive an ownership mentality in addition to providing a retention element to MedAdvisor's remuneration structure. Consistent with prevalent market practice for similar size technology companies at similar stage of development, LTI awards have, to date, been delivered through options and premium price options. Options granted to employees under the MedAdvisor Long Term Incentive Plan (the **Plan**) vest subject to the service period and performance milestone conditions in accordance with the approved plan rules. Except where the Board makes a determination otherwise in accordance with the Plan rules, unvested options will lapse one month after the termination of the individual's employment or immediately if a relevant vesting condition is not met. Except where the exercise period has been abridged (including by the terms of issue of the options), vested options can be exercised at any time from the date of vesting until their designated expiry date. The LTI grants to executive KMP during FY22 included: • CEO (Robert Read) FY22 options – An award of 1.5 million options was approved at the 2021 AGM. These are described in Section 5(a) – CEO Equity Awards. • COO (Ruba El Afifi) FY22 options – An award of 1,074,999 options. • CFO (Simon Glover) FY22 options – An award of 500,000 options. • CEO – Adheris (John Ciccio) CY21 option – Awards of 750,000 options. The options awarded to the COO, CFO and CEO – Adheris are described in Section 5(b) – Other Executive LTI Awards.

3. Statutory remuneration table

The amounts shown in this table are prepared in accordance with AASB 124 *Related party disclosures* and do not represent actual cash payment received by executives for the year ended 30 June 2022. Amounts shown under Share-Based Awards reflect the accounting expense recorded during the year with respect to prior year awards that have or are yet to vest.

2022	Cash Salary & Fees $	Cash Bonus[2] $	Super-annuation $	Value of Share-Based Awards in 2022 Financial Year[1] $	Value of Share-Based Awards from prior Financial Years[1] $	Total $
Executive Directors						
R Read	312,394	–	23,568	31,118	69,704	436,784
J Swinnerton	212,471	–	11,648	–	–	224,119
Non-Executive Directors						
L Jenkinson	52,364	–	–	–	–	52,364
C Ridd	74,386	–	7,439	–	–	81,825
S Hook	45,000	–	4,500	–	–	49,500
J Xenos	49,275	–	–	–	–	49,275
R Grossman[3]	–	–	–	–	–	–
L Merrow	38,368	–	–	113,788	–	152,156
P Bennetto	18,750	–	1,875	–	–	20,625
Other Key Management Personnel						
S Glover	272,335	–	23,498	78,000	5,087	378,920
R El Afifi	236,567	–	23,248	132,569	10,853	403,237
J Ciccio	459,162	137,779	41,138	182,222	108,758	929,058
	1,771,074	**137,779**	**136,914**	**548,549**	**183,549**	**2,777,864**

1. Share-based entitlements have been measured at fair value on grant date determined in accordance with the Binomial or Black-Scholes option pricing model.
2. Cash bonuses are dependent on satisfying established performance measures determined by the People, Remuneration and Nominations Committee.
3. RaeAnn Grossman is a nominee Director who does not receive any fees or equity in her capacity as a Director.

Remuneration Report

Continued

2021	Cash Salary & Fees $	Cash Bonus[2] $	Super-annuation $	Value of Share-Based Awards in 2022 Financial Year[1] $	Value of Share-Based Awards from prior Financial Years[1] $	Total $
Executive Directors						
R Read	293,910	53,906	21,694	369,767	–	739,276
J Swinnerton	324,272	–	3,149	–	–	327,421
Non-Executive Directors						
C Ridd	128,222	–	12,153	230,240	–	370,615
S Hook	45,000	–	4,275	–	–	49,275
J Xenos	49,275	–	–	–	–	49,275
P Bennetto	45,000	–	4,275	–	–	49,275
Other Key Management Personnel						
S Glover	228,307	–	21,689	46,996	117,607	414,599
J Ciccio	287,377	–	–	100,115	–	387,492
	1,401,363	**53,906**	**67,235**	**747,118**	**117,607**	**2,387,228**

1. Share-based entitlements have been measured at fair value on grant date determined in accordance with the Binomial or Black-Scholes option pricing model.
2. Cash bonuses are dependent on satisfying established performance measures determined by the People, Remuneration and Nominations Committee.

Remuneration linked to performance

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

	Fixed Remuneration		At Risk – STI		At Risk – LTI	
	2022	2021	2022	2021	2022	2021
Executive Directors						
R Read	77%	43%	0%	7%	23%	50%
J Swinnerton	100%	100%	0%	0%	0%	0%
Non-Executive Directors						
L Jenkinson	100%	n/a	0%	n/a	0%	n/a
C Ridd	100%	38%	0%	0%	0%	62%
S Hook	100%	100%	0%	0%	0%	0%
J Xenos	100%	100%	0%	0%	0%	0%
R Grossman	n/a	n/a	n/a	n/a	n/a	n/a
L Merrow	25%	n/a	0%	n/a	75%	n/a
P Bennetto	100%	100%	0%	0%	0%	0%
Other Key Management Personnel						
S Glover	78%	60%	0%	0%	22%	40%
R El Afifi	64%	n/a	0%	n/a	36%	n/a
J Ciccio	54%	74%	15%	0%	31%	26%

4. Service Agreements

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

Name	Base salary	Term of agreement	Notice period
Directors			
R Ratliff	USD $475,000	Undefined	3 months
R Read	$322,037	Undefined	9 months
J Swinnerton	$85,455	Undefined	9 months
Other Key Management Personnel			
S Glover	$276,432	Undefined	Ceased 14 July 2022
R El Afifi	$247,698	Undefined	3 months
J Ciccio	USD $327,000	Undefined	To cease on 9 September 2022

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

5. KMP Equity awards

(a) CEO Equity awards

(i) 2021 STI Option Award

At the 2021 AGM, shareholders approved the Company to issue 1,500,000 options exercisable at $0.30 per option to the CEO (Robert Read).

The terms and vesting conditions of this award are as follows:

What was awarded?	The CEO was granted a total of 1,500,000 employee incentive options (**STI Options**). Each option gives the right to acquire an ordinary share upon payment of a pre-determined exercise price if performance conditions have been met.
What are the vesting conditions?	The CEO was granted a total of 1,500,000 STI Options. These were issued in 3 tranches as follows: • Tranche 1 – 250,000 options vesting if the 30-day volume-weighted average price (**VWAP**) of an ordinary share in MedAdvisor is $0.60 at any stage before 31 December 2022; • Tranche 2 – 500,000 options vesting if the 30-day VWAP of an ordinary share in MedAdvisor is $0.80 at any stage before 31 December 2022; • Tranche 3 – 750,000 options vesting if the 30-day VWAP of an ordinary share in MedAdvisor is $1.00 at any stage before 31 December 2022. The options that vest may be exercised at any time from the date of vesting until the expiry of the options.
Exercise price	Each CEO STI Option has an exercise price of $0.30.
Expiry date	The CEO STI Options all have an expiry date of 31 December 2024 but will lapse immediately if a relevant vesting condition is not met.

Remuneration Report

Continued

Termination	All unvested options will lapse upon the date the CEO ceases to be an employee of the Company. In the event of death, permanent disablement, retirement, redundancy, or other circumstances that result in the CEO leaving the employment of the Company and that the Board determines is a Good Leaver Event, the Board may determine that the vesting conditions applicable to some or all of the unvested options will be assessed as at a date determined by the Board or are waived and/or that some or all or a pro-rata number of options do not lapse. All vested and unexercised vested options must be exercised within 60 days after the date the CEO ceases to be an employee of the Company or they will lapse.
Fraud or misconduct	The Board may determine that some or all of the options will lapse in circumstances such as fraud, defalcation or gross misconduct.

(ii) Other outstanding CEO Equity awards – unvested and vested and unexercised

At the 2020 AGM held on 21 December 2020, shareholders approved the issue of 750,000 FY21 STI options, 750,000 FY22 STI option, 750,000 FY23 STI options and 2.25 million long-term incentive (**LTI**) employee incentive options to Robert Read, each with an exercise price of $0.70 per option. The terms and vesting conditions of these options were set out in the 2021 Annual Report of the Company. Of these options:

- 637,500 of the FY21 STI options had lapsed as at the date of this report;
- 225,000 of the FY21 STI options had vested and remained unexercised as at the date of this report;
- 375,000 of the LTI options had vested and remained unexercised as at the date of this report; and
- the remainder remained unvested as at the date of this report.

Performance Rights were Issued to Robert Read under his employment agreement dated 1 July 2015. The remaining 2,014,283 unexercised Performance Rights at 30 June 2021 were exercised during the financial year.

(b) Other Executive LTI awards

CFO Equity awards

Simon Glover was granted 500,000 options on 18 November 2021 by the Board. The options issued were as follows:

- 200,000 options with a nil exercise and vesting on achieving predetermined financial and company performance criteria. These options were exercised as at the date of this report.
- 150,000 options with an exercise price of $0.30 per option, vesting should the 30-day VWAP of an ordinary share in MedAdvisor reach $0.50 at any stage on or before 31 December 2023. These options remained unvested as at the date of this report.
- 150,000 options with an exercise price of $0.30 per option, vesting should the 30-day VWAP of an ordinary share in MedAdvisor reach $0.50 at any stage on or before 31 December 2024. These options remained unvested as at the date of this report.

COO Equity awards

Ruba El Afifi was granted 1,074,999 options on 18 November 2021 by the Board. The options issued were as follows:

- 217,857 options with a nil exercise price vesting on 18 November 2021. These options were exercised as at the date of this report.
- 142,857 options with a nil exercise price and vesting on achieving predetermined Individual and company performance criteria for FY22. These options remained unvested as at the date of this report.
- 714,285 options with an exercise price of $0.30 per option, vesting should the 30-day VWAP of an ordinary share in MedAdvisor reach $0.60 at any stage on or before 31 December 2022. These options remained unvested as at the date of this report.

CEO Adheris Equity awards

John Ciccio was granted 300,000 options on 23 September 2021 and 450,000 options on 18 November 2021 by the Board. The options issued were as follows:

- 300,000 options with an exercise price of $0.30 per option, vesting should MedAdvisor US achieve sales of at least USD $33.5 million In CY21. These options vested on 31 December 2021 and remained unexercised as at the date of this report.
- 200,000 options with a nil exercise price, vesting should MedAdvisor US achieve sales of at least USD $35.5 million in CY21. These options vested on 31 December 2021 and were exercised as at the date of this report.
- 250,000 options with a nil exercise price, vesting should MedAdvisor US achieve sales of at least USD $39.0 million in CY21. These options vested on 31 December 2021 and were exercised as at the date of this report.

6. Non-Executive Director remuneration

The remuneration of Non-Executive Directors (**NEDs**) is set by reference to payments made by other companies of similar size and industry, and by reference to the Director's skills and experience, as well as the time commitment expected of Directors.

Currently the NEDs are paid a single composite fee and do not receive additional fees for their involvement on Board committees, either as Chair of members of those committees.

Given the Company's stage of development, the Company may consider it appropriate to issue unlisted options to Non-Executive Directors, subject to obtaining shareholder approval.

Base fees	
Non-Executive Chair (Linda Jenkinson)	$200,000 plus options subject to shareholder approval at 2022 AGM
Non-Executive Chair (Chris Ridd)	$127,922 plus options granted on appointment
Independent Non-Executive Directors	$49,275 plus options granted on appointment/reappointment

During FY22 and following approval at the 2021 AGM, a total of 750,000 options exercisable at $0.40 on or before 30 October 2024 were issued to Non-Executive Director Lucas Merrow. Options not exercised by the specified date will lapse on the expiry date.

No other options or equity awards were granted to NEDs during FY22 (FY21: 1,500,000 options were Issued to the former-Chair Chris Ridd).

All other Directors' unvested and vested and unexercised option holdings are fully disclosed in Section 7.

Directors are permitted to be paid additional fees for special duties and time commitments above and beyond their ongoing Board obligations.

Directors are entitled to be reimbursed for all business-related expenses, including travel expenses incurred performing their duties.

There is no minimum shareholding requirement for Directors.

Remuneration Report

Continued

7. Additional statutory disclosures

(a) Options held by Directors and Key Management Personnel

The number of options and rights to acquire shares in the Company held during the reporting period by each of the Directors and Key Management Personnel of the Group including their related parties are set out below.

2022	Balance at start of the reporting period	Granted as remuneration	Exercised/ Lapsed	Vested and exercisable at end of the reporting period	Un-exercisable at end of the reporting period
Executive Directors					
R Read	7,049,996	1,500,000	3,187,496	862,500	4,500,000
Non-Executive Directors					
C Ridd	1,500,000	–	–	1,500,000	–
S Hook	714,285	–	–	714,285	–
L Merrow	–	750,000	–	750,000	–
Other Key Management Personnel					
S Glover	607,142	500,000	29,762	291,666	785,714
R El Afifi	125,000	1,074,999	342,857	–	857,142
J Ciccio	2,000,000	750,000	200,000	1,650,000	900,000

2021	Balance at start of the reporting period	Granted as remuneration	Exercised/ Lapsed	Vested and exercisable at end of the reporting period	Un-exercisable at end of the reporting period
Executive Directors					
R Read	3,192,852	4,500,000	642,856	2,549,996	4,500,000
Non-Executive Directors					
C Ridd	–	1,500,000	–	1,500,000	–
S Hook	714,285	–	–	714,285	–
Other Key Management Personnel					
S Glover	607,142	178,571	178,571	142,857	464,285
J Ciccio	–	2,000,000	–	150,000	1,850,000

(b) Ordinary shares held by Directors and Key Management Personnel

The number of ordinary shares in the Company held during the reporting period by each of the Directors and Key Management Personnel of the Group including their related parties are set out below.

2022	Balance at start of the reporting period	Granted as remuneration	Received or Exercised	Other changes	Held at end of the reporting period
Executive Directors					
R Read	2,864,285	–	2,549,996	–	5,414,281
J Swinnerton	15,535,259	–	–	–	15,535,259
Non-Executive Directors					
C Ridd	184,210	–	–	(184,210)[1]	–
S Hook	249,999	–	–	–	249,999
J Xenos	20,583,723	–	–	(6,846,955)	13,736,768
L Merrow	940,290	–	–	–	940,290
Other Key Management Personnel					
S Glover	178,571	–	–	–	178,571
R El Afifi	547,618	–	342,857	(547,618)	342,857

1. C Ridd 'Other changes' represents 184,210 ordinary shares held at resignation date.

2021	Balance at start of the reporting period	Granted as remuneration	Received or Exercised	Other changes	Held at end of the reporting period
Executive Directors					
R Read	2,594,285	–	200,000	70,000	2,864,285
J Swinnerton	15,008,943	–	–	526,316	15,535,259
Non-Executive Directors					
C Ridd	–	–	–	184,210	184,210
P Bennetto	1,748,665	–	–	(58,273)	1,690,392
S Hook	178,571	–	–	71,428	249,999
J Xenos	20,583,723	–	–	–	20,583,723
Other Key Management Personnel					
S Glover	–	–	178,571	–	178,571

(c) Other transactions with Directors and Key Management Personnel

During the financial year, the Group used the services of NostraData Pty Ltd of which Jim Xenos is a Director and has significant influence. The amounts billed relate to the provision of data services by NostraData Pty Ltd and amounted to $149,300 (2021: $141,173).

Remuneration Report

Continued

8. Additional information

The earnings of the Group over the last 5 financial years are summarised below:

	2022 $	2021 $	2020 $	2019 $	2018 $
Revenue from services	67,750,061	38,772,576	9,602,646	8,241,993	6,604,762
Other revenue	2,330	1,507,552	1,468,098	951,121	789,829
Total revenue	**67,752,391**	**40,280,128**	**11,070,744**	**9,193,114**	**7,394,590**
Total margin	**34,991,859**	**21,305,948**	**8,381,419**	**7,227,972**	**5,783,128**
EBITDA	(11,286,221)	(13,608,000)	(9,172,683)	(7,842,054)	(4,256,876)
EBIT	(16,186,047)	(16,819,435)	(9,684,907)	(8,101,368)	(4,453,869)
Loss after income tax	(17,488,407)	(14,371,990)	(9,779,590)	(8,101,385)	(4,454,211)
Share Price	$0.170	$0.300	$0.500	$0.357	$0.343

End of audited Remuneration Report.

Directors' Report

Continued

Indemnities given to, and insurance premiums paid for officers

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

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

Indemnities and insurance premiums of auditor

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

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

Non-audit services

During the financial year, the Company's auditor, RSM Australia Partners, provided services in relation to the Group's Corporate Tax return, other general tax advice and provision of a whistle-blower service, valued at $38,074. They did not perform any other services in addition to this and their statutory audit duties.

Details of the amounts paid to RSM Australia Partners and its related practices for audit services provided during the year are set out in Note 27 to the financial statements.

The Directors are satisfied that the provision of non-audit services by RSM Australia Partners during the financial year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are of the opinion that the services as disclosed in Note 27 to the financial statements do not compromise the auditor's independence for the following reasons:

1. all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
2. none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 39 and forms part of this report.

Auditor

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

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

On behalf of the Directors,

Linda Jenkinson
Chair

26 August 2022
Camberwell, VIC

Governance and Disclosures

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance.

As such, the Group has adopted the 4th edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council in February 2019.

The Group's Corporate Governance Statement for the financial year ending 30 June 2022 is dated as at 30 June 2022 and the date of last review and Board approval was 26 August 2022. The Corporate Governance Statement is available on MedAdvisor's website at:

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

Auditor's Independence Declaration

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report MedAdvisor Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Date: 26 August 2022
Melbourne, Victoria

Financial Statements

Consolidated Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2022

	Notes	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
Revenue from continuing operations	5(a)	67,750,061	38,772,576
Direct expenses	6(a)	(32,758,202)	(17,466,629)
Gross margin		**34,991,859**	**21,305,947**
Development costs		(6,151,002)	(4,810,324)
Employee benefits expenses	6(b)	(31,933,880)	(24,151,663)
Directors fees	6(b)	(302,704)	(282,069)
Marketing expenses		(2,657,177)	(2,244,415)
Other expenses		(5,235,647)	(4,933,028)
Other income	5(b)	2,330	1,507,552
Earnings before interest, taxes, depreciation & amortisation		**(11,286,221)**	**(13,608,000)**
Depreciation and amortisation expense	6(c)	(4,899,826)	(3,211,436)
Interest expense	6(d)	(1,542,188)	(407,797)
Loss before income tax		**(17,728,235)**	**(17,227,235)**
Income tax benefit	8	239,828	2,855,245
Loss for the year		**(17,488,407)**	**(14,371,990)**
Other comprehensive income		2,021,134	(1,072,533)
Total comprehensive loss for the year		**(15,467,273)**	**(15,444,523)**
Loss for the year is attributable to:			
Owners of MedAdvisor Limited		(17,346,499)	(13,949,449)
Non-controlling interest		(141,908)	(422,541)
		(17,488,407)	**(14,371,990)**
Total comprehensive loss for the year is attributable to:			
Owners of MedAdvisor Limited		(15,071,048)	(14,975,436)
Non-controlling interest		(396,225)	(469,087)
		(15,467,273)	**(15,444,523)**
Loss per share			
Basic loss per share (cents)	3	(4.63)	(4.54)
Diluted loss per share (cents)	3	(4.63)	(4.54)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Comparative figures are for the full year ended 30 June 2021.

Consolidated Statement of Financial Position

as at 30 June 2022

	Notes	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
Assets			
Current assets			
Cash and cash equivalents	9	7,578,638	7,150,865
Trade and other receivables	10	9,052,309	12,464,259
Other assets	11	1,845,225	1,702,250
Total current assets		**18,476,172**	**21,317,374**
Non-current assets			
Property, plant & equipment	12	1,506,278	2,231,152
Right-of-use assets	13	1,966,695	2,341,328
Intangible assets	14	56,346,352	54,546,789
Other assets	11	143,950	481,695
Total non-current assets		**59,963,275**	**59,600,964**
Total assets		**78,439,447**	**80,918,338**
Liabilities			
Current liabilities			
Trade and other payables	15	16,574,836	10,704,727
Borrowings	16	4,072,816	299,762
Other liabilities	17	11,904,488	9,198,936
Leases	18	1,380,876	1,265,476
Employee benefits	19	1,326,792	1,795,609
Total current liabilities		**35,259,808**	**23,264,510**
Non-current liabilities			
Borrowings	16	7,059,918	6,093,539
Leases	18	900,634	1,502,525
Employee benefits	19	120,525	122,739
Other payables	15	–	357,875
Deferred tax liabilities	8	553,334	732,000
Total non-current liabilities		**8,634,411**	**8,808,678**
Total liabilities		**43,894,219**	**32,073,188**
Net assets		**34,545,228**	**48,845,150**
Equity			
Contributed equity	20	91,807,626	90,992,487
Reserves	21	4,315,265	1,687,602
Retained earnings/(losses)	22	(61,577,663)	(44,231,164)
Equity attributable to the owners of MedAdvisor Limited		**34,545,228**	**48,448,925**
Non-controlling interests	24	–	396,225
Total equity		**34,545,228**	**48,845,150**

The above statement of financial position should be read in conjunction with the accompanying notes.

Comparative figures are for the full year ended 30 June 2021.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2022

	Notes	Attributable to owners of MedAdvisor Ltd. Contributed Equity $	Share Options Reserve $	Foreign Currency Translation Reserve $	Retained Earnings/ (Losses) $	Non-Controlling Interests $	Total Equity $
Consolidated							
Balance at 1 July 2021		**90,992,487**	**2,710,595**	**(1,022,993)**	**(44,231,164)**	**396,225**	**48,845,150**
Transactions with owners in their capacity as owners:							
Ordinary shares issued	20(a)	–	–	–	–	–	–
Capital raising costs (net of GST)	20(a)	(52,500)	–	–	–	–	(52,500)
Share Options issued	21	–	1,219,851	–	–	–	1,219,851
Share Options exercised	20(a), 21	867,639	(867,639)	–	–	–	–
Total comprehensive income for the year:							
Exchange differences on translation of foreign entities	21	–	–	2,275,451	–	(254,317)	2,021,134
Loss after tax		–	–	–	(17,346,499)	(141,908)	(17,488,407)
Balance at 30 June 2022		**91,807,626**	**3,062,807**	**1,252,458**	**(61,577,663)**	**–**	**34,545,228**
Consolidated							
Balance at 1 July 2020		**45,369,891**	**1,570,838**	**3,234**	**(30,281,715)**	**358,361**	**17,020,609**
Transactions with owners in their capacity as owners:							
Ordinary shares issued	20(a)	47,528,469	3,152	–	–	506,951	48,038,572
Capital raising costs (net of GST)	20(a)	(2,444,173)	–	–	–	–	(2,444,173)
Share Options issued	21	–	1,674,665	–	–	–	1,674,665
Share Options exercised	20(a), 21	538,300	(538,300)	–	–	–	–
Total comprehensive income for the year:							
Exchange differences on translation of foreign entities	21	–	240	(1,026,227)	–	(46,546)	(1,072,533)
Loss after tax		–	–	–	(13,949,449)	(422,541)	(14,371,990)
Balance at 30 June 2021		**90,992,487**	**2,710,595**	**(1,022,993)**	**(44,231,164)**	**396,225**	**48,845,150**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Comparative figures are for the full year ended 30 June 2021.

Consolidated Statement of Cash Flows

for the year ended 30 June 2022

	Notes	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		74,862,872	37,957,934
Payments to suppliers and employees (inclusive of GST)		(74,269,618)	(51,525,697)
Receipt from R&D tax concession		–	1,331,479
Interest received		2,330	38,573
Interest and other costs of finance paid		(831,902)	(346,241)
Net cash inflow/(outflow) from operating activities	7	**(236,318)**	**(12,543,952)**
Cash flows from investing activities			
Payment for acquisition of subsidiary		–	(43,494,093)
Payments for property, plant & equipment		(311,814)	(392,112)
Proceeds from sale of property, plant & equipment		21,029	–
Net cash inflow/(outflow) from investing activities		**(290,785)**	**(43,886,205)**
Cash flows from financing activities			
Proceeds from new share issue		–	47,528,469
Capital raising costs (net of GST)		(52,500)	(2,444,173)
Repayment of lease liabilities		(1,516,046)	(930,045)
Repayment of borrowings		(299,762)	–
Proceeds from debt raising		3,730,846	6,777,262
Transaction costs related to debt raising		–	(212,992)
Receipts from non-controlling entities		–	525,464
Net cash inflow/(outflow) from financing activities		**1,862,538**	**51,243,985**
Net increase/(decrease) in cash held		**1,335,435**	**(5,186,172)**
Cash and cash equivalents at the beginning of the financial year		7,150,865	12,345,164
Effects of exchange rate changes on cash and cash equivalents		(907,662)	(8,127)
Cash and cash equivalents at the end of the period		**7,578,638**	**7,150,865**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Comparative figures are for the full year ended 30 June 2021.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2022

1. Statement of significant accounting policies

The consolidated financial statements (**financial statements**) incorporate the assets and liabilities of all subsidiaries of MedAdvisor Limited. MedAdvisor is a listed public company limited by shares, incorporated and domiciled in Australia.

These financial statements were authorised for issue on 26 August 2022 by the Directors of the Company.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies are consistent with those of the previous financial year.

Basis of preparation

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

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

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

The financial statements have been prepared on a going concern basis.

Accounting policies

(a) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Financial information about the parent entity, MedAdvisor Limited, is disclosed in Note 25.

(b) Principles of consolidation

The consolidated financial statements incorporate all assets, liabilities and results of the parent MedAdvisor Limited and all of its subsidiaries (together, the **Group**). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of controlled entities is contained in Note 23 of the financial statements.

The assets, liabilities and results of all subsidiaries are consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

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

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

Notes to the Consolidated Financial Statements

Continued

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

(c) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (CODM) that are used for making strategic decisions. The CODM has been identified as the Chief Executive Officer. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(d) Foreign currency translation

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

Foreign currency transactions:

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

Foreign operations:

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

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

(e) Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

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

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

Licence fees

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

Rendering of services

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

Interest

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

Other revenue

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

(f) Income tax

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

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

Continued

(g) Current and non-current classification

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

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

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

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

(h) Cash and cash equivalents

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

(i) Trade and other receivables

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

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

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

(j) Work in progress

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

(k) Investments and other financial assets

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

Financial assets at fair value through profit or loss

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

Impairment of financial assets

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

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability-weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

(l) Plant and equipment

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

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

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

Depreciation

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

Depreciation is calculated on a straight-line basis over their estimated useful lives, as follows:

- Computer & office equipment – 3 years
- Office furniture – 5 years
- Leasehold improvements – 5 years or unexpired lease period if shorter

(m) Right-of-use assets

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

Right-of-use assets are depreciated on a straight-line basis over expected lease period. 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.

Notes to the Consolidated Financial Statements

Continued

(n) Intangible assets

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

Goodwill

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

Brands

Acquired brands represent the value of brands in acquired subsidiaries and businesses that are separately fair valued at the date of acquisition from the remaining goodwill. Brands are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired.

Patents and trademarks

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

Relationships

Acquired customer and partner relationships represent the value attributed in acquired subsidiaries and businesses that are separately fair valued at the date of acquisition. Relationship assets are amortised on a straight-line basis over the period of their expected benefit. Relationships acquired by the Group have a finite life of 10 years.

Software

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

(o) Impairment of assets

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

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

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

(p) Trade and other payables

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

(q) Lease liabilities

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

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

(r) Borrowings and finance costs

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. All other finance costs are expensed in the period in which they are incurred.

(s) Provisions

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

(t) Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Share-based payments

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

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

Notes to the Consolidated Financial Statements

Continued

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

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

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

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

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

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

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

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

(u) Fair value measurement

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

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

(v) Issued capital

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

(w) Business combinations

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

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

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

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

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

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

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

(x) Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

(y) Goods and services tax (GST)

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

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

Notes to the Consolidated Financial Statements

Continued

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

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

(z) New or amended Accounting Standards and Interpretations adopted

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

Conceptual Framework for Financial Reporting (Conceptual Framework)

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

(aa) Comparative figures

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

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Goodwill and other indefinite life intangible assets

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

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 1-year projection period approved by management and extrapolated for a further 4 years using a steady rate, together with a terminal value. Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

Key assumptions

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

CGU	Valuation method	Years of cash flow projection	Pre-tax discount rate		Per annum projected revenue growth rate		Per annum increase in operating costs and overheads	
			2022	2021	2022	2021	2022	2021
Australia	Value in use	5	20.49%	24.43%	10%	5%-32%	5%-10%	3%-5%
USA	Value in use	5	17.33%	15.38%	10%	5%-15%	5%	3%-5%

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

Management believes the projected revenue growth rates is prudent and justified based on current and expected growth in the business. Similarly, management believes that the projected increase in operating costs and overheads is prudent and justified based on the cost structure and control environment in the business.

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

Sensitivity

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

(a) with all other assumptions remaining constant:

- Revenue would need to decrease by more than 8.86% in the USA CGU before goodwill would need to be impaired; or
- Gross margin would need to decrease by more than 7.45% in the Australia CGU before goodwill would need to be impaired.

(b) with all other assumptions remaining constant:

- the discount rate would be required to increase by more than 7.69% in the USA CGU before goodwill would need to be impaired; or
- the discount rate would be required to increase by more than 24.35% in the Australia CGU before goodwill would need to be impaired.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of the goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount. If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in a further impairment charge for the goodwill.

Share-based payment transactions

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

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

Notes to the Consolidated Financial Statements

Continued

Recovery of deferred tax assets

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

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss after income tax of $17,488,407 and had net cash outflows from operating activities of $236,318 for the year ended 30 June 2022. As at that date the Group had net current liabilities of $16,783,636.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the full year financial report.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Company successfully completed a capital raise in August for $14.6 million. There was significant interest from institutional investors.
- The Directors have committed to a review of the Group's cost base to ensure that it is optimised to support the growth objectives of the business.
- The Directors have reviewed the forecasts for the next 18 months which show that the cash reserves and funding facilities held by the business, including the PFG funding facility, in addition to the cost reduction plan should be sufficient to fund the business until it is able to generate sufficient cash from its operating activities.
- As disclosed in Note 31 Subsequent events, subsequent to 30 June 2022 the PFG funding facility was restructured and USD $2.5 million of the facility previously recorded as current will be reclassified as non-current, reducing the net current liability position to $13,154,662.
- The Company has a proven track record of raising funds from the listed market for acquisitions and expansion purposes and is confident of being able to raise further funds if required.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the full year financial report.

The full year financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

3. Earnings per share

	Consolidated	
	30 June 2022 $	30 June 2021 $
Earning per share for loss attributable to the ordinary equity holders of MedAdvisor Limited		
Loss attributable to equity holders of MedAdvisor Limited	(17,488,407)	(14,371,990)
Basic loss per share	**$(0.046)**	**$(0.045)**
Diluted loss per share	**$(0.046)**	**$(0.045)**
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	378,124,927	316,511,399
Adjustment for calculation of diluted earnings per share		
Options over ordinary shares	21,953,511	17,481,320
Performance rights vested but not exercised	–	2,014,283
	400,078,438	**336,007,002**

4. Operating segments

30 June 2022	AU Operations $	USA Operations $	UK Operations $	Asia Operations $	Corporate $	Total $
Segment revenues	**14,004,368**	**53,645,141**	**69,545**	**33,337**	**–**	**67,752,391**
Segment operating loss	**(4,039,740)**	**(7,699,005)**	**(1,978,123)**	**(283,817)**	**(3,487,722)**	**(17,488,407)**
Segment assets	9,337,328	68,947,408	62,889	–	91,822	78,439,447
Segment liabilities	10,697,440	28,255,277	127,596	–	4,813,906	43,894,219
Segment net assets	**(1,360,112)**	**40,692,131**	**(64,707)**	**–**	**(4,722,084)**	**34,545,228**

30 June 2021	AU Operations $	USA Operations $	UK Operations $	Asia Operations $	Corporate $	Total $
Segment revenues	**11,287,341**	**28,950,108**	**21,321**	**21,358**	**–**	**40,280,128**
Segment operating loss	**(4,861,902)**	**(3,915,008)**	**(2,210,276)**	**(845,082)**	**(2,539,722)**	**(14,371,990)**
Segment assets	11,886,522	67,797,446	132,570	910,256	191,544	80,918,338
Segment liabilities	6,906,364	20,966,514	123,277	26,682	4,050,351	32,073,188
Segment net assets	**4,980,158**	**46,830,932**	**9,293**	**883,574**	**(3,858,807)**	**48,845,150**

Notes to the Consolidated Financial Statements

Continued

5. Revenue

	Consolidated	
	30 June 2022 $	30 June 2021 $
Disaggregation of Revenue		
(a) From continuing operations		
Major service lines:		
Health programs	55,291,932	30,204,133
SaaS revenue	7,712,327	6,312,367
Transaction & development fees	4,745,802	2,256,076
	67,750,061	**38,772,576**
Timing of revenue recognition:		
Services transferred over time	60,037,734	32,460,209
Goods transferred at a point in time	7,712,327	6,312,367
	67,750,061	**38,772,576**
(b) Other income		
Interest received	2,330	38,573
Sundry Income – R&D Tax Concession	–	1,331,479
Sundry Income – Government Grants	–	137,500
	2,330	**1,507,552**

During the year ended 30 June 2022, approximately $17.1 million of the consolidated entity's external revenue was derived from sales to a global pharmaceutical company providing adherence programs. Furthermore, approximately $8.6 million was derived from a US Medicare Advantage program.

Revenue by geographical region has been disclosed in Note 4.

6. Expenses

	Consolidated	
	30 June 2022 $	30 June 2021 $
Loss before income tax from continuing operations includes the following specific expenses:		
(a) Direct costs		
Direct transaction costs	30,648,351	15,823,109
Direct costs of SMS services	876,178	525,948
Managed services costs for the MedAdvisor platform	1,233,673	1,117,572
	32,758,202	**17,466,629**
(b) Employee benefits expenses		
Development	12,986,701	9,909,916
Administration	10,417,510	6,745,903
Sales & marketing	6,593,955	5,519,073
People & culture	715,863	696,792
Share-based employee remuneration	1,219,851	1,279,979
	31,933,880	24,151,663
Governance – Directors fees	302,704	282,069
	32,236,584	**24,433,732**
(c) Depreciation & amortisation		
Depreciation		
Right-of-use assets	1,265,160	854,044
Office equipment	1,008,001	631,948
Leasehold improvements	79,722	59,856
Motor vehicles	–	5,724
Total depreciation	2,352,883	1,551,572
Amortisation		
Software	1,808,347	1,209,105
Relationships	725,477	437,979
Intellectual property	13,119	12,780
Total amortisation	2,546,943	1,659,864
	4,899,826	**3,211,436**
(d) Finance costs		
Interest and finance charges paid/payable	**1,542,188**	**407,797**
(e) Superannuation expense		
Defined contribution superannuation expense	**1,533,717**	**1,168,705**

Notes to the Consolidated Financial Statements

Continued

7. Reconciliation of profit/(loss) after tax to net cash flow from operations

	Consolidated	
	30 June 2022 $	30 June 2021 $
(a) Reconciliation of cash to the statement of cash flows		
Cash at bank – Note 9	**7,578,638**	**7,150,865**
(b) Reconciliation of profit from ordinary activities to net cash used in operating activities		
Loss after income tax expense for the year	**(17,488,407)**	**(14,371,990)**
Add: Non-cash items		
Depreciation & amortisation	4,899,826	3,211,436
Non-cash share-based payments	1,219,851	1,279,979
Loss on sale of assets	205	19,310
Unwinding of discounts	380,364	12,481
Other non cash movements & Foreign exchange	(58,981)	(277,845)
Other acquisition costs	–	3,256,760
	6,441,265	**7,502,121**
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and other receivables	3,411,950	(1,704,555)
(Increase)/decrease in other assets	194,770	183,695
Increase/(decrease) in payables	5,512,234	(2,221,755)
Increase/(decrease) in provisions	(471,031)	684,874
Increase/(decrease) in income in advance	2,341,567	221,620
Increase/(decrease) in deferred taxes	(178,666)	(2,837,962)
	10,810,824	**(5,674,083)**
Net cash flows used in operating activities	**(236,318)**	**(12,543,952)**

8. Income tax expense

	Consolidated	
	30 June 2022 $	30 June 2021 $
(a) Tax expense/(income) comprises:		
Current tax	–	–
Deferred tax	(239,828)	(2,855,245)
	(239,828)	**(2,855,245)**
(b) The prima facie tax on profit/(loss) before income tax is reconciled to the income tax as follows:		
Profit/(loss) from continuing operations	(17,728,235)	(14,371,990)
Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 25.0% (2021: 26.0%)	(4,432,059)	(3,736,717)
Less tax effect of:		
– part of foreign exchange rate differences	–	(37,825)
– deferred tax assets not brought to account	4,192,231	919,297
Income tax expense/(benefit) attributable to entity	**(239,828)**	**(2,855,245)**
The applicable weighted average tax rates are as follows:	1.4%	19.9%
The value of tax losses which have not been recognised in the statement of financial position	**11,900,409**	**7,708,178**

Summary of recognised deferred tax

	30 June 2022 $	30 June 2021 $
MedAdvisor US net operating losses	2,619,405	2,168,140
Intangibles – amortisable	(1,935,951)	(2,070,690)
Intangibles – indefinite lived	(1,612,858)	(1,430,357)
Accruals	376,070	600,907
	(553,334)	**(732,000)**

9. Cash and cash equivalents

	Consolidated	
	30 June 2022 $	30 June 2021 $
Cash at bank	7,578,638	7,150,865
	7,578,638	**7,150,865**

Notes to the Consolidated Financial Statements

Continued

10. Trade and other receivables

	Consolidated	
	30 June 2022 $	30 June 2021 $
Trade debtors, gross	7,539,344	11,127,581
Allowance for doubtful debts	(38,421)	(64,997)
Other debtors	1,551,386	1,401,675
	9,052,309	**12,464,259**

The consolidated Group has recognised an accumulated loss of $38,421 in the income statement in respect to the expected credit losses for the year ended 30 June 2022 (30 June 2021: $64,977).

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

	Expected credit loss rate		Carrying amount		Expected credit losses allowance	
	30 June 2022 %	30 June 2021 %	30 June 2022 $	30 June 2021 $	30 June 2022 $	30 June 2021 $
Not overdue:	0.4%	0.2%	6,504,169	9,435,236	27,708	22,614
0 to 3 months overdue:	1.0%	0.5%	1,027,545	1,484,700	10,275	6,754
3 to 6 months overdue:	4.5%	4.5%	6,933	12,865	312	575
Over 6 months overdue:	18%	18%	697	194,780	125	35,054
			7,539,344	**11,127,581**	**38,421**	**64,997**

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

	30 June 2022 $	30 June 2021 $
Opening balance	64,997	50,611
Provision acquired through the acquisition of Adheris	–	57,207
Movement in loss allowance recognised during the year	(25,871)	5,119
Receivables written off during the year as uncollectable	(705)	(47,940)
Closing balance	**38,421**	**64,997**

11. Other assets

	Consolidated	
	30 June 2022 $	30 June 2021 $
Current		
Prepayments	1,729,468	1,575,974
Security deposits	115,757	126,276
	1,845,225	**1,702,250**
Non-current		
Prepayments	8,952	357,875
Security deposits	134,998	123,820
	143,950	**481,695**

12. Property, plant & equipment

	Consolidated	
	30 June 2022 $	30 June 2021 $
Office equipment		
Cost	4,865,334	4,291,315
Accumulated depreciation	(3,492,413)	(2,284,305)
Net book value	**1,372,921**	**2,007,010**
Leasehold improvements		
Cost	535,598	509,261
Accumulated depreciation	(402,241)	(301,723)
Net book value	**133,357**	**207,538**
Motor vehicles		
Cost	–	28,462
Accumulated depreciation	–	(11,858)
Net book value	**–**	**16,604**
Total property, plant and equipment	**1,506,278**	**2,231,152**

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

	Office Equipment $	Leasehold improvements $	Motor vehicles $	Total $
Opening balance – 1 July 2020	220,616	148,543	24,401	393,560
Additions	392,112	–	–	392,112
Assets acquired through business combinations	2,052,275	123,437	–	2,175,712
Depreciation	(631,948)	(59,856)	(5,724)	(697,528)
Exchange differences	(26,045)	(4,586)	(2,073)	(32,704)
Closing balance – 30 June 2021	**2,007,010**	**207,538**	**16,604**	**2,231,152**
Opening balance – 1 July 2021	2,007,010	207,538	16,604	2,231,152
Additions	309,394	–	–	309,394
Depreciation	(1,008,001)	(79,722)	–	(1,087,723)
Disposals	(2,793)	–	(16,604)	(19,397)
Exchange differences	67,311	5,541	–	72,852
Closing balance – 30 June 2022	**1,372,921**	**133,357**	**–**	**1,506,278**

Notes to the Consolidated Financial Statements

Continued

13. Right-of-use assets

	Consolidated	
	30 June 2022 $	30 June 2021 $
Building: Right-of-use		
Cost	6,384,316	5,238,395
Accumulated depreciation	(4,417,621)	(2,897,067)
Net book value	**1,966,695**	**2,341,328**

	Building: Right-of-use $
Opening balance – 1 July 2020	1,073,219
Assets acquired through business combinations	2,296,157
Depreciation	(854,044)
Exchange differences	(174,004)
Closing balance – 30 June 2021	**2,341,328**
Opening balance – 1 July 2021	2,341,328
Lease modifications	806,701
Depreciation	(1,265,160)
Exchange differences	83,826
Closing balance – 30 June 2022	**1,966,695**

14. Intangible assets

	Consolidated	
	30 June 2022 $	30 June 2021 $
Goodwill		
Cost	37,382,456	34,619,363
Net book value	**37,382,456**	**34,619,363**
Software		
Cost	10,817,208	10,062,688
Accumulated amortisation	(4,300,118)	(2,268,259)
Net book value	**6,517,090**	**7,794,429**
Relationships		
Cost	7,641,222	7,008,490
Accumulated amortisation	(1,241,700)	(438,031)
Net book value	**6,399,522**	**6,570,459**
Brands		
Cost	6,012,527	5,514,659
Net book value	**6,012,527**	**5,514,659**
Intellectual property*		
Cost	131,219	131,219
Accumulated amortisation	(96,462)	(83,340)
Net book value	**34,757**	**47,879**
Total intangible assets	**56,346,352**	**54,546,789**

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

	Goodwill $	Software $	Relationships $	Brands $	Intellectual property* $	Total $
Opening balance – 1 July 2020	4,013,868	1,169,888	–	–	60,659	5,244,415
Assets acquired through business combinations	31,539,779	8,105,019	7,250,844	5,705,356	–	52,600,998
Amortisation	–	(1,209,105)	(437,979)	–	(12,783)	(1,659,867)
Exchange differences	(934,284)	(271,373)	(242,406)	(190,697)	–	(1,638,760)
Closing balance – 30 June 2021	**34,619,363**	**7,794,429**	**6,570,459**	**5,514,659**	**47,876**	**54,546,786**
Opening balance – 1 July 2021	34,619,363	7,794,429	6,570,459	5,514,659	47,879	54,546,789
Amortisation	–	(1,808,347)	(725,477)	–	(13,119)	(2,546,943)
Exchange differences	2,763,093	531,008	554,540	497,868	–	4,346,509
Closing balance – 30 June 2022	**37,382,456**	**6,517,090**	**6,399,522**	**6,012,527**	**34,757**	**56,346,352**

* Intellectual property includes Copyright and Trademarks.

Notes to the Consolidated Financial Statements

Continued

15. Trade and other payables

	Consolidated	
	30 June 2022 $	30 June 2021 $
Current		
Trade payables	5,999,860	3,789,702
Accrued abatements	7,105,326	3,561,521
Other payables	3,469,650	3,353,504
	16,574,836	**10,704,727**
Non-current		
Other payables	–	357,875
	–	**357,875**

16. Borrowings

	Consolidated	
	30 June 2022 $	30 June 2021 $
Current	4,072,816	299,762
Non-current	7,059,918	6,093,539
	11,132,734	**6,393,301**

At 30 June 2022, MedAdvisor had a 3-year loan facility comprising of:

Facility	Commitment (AUD)	Drawn at close (AUD)	Maturity Date
Tranche A – USD 5,000,000 term loan	7,257,947	7,257,947	28-May-24
Tranche B – USD 4,000,000 revolving line of credit	5,806,358	4,072,816	28-May-24
Total	**13,064,305**	**11,330,763**	

The difference between the drawn down Tranche A facility of AUD 7,257,947 and the Book Value of AUD 7,059,918 represents Fair Value adjustments made in accordance with AASB 9 *Financial Instruments*.

The loan facilities have an interest rate of 10.25% paid monthly on amounts borrowed. Principal is due at maturity. Other fees included an upfront 1.65% establishment fee and a back-end fee of USD 338,000 payable at maturity. Our financier has been granted first-ranking interest over all assets of MedAdvisor Limited and its subsidiaries. MedAdvisor Limited has complied with all debt covenants throughout the reporting period.

17. Other liabilities

	Consolidated	
	30 June 2022 $	30 June 2021 $
Current		
Income in advance:		
Gross pharmacy subscriptions in advance	131,960	137,275
Patient engagement program (PEP) fees in advance	7,376,844	5,029,962
Deferred consideration	4,395,684	4,031,699
	11,904,488	**9,198,936**

The deferred consideration relates to the second and final performance-based payment ('earn-out') included as part of the acquisition of Adheris in November 2020: USD 3,000,000 payable in September 2022 as the performance-based criteria has been met in Calendar Year 2021.

18. Lease liability

	Consolidated	
	30 June 2022 $	30 June 2021 $
Current		
Lease liability	1,380,876	1,265,476
	1,380,876	**1,265,476**
Non-current		
Lease liability	900,634	1,502,525
	900,634	**1,502,525**

	Building – Lease liability $
Opening balance – 1 July 2020	1,420,775
Liabilities acquired through business combinations	2,386,744
Lease payments	(1,091,651)
Interest charge	143,643
Exchange differences	(91,510)
Closing balance – 30 June 2021	**2,768,001**
Opening balance – 1 July 2021	2,768,001
Lease modifications	806,701
Lease payments	(1,516,052)
Interest charge	141,381
Exchange differences	81,479
Closing balance – 30 June 2022	**2,281,510**

Notes to the Consolidated Financial Statements

Continued

19. Employee benefits

	Consolidated	
	30 June 2022 $	30 June 2021 $
Current		
Provision for employee leave	1,326,792	1,795,609
	1,326,792	**1,795,609**
Non-current		
Provision for employee leave	120,525	122,739
	120,525	**122,739**

20. Issued capital

(a) Fully paid ordinary shares

	30 June 2022 Shares	30 June 2021 Shares	30 June 2022 $	30 June 2021 $
Ordinary shares fully paid:	**380,789,939**	377,370,639	**91,807,626**	90,992,487

Movements in ordinary share capital:

	# of shares	Issue price	$
Balance at 1 July 2020	246,718,025		45,369,890
EIP Options Exercised	166,666	$0.28	46,667
EIP Options & Rights Exercised	1,290,490	$0.28	356,798
New Share Issue	92,163,007	$0.38	35,021,943
New Share Issue	8,480,966	$0.38	3,222,767
New Share Issue	10,430,949	$0.38	3,963,759
EIP Options Exercised	42,853	$0.27	11,756
New Share Issue	184,210	$0.38	70,000
EIP Options Exercised	72,847	$0.26	18,680
EIP Options Exercised	189,682	$0.34	65,440
EIP Options Exercised	19,046	$0.28	5,257
New Share Issue	17,500,001	$0.30	5,250,000
EIP Options Exercised	77,615	$0.31	23,795
EIP Options Exercised	34,282	$0.29	9,908
Share issue transaction costs, net of tax for the year			(2,444,173)
Balance at 30 June 2021	**377,370,639**		**90,992,487**

	# of shares	Issue price	$
Balance at 1 July 2021	377,370,639		90,992,487
EIP Options Exercised	12,379	$0.31	3,776
EIP Options Exercised	24,283	$0.34	8,135
EIP Options Exercised	68,091	$0.30	20,087
EIP Options Exercised	11,904	$0.39	4,643
EIP Options Exercised	28,569	$0.40	11,428
EIP Options Exercised	345,713	$0.36	121,306
EIP Options Exercised	14,284	$0.37	5,285
EIP Options Exercised	50,753	$0.33	16,746
EIP Options Exercised	195,234	$0.22	43,293
EIP Options Exercised	40,952	$0.31	12,814
EIP Options Exercised	5,713	$0.41	2,342
EIP Rights Exercised	2,014,285	$0.21	423,000
EIP Options Exercised	535,713	$0.33	176,785
EIP Options Exercised	71,427	$0.25	18,000
Share issue transaction costs, net of tax for the year			(52,500)
Balance at 30 June 2022	**380,789,939**		**91,807,626**

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

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

Notes to the Consolidated Financial Statements

Continued

(b) Employee incentive options

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

Issue date	Expiry date	Issued #	Lapsed #	Exercised #	Balance #	Vested not exercised #	Unvested #
14-Apr-16	14-Apr-31	154,757	9,522	121,428	**23,807**	23,807	–
15-Dec-16	14-Dec-31	132,850	11,428	29,997	**91,425**	91,425	–
27-Oct-17	27-Oct-32	369,974	1,429	190,464	**178,081**	178,081	–
19-Dec-17	19-Nov-32	38,569	–	2,857	**35,712**	35,712	–
12-Apr-18	12-Apr-33	31,426	–	22,855	**8,571**	8,571	–
24-Sep-18	24-Sep-33	220,931	1,904	27,617	**191,410**	191,410	–
10-Jan-19	10-Jan-34	14,284	–	14,284	**–**	–	–
25-Aug-19	25-Aug-34	25,713	17,142	–	**8,571**	5,714	2,857
23-Dec-19	8-Dec-34	3,207,613	78,571	590,475	**2,538,567**	1,597,140	941,427
28-Apr-20	26-Apr-35	137,846	17,141	8,569	**112,136**	69,994	42,142
27-Jul-20	13-Jul-35	80,655	–	–	**80,655**	80,655	–
27-Jul-20	22-Apr-35	15,000	5,000	10,000	**–**	–	–
17-Nov-20	17-Nov-35	14,285	–	–	**14,285**	14,285	–
18-Dec-20	8-Dec-30	27,940	–	–	**27,940**	27,940	–
21-Dec-20	30-Oct-23	750,000	–	–	**750,000**	750,000	–
21-Dec-20	30-Oct-24	750,000	–	–	**750,000**	750,000	–
21-Dec-20	30-Oct-29	4,500,000	637,500	–	**3,862,500**	862,500	3,000,000
7-Apr-21	24-Mar-31	51,667	–	–	**51,667**	51,667	–
7-Apr-21	24-Mar-36	2,992,731	470,500	125,000	**2,397,231**	1,422,231	975,000
28-May-21	28-May-28	3,527,223	–	–	**3,527,223**	3,527,223	–
15-Jun-21	25-May-36	45,000	–	–	**45,000**	–	45,000
7-Jul-21	6-Jul-36	1,100,000	–	–	**1,100,000**	100,000	1,000,000
23-Sep-21	26-Aug-36	162,858	99,048	23,810	**40,000**	–	40,000
23-Sep-21	26-Jul-36	300,000	–	–	**300,000**	300,000	–
18-Nov-21	28-Oct-24	1,590,181	49,505	237,659	**1,303,017**	648,000	655,017
18-Nov-21	31-Dec-24	180,000	–	–	**180,000**	–	180,000
18-Nov-21	31-Dec-24	1,935,713	–	–	**1,935,713**	–	1,935,713
18-Nov-21	31-Dec-23	150,000	–	–	**150,000**	–	150,000
26-Nov-21	30-Oct-24	750,000	–	–	**750,000**	750,000	–
26-Nov-21	31-Dec-24	1,500,000	–	–	**1,500,000**	–	1,500,000
		24,757,216	**1,398,690**	**1,405,015**	**21,953,511**	**11,160,006**	**10,793,505**

21. Reserves

	Consolidated	
	30 June 2022 $	30 June 2021 $
Share options reserve	3,062,807	2,710,595
Foreign currency translation reserve	1,252,458	(1,022,993)
	4,315,265	**1,687,602**

Movements in reserves

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

	Share options reserve $	Foreign currency translation reserve $	Total $
Balance as at 1 July 2020	1,570,838	3,234	1,574,072
Share options issued	1,678,057	–	1,678,057
Share options exercised	(538,300)	–	(538,300)
Foreign currency translation	–	(1,026,227)	(1,026,227)
Closing balance – 30 June 2021	**2,710,595**	**(1,022,993)**	**1,687,602**
Opening balance – 1 July 2021	2,710,595	(1,022,993)	1,687,602
Share options issued	1,219,851	–	1,219,851
Share options exercised	(867,639)	–	(867,639)
Foreign currency translation	–	2,275,451	2,275,451
Closing balance – 30 June 2022	**3,062,807**	**1,252,458**	**4,315,265**

22. Accumulated losses

	Consolidated	
	30 June 2022 $	30 June 2021 $
Accumulated losses at the beginning of the year	(44,231,164)	(30,281,715)
Total loss for the year	(17,346,499)	(13,949,449)
Accumulated losses at the end of the year	**(61,577,663)**	**(44,231,164)**

Notes to the Consolidated Financial Statements

Continued

23. Interest in subsidiaries

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

		Ownership interest	
Name	**Principal place of business/ Country of incorporation**	30 June 2022 %	30 June 2021 %
MedAdvisor International Pty. Ltd.	Australia	100%	100%
Health Enterprises 2 Pty. Ltd.	Australia	100%	100%
MedAdvisor Welam UK Ltd.	UK	100%	100%
MedAdvisor Welam USA Inc.	USA	100%	100%
Adheris, LLC	USA	100%	100%

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

		Parent ownership interest		Non-controlling interest	
Name	**Principal place of business/ Country of incorporation**	30 June 2022 %	30 June 2021 %	30 June 2022 %	30 June 2021 %
ZP MedAdvisor Pte. Ltd.*	Singapore	0%	50%	0%	50%

* Joint Venture has ceased operations.

24. Non-controlling interest

	Consolidated	
	30 June 2022 $	30 June 2021 $
Issued capital	1,061,842	1,061,842
Reserves	(302,797)	(48,480)
Accumulated losses	(759,045)	(617,137)
	–	**396,225**

At 30 June 2022 ZP MedAdvisor Pte. Ltd. is part way through the strike-off process to legally deregister the business in Singapore following termination of the joint venture agreement during the financial year.

25. Parent entity information

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

	Parent	
	30 June 2022 $	30 June 2021 $
Statement of Profit/Loss and OCI		
Loss after income tax	(3,487,722)	(2,539,722)
Total comprehensive income	**(3,487,722)**	**(2,539,722)**
Statement of Financial Position		
Total current assets	1,378,304	191,544
Total non-current assets	77,826,567	82,097,253
Total liabilities	4,813,906	4,050,351
Net assets	**84,018,777**	**86,339,148**
Issued capital	91,807,626	90,992,487
Share options reserve	3,062,807	2,710,595
Accumulated losses	(10,851,656)	(7,363,934)
Total equity	**84,018,777**	**86,339,148**

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments – property, plant & equipment

The parent entity had no capital commitments for property plant & equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies

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

Notes to the Consolidated Financial Statements

Continued

26. Financial risk management

MedAdvisor's activities expose it to a variety of financial risks: interest rate risk, liquidity risk, credit risk and foreign currency risk.

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

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

	Consolidated	
	30 June 2022 $	30 June 2021 $
Financial assets		
Cash and equivalents	7,578,638	7,150,865
Trade and other receivables	9,052,309	12,464,259
	16,630,947	**19,615,124**
Financial liabilities		
Trade and other payables	16,574,836	11,062,602
Borrowings	11,132,734	6,393,301
Lease liabilities	2,281,510	2,768,001
Deferred consideration	4,395,684	4,031,699
	34,384,764	**24,255,603**

(a) Interest rate risk

Exposure to interest risk arises on financial instruments whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The Entity has minimal exposure to interest rate fluctuations as our loan facility, as outlined in Note 16, is at a fixed interest rate of 10.25% (2021: 10.25%).

(b) Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Entity manages this risk through the preparation of forward-looking cash flow forecasts and analysis in relation to its operational, investing and financing activities. Borrowing facilities are in place to enable the Entity to borrow funds if necessary.

Financial liability and financial asset maturity analysis:

Consolidated – 2022	Within 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Total $
Financial liabilities due for payment				
Trade and other payables	16,574,836	–	–	16,574,836
Deferred consideration	4,395,684	–	–	4,395,684
Interest bearing – fixed rate				
Lease liabilities	1,380,876	678,878	221,756	2,281,510
Borrowings	4,072,816	7,059,918	–	11,132,734
Total financial liabilities	**26,424,212**	**7,738,796**	**221,756**	**34,384,764**
Financial assets – cash flows realisable				
Cash and equivalents	7,578,638	–	–	7,578,638
Trade and other receivables	9,052,309	–	–	9,052,309
Total financial assets	**16,630,947**	**–**	**–**	**16,630,947**
Net inflow/(outflow) on financial instruments	**(9,793,265)**	**(7,738,796)**	**(221,756)**	**(17,753,817)**

Consolidated – 2021	Within 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Total $
Financial liabilities due for payment				
Trade and other payables	11,062,602	–	–	11,062,602
Deferred consideration	4,031,699	–	–	4,031,699
Interest bearing – fixed rate				
Lease liabilities	1,265,476	959,579	542,946	2,768,001
Borrowings	299,762	–	6,093,539	6,393,301
Total financial liabilities	**16,659,539**	**959,579**	**6,636,485**	**24,255,603**
Financial assets – cash flows realisable				
Cash and equivalents	7,150,865	–	–	7,150,865
Trade and other receivables	12,464,259	–	–	12,464,259
Total financial assets	**19,615,124**	**–**	**–**	**19,615,124**
Net inflow/(outflow) on financial instruments	**2,955,585**	**(959,579)**	**(6,636,485)**	**(4,640,479)**

Notes to the Consolidated Financial Statements

Continued

(c) Credit risk

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

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

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any allowance for Expected Credit Loss) as presented in the balance sheet. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 10.

(d) Foreign currency risk

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

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

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

	Assets		Liabilities	
	30 June 2022 $	30 June 2021 $	30 June 2022 $	30 June 2021 $
Consolidated				
US dollars	68,947,408	68,707,702	28,255,277	20,993,196
British pounds	62,889	62,721	127,596	123,277
	69,010,297	**68,770,423**	**28,382,873**	**21,116,473**

The consolidated entity had net assets denominated in foreign currencies of $40,627,424 as at 30 June 2022 (2021: $47,653,950). Based on this exposure, had the Australian dollar weakened by 5% (2021: 5%) against these foreign currencies with all other variables held constant, the consolidated entity's comprehensive loss before tax for the year would have been $1,339,412 lower (2021: $1,786,559 lower). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The realised foreign exchange loss recognised through the Income Statement for the year ended 30 June 2022 was $63,275 (2021: $3,431).

(e) Price risk

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

Fair value estimation

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

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

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

	30 June 2022		30 June 2021	
	Net Carrying Value $	Net Fair Value $	Net Carrying Value $	Net Fair Value $
Financial assets				
Cash and equivalents	7,578,638	7,578,638	7,150,865	7,150,865
Trade and other receivables	9,052,309	9,052,309	12,464,259	12,464,259
	16,630,947	**16,630,947**	**19,615,124**	**19,615,124**
Financial liabilities				
Trade and other payables	16,574,836	16,574,836	11,062,602	11,062,602
Borrowings	11,132,734	11,132,734	6,393,301	6,393,301
Lease liabilities	2,281,510	2,281,510	2,768,001	2,768,001
Deferred consideration	4,395,684	4,395,684	4,031,699	4,031,699
	34,384,764	**34,384,764**	**24,255,603**	**24,255,603**

27. Auditor's remuneration

	Consolidated	
	30 June 2022 $	30 June 2021 $
Audit and review of financial statements		
Group	172,154	145,094
Controlled entities	123,288	106,500
Taxation services	29,460	50,000
Non-audit services	8,614	11,961
	333,516	**313,555**

Notes to the Consolidated Financial Statements

Continued

28. Related party transactions

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

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

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

	Consolidated	
	30 June 2022 $	30 June 2021 $
Total value of data and consulting services provided by NostraData Pty Ltd:	149,300	141,173
Amounts due and payable to NostraData Pty Ltd at the end of the financial year included in trade and other payables:	32,949	36,707
Capital contributions advanced to ZP MedAdvisor Pte Ltd in which MedAdvisor Limited and Zuellig Pharma Pte Ltd previously had a joint venture agreement:	–	506,951

29. Key Management Personnel disclosures

Compensation

The aggregate compensation made to directors and other members of Key Management Personnel of the consolidated entity is set out below:

	Consolidated	
	30 June 2022 $	30 June 2021 $
Short-term employee benefits	2,045,767	1,522,504
Share-based entitlements	732,098	864,724
Total compensation	**2,777,865**	**2,387,228**

30. Contingencies

Neither the Group nor the parent entity have any contingent liabilities or contingent assets as at 30 June 2022 or 30 June 2021.

31. Events subsequent to the reporting date

The following events and transactions occurred subsequent to 30 June 2022, and before the date of this report:

1. GuildLink Acquisition

On 27 July 2022, MedAdvisor International Pty Ltd (**MedAdvisor**), a wholly-owned subsidiary of MedAdvisor Limited, acquired 100% of the ordinary shares in GuildLink Pty Ltd (**GuildLink**) from Guild Group Holdings Limited (**Guild Group**), a 100% owned entity of The Pharmacy Guild of Australia (**PGA**).

The acquisition of GuildLink was funded by MedAdvisor via the issue of 57,118,490 fully paid ordinary shares in the Company to Guild Group (**Consideration Shares**), which represented approximately 13% of the Company's issued share capital immediately after the issue. The Consideration Shares had an issue price of $0.16 per share and an aggregate value of $9.14 million. The acquisition price represents a multiple of ~1.3 times GuildLink's revenue for the financial year ending 30 June 2022. The Consideration Shares were issued under MedAdvisor's Listing Rule 7.1 placement capacity. Upon the placement, Guild Group became the largest shareholder in MedAdvisor and nominated Anthony Tassone to the Board. The acquisition of GuildLink enables MedAdvisor to provide a consolidated platform that removes duplication and increases efficiencies for Australian pharmacies, and enhances their ability to provide integrated bookings, clinical services, vaccinations and medication management for their patients.

In conjunction with the acquisition, MedAdvisor, GuildLink and PGA entered into a Master Services Agreement for 10 years (with PGA having the right to extend for up to a further eight years) under which the parties will work together in respect of proposals within the other parties' core fields of expertise. The first program under this arrangement involves the ongoing provision of de-identified information to PGA for community pharmacies that opt-in to the program to assist PGA with health economics modelling and advocacy on behalf of its members and the pharmacy profession generally. This program involves a "fee free" period for the initial two years, with a right for PGA to end the program on 12 months' notice. The agreed annual fee for the provision of the service after the initial two years is $400,000. The "fee free" period is considered to be deferred consideration and accordingly the net present value will be included in the acquisition consideration and deferred revenue. This will be unwound over the period and recognised as revenue over that time.

Details of the acquisition are as follows:

	Provisional Fair Value $
Fair Value of consideration at acquisition date:	
Consideration shares issued to Guild Group:	
57,118,490 shares @ $0.16/share	9,138,958
Deferred consideration – net present value	733,357
	9,872,315
Recognised amounts of identifiable assets and liabilities	
Cash	1,546,386
Trade and other receivables	523,320
Prepayments and other current assets	453,213
Fixed assets	68,435
Trade and other payables	(38,697)
Employee benefits	(515,123)
Deferred revenue	(1,815,770)
Net assets acquired:	**221,764**
Goodwill – provisional:	**9,650,552**
Cash used to acquire business:	
Acquisition costs expensed to profit or loss at the date of this report	**297,421**

Notes to the Consolidated Financial Statements

Continued

2. Equity Raising

In conjunction with the GuildLink acquisition, on 25 July 2022 the Company announced it would undertake a 1:4.2 accelerated non-renounceable entitlement offer (**ANREO**) to raise capital up to approximately $14.6 million.

The funds raised are intended to support the acceleration of growth initiatives in Australia, cover the costs of the acquisition, the ANREO and integration of GuildLink, support growth opportunities in the US, the final Syneos earn-out payment and provide general working capital for the Group.

The ANREO consisted of two components:

- Institutional Entitlement Offer: the Group successfully completed the institutional component of the ANREO on 27 July 2022, raising gross $10.2 million.
- Retail Entitlement Offer: the Group successfully completed the retail component of the ANREO on 22 August 2022, raising gross $4.4 million.

A total of 104,262,450 new Shares were issued under the ANREO.

3. Variation to PFG Line of Credit

As part of the approval process for the GuildLink acquisition, MedAdvisor also agreed to renegotiate the terms of its existing revolving line of credit facility (**Line of Credit**) with Partners For Growth VI, LP (**PFG**), announced to the market on 28 May 2021. Under the revised terms, the Line of Credit will be reduced from USD $4 million to USD $3.5 million. MedAdvisor has agreed:

- to borrow at least USD $2.5 million on the Line of Credit (**Minimum Usage Amount**) at all times or otherwise pay interest on the Minimum Usage Amount, applicable to the last 24 months of the Line of Credit;
- to a 3.0% per annum fee on any portion of the Line of Credit which is unused, applicable to the last 24 months of the Line of Credit, quarterly in arrears; and
- to a restructuring fee of USD $0.27 million, part payable at closing of the GuildLink acquisition and the balance at maturity.
- PFG will also take security over GuildLink on completion of the GuildLink acquisition.

At the reporting date MedAdvisor had drawn down USD $2.8 million of the Line of Credit which has been disclosed as a Current Liability at reporting date. Under the new agreement, at the date of this report, USD $0.3 million is now a Current Liability and USD $2.5 million is a Non-Current Liability (as the Minimum Usage Amount will be drawn down for the remainder of the facility terms i.e. to May 2024).

Apart from the above, no matters or circumstances have arisen since the end of financial year that have 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 financial years.

Directors' Declaration

The Directors of the Company declare that:

a) The consolidated financial statements and notes set out on pages 40 to 80 are in accordance with the *Corporations Act 2001* and:

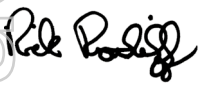
   i. comply with Accounting Standards, the Corporations Regulations 2001, and other mandatory professional reporting requirements;

   ii. give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance of the financial year ended on that date.

b) There are reasonable grounds to believe the Company will be able to pay its debts when they become due and payable.

The basis of preparation confirms that the consolidated financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Rick Ratliff
CEO & Managing Director

26 August 2022

Camberwell, VIC

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT
To the Members of MedAdvisor Limited

Opinion

We have audited the financial report of MedAdvisor Limited ('the Company') and its subsidiaries (together 'the Group'), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of $17,488,407 and had net operating cash outflows from operating activities of $236,318 during the year ended 30 June 2022 and, as at that date, the Group had net current liabilities of $16,783,636. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

RSM

Key Audit Matters

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

Key Audit Matter	How our audit addressed this matter
Impairment of Intangible Assets Refer to Note 14 in the financial statements	
The Group has Intangible Assets of $56,346,352 as at 30 June 2022. We identified this area as a Key Audit Matter due to the size of the Intangible Assets balance, and because the directors' assessment of the 'value in use' of the cash generating unit ("CGU") involves judgements about the future underlying cash flows of the business and the discount rate applied to them. For the year ended 30 June 2022, management have performed an impairment assessment over the Intangible Assets balance by: • Identifying the CGU's to which the intangible asset belongs; • Calculating the value in use of each CGU using a discounted cash flow model. These models used cash flows (revenues, expenses and capital expenditure) for the CGU for 5 years, with a terminal growth rate applied to the 5th year. These cash flows were then discounted to net present value using the CGU specific weighted average cost of capital ("WACC"); and • Comparing the resulting value in use of the CGU to their respective carrying values. Management also performed a sensitivity analysis over the value in use calculations by varying the assumptions used (growth rates, terminal growth rate and WACC) to assess the impact on the valuations.	Our audit procedures in relation to management's impairment testing included: • Assessing management's determination of the CGUs to which the Intangible Assets are allocated; • Assessing the valuation methodology used; • Challenging the reasonableness of key assumptions, including the cash flow projections, revenue growth rates, discount rates, and sensitivities used; • Checking the mathematical accuracy of the cash flow model, and reconciling input data to supporting evidence such as approved budgets, and considering the reasonableness of these budgets; and • Reviewing the accuracy of disclosures of critical estimates and assumptions in the financial statements in relation to the valuation methodologies.

Independent Auditor's Report

Continued

RSM

Key Audit Matters (continued)

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and the auditor's report thereon.

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

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

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

RSM

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

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

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report
We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of MedAdvisor Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

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

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Date: 26 August 2022
Melbourne, Victoria

Shareholder Information

The shareholder information set out below was applicable as at 24 August 2022.

A. Equity security holders

Twenty largest holders of quotes equity securities

	Ordinary shares	
	Number held	Percentage of total shares issued
GUILD GROUP HOLDINGS LIMITED	94,905,130	17.5%
NATIONAL NOMINEES LIMITED	74,821,611	13.8%
COTIVITI INC	43,999,999	8.1%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	30,249,696	5.6%
CITICORP NOMINEES PTY LIMITED	28,672,552	5.3%
EBOS PH PTY LTD	26,459,627	4.9%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,595,825	4.3%
WAVEY INDUSTRIES PTY LTD <JOSH SWINNERTON FAMILY A/C>	15,008,943	2.8%
KOJENT PTY LTD <KOJENT A/C>	13,693,911	2.5%
UBS NOMINEES PTY LTD	13,504,111	2.5%
ROMIDA ENTERPRISES PTY LTD <ROMIDA FAMILY A/C>	12,873,035	2.4%
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	12,613,670	2.3%
BOND STREET CUSTODIANS LIMITED <SALTER – D79836 A/C>	9,481,826	1.7%
GREAD MANAGEMENT PTY LIMITED <THE A G & R R FAMILY A/C>	4,176,188	0.8%
PROVARE PTY LTD <PROVARE INVESTMENT A/C>	3,743,419	0.7%
DMX CAPITAL PARTNERS LIMITED	3,195,778	0.6%
DR CHRISTOPHER HAROLD BENTON	3,000,000	0.6%
MISHRA ENTERPRISES PTY LTD <MISHRA FAMILY A/C>	2,947,368	0.5%
INDCORP CONSULTING GROUP PTY LIMITED <SUPERANNUATION FUND A/C>	2,500,000	0.5%
CAPITAL CONCERNS PTY LIMITED <LOGUE FAMILY SUPER FUND A/C>	2,297,092	0.4%
Total top 20 holders	**421,739,781**	**77.6%**
Total all other holders	121,411,235	22.4%
Total shares on issue	**543,151,016**	**100.0%**

Unquoted equity securities

Options on issue	Number on issue	Number of holders
Options over unissued ordinary shares	20,843,406	52

B. Distribution of equitable securities

Analysis of number of holders of ordinary shares and options by size of holding:

	Number of holders of quoted ordinary shares	Percentage of ordinary shares on issue	Unquoted options
1 to 1,000	131	0.01%	–
1,001 to 5,000	1,080	0.55%	–
5,001 to 10,000	593	0.81%	14
10,001 to 100,000	1,147	6.37%	21
100,001 and over	229	92.26%	17
Total	**3,180**	**100.00%**	**52**

There were 951 holders of less than a marketable parcel of 3,572 ordinary shares.

C. Voting rights

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

Ordinary shares

All issued ordinary shares carry one vote per share.

Options

Options do not carry a right to vote.

D. Substantial shareholders

The substantial shareholders in the Company are set out below:

	Ordinary Shares Held
Guild Group Holdings Limited	94,905,130
Cotiviti Inc	43,999,999
Perennial Value Management Limited	40,060,704
Regal Funds Management Pty Limited	30,605,090
EBOS PH Pty Ltd	26,459,627

Corporate Directory

Directors

Linda Jenkinson
Non-Executive Director and Chair

Rick Ratliff
Executive Director and Chief Executive Officer

Robert Read
Executive Director

RaeAnn Grossman
Non-Executive Director

Sandra Hook
Non-Executive Director

Lucas Merrow
Non-Executive Director

Anthony Tassone
Non-Executive Director

Jim Xenos
Non-Executive Director

Company secretary

Naomi Lawrie

ABN

17 145 327 617

Website

www.mymedadvisor.com

Stock exchange

MedAdvisor Limited is a public company listed with the Australian Securities Exchange.

ASX: MDR

Registered office

Level 2, 971 Burke Road
Camberwell VIC 3124

T: +613 9095 3036

Share register

Computershare Investor Services Pty Ltd

452 Johnston Street
Abbotsford VIC 3067

T: 1300 850 505 (within Australia)
+613 9415 4000 (outside Australia)

External auditor

RSM Australia Partners

Level 21, 55 Collins Street
Melbourne VIC 3000

Lawyers

HWL Ebsworth

Level 26, 530 Collins Street
Melbourne VIC 3000