

**MedAdvisor Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

Name of entity: MedAdvisor Limited  
ABN: 17 145 327 617  
Reporting period: For the year ended 30 June 2024  
Previous period: For the year ended 30 June 2023

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**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	up	24.7% to	122,261,893
Profit from ordinary activities after tax attributable to the owners of MedAdvisor Limited	up	107.0% to	792,133
Profit for the year attributable to the owners of MedAdvisor Limited	up	107.0% to	792,133

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The profit for the Group after providing for income tax amounted to \$792,133 (30 June 2023: loss of \$11,305,372).

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**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(2.40)</u>	<u>(3.45)</u>

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**4. Control gained over entities**

Not applicable.

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**5. Loss of control over entities**

Not applicable.

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**6. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

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**7. Dividend reinvestment plans**

Not applicable.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Refer to the attached annual report note 2.

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**10. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements have been audited and an unmodified opinion has been issued.

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**11. Attachments**

*Details of attachments (if any):*

The Annual Report of MedAdvisor Limited for the year ended 30 June 2024 is attached.

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**12. Signed**



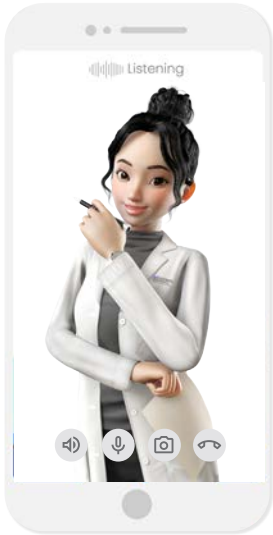
Signed \_\_\_\_\_

Date: 29 August 2024

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**one**  
**company,**  
**one**  
**platform,**  
**one**  
**purpose.**





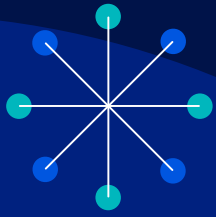
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**As one company, we've charted a path towards sustainable profit while driving platform innovation, all aligned in purpose: empowering pharmacies to simplify the patient medication journey.**

**In 2024, we realised our Pathway to Profitability and propelled THRIV™—our AI-enabled platform powering omnichannel engagement—forward, while investing in the infrastructure needed to accelerate innovation, solution delivery, and market expansion.**

**As we move towards sustained growth, the purpose of our platform-level evolution remains: to deliver data-driven tools that deeply personalise patient communication and redefine pharmacies from transactional touchpoints for medications to trusted advisors for patient health.**

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To our shareholders,

**On behalf of the MedAdvisor Solutions Board and executive team, I'm pleased to share our annual report for the 2024 financial year ending on 30 June 2024. This watershed year culminated with a significant milestone as we achieved profitability, setting us on course towards new profitability goals as we move into our next phase of growth.**

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Linda Jenkinson  
Non-Executive Chair

**We embark on the next phase acknowledging the hard work and focused strategies that delivered our Pathway to Profitability, and our long-term vision for sustainable, profitable growth. From retooling our technology to realigning operations as one global enterprise, we have set, pursued, and met ambitious goals in keeping with a powerful vision for the Company—one in which we help to build the pharmacy of the future.**

Our Board has been highly engaged in supporting management as we collectively deliver our growth strategy. To that end, this year we established an experienced audit chair to ensure risk management systems and internal controls remain robust and transparent as we evolve.

We conducted a detailed remuneration review for the Company, with an emphasis on the wider leadership team, and developed a cohesive remuneration strategy that supports the Company's growth. We reviewed the continued evolution of the Board to support the Company's vision, including the completion of a full, third-party Board review by an external reviewer.

Taken together, we have a highly effective Board in place today that is delivering on its governance commitments while establishing a firm base for long-term Company performance. In tandem with fulfilling the Company's Pathway to Profitability, we have developed a long-term vision of growth in our

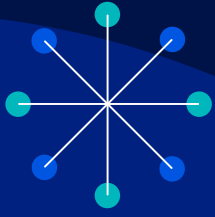
approach. The launch of Transformation 360° is a key driver towards that long-term vision, as it will yield the necessary technology and operations infrastructure to support our bold planning and progress.

As Transformation 360° positions us for operational growth, we have built an Organic Growth team as well as an externally focused team to provide a detailed scan of inorganic M&A opportunities to support our strategy. In FY25 and beyond, we are focused on delivering on our goal of \$250 million in revenue over the next five years.

Our Company's position in the market is strong, with enormous potential that we will continue to unleash, aligning our Company as one integrated platform towards our shared purpose: empowering pharmacists and patients to simplify the medication journey and expand opportunities for better health.



**Linda Jenkinson**  
Non-Executive Chair



To our shareholders,

**For FY24, we set expansive goals for MedAdvisor Solutions, across every sphere of the business: operations, strategy, infrastructure, and technology—all in pursuit of our Pathway to Profitability.**

**I am pleased to share that we have delivered on every one of our objectives, establishing a firm foundation for sustained profitability and initiating investments in next-generation technology development, shared global services, and scalable patient engagement solutions—next year and beyond.**



**Rick Ratliff**  
CEO & Managing Director

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**The past year was defined by our one, global company's drive towards profitable growth, the anticipated elevation of our platform, and by our ultimate purpose: empowering pharmacies to create the pharmacy of the future by engaging with patients as never before.**

**With continued year-over-year growth and record performance in both the Australian and US markets, we delivered on our Pathway to Profitability as projected.** Revenue grew by 19.6% to \$23.7 million in Australia, and by 26.0% to \$98.4 million in the US market. The combined operating revenue of \$122.1 million represents 24.6% growth over FY23.

We have arrived at profitability by globalising our operations, diversifying our brands and vaccine revenues, realigning pharmacy fees, and significantly growing revenue from omnichannel engagement programs, powered by THRiV. In FY24, we initiated the transformation of our AI-powered, cloud-enabled THRiV platform to support further growth of our omnichannel programs.

A unified global platform, purpose-built for patient engagement solutions, is the epicenter of our technology strategy going forward. There, we are building on our 30-year legacy of innovation with data- and AI-driven solutions, empowering our pharma and pharmacy network partners to deliver personalised, high-value patient encounters that drive behaviour change. In FY25, the platform's value in the US market will further evolve, and in FY26, we anticipate unveiling a unified platform supporting customer needs and value delivery, globally.

I am enormously proud of the collaboration, focus, and vision the MedAdvisor Solutions team has embodied as we've coalesced our business around reaching profitability and charted a course to sustain that profit into the future.

## One company

The Pathway to Profitability has been the defining focus of my first two years as CEO, and our arrival at this milestone lays the foundation to build on our five-year strategy towards sustainable growth.

**Our EBITDA and NPAT results were driven by strategies in the Australian and US markets, targeting:**

### Program growth

We diversified our vaccine programs across seven categories and introduced two new brands—leading to a 31% increase in global revenue year-over-year. Vaccine programs now represent nearly half of US revenue. Our medication awareness and adherence programs also continue to evolve, with 167 programs successfully launched in the US and 43 in Australia in 2024.

### Operational efficiency

To drive scalable growth across the enterprise, we are working to drive down fixed costs while globalising our productivity, building Shared Services, and improving global business processes.

 **Our global alignment with Shared Services goes beyond operational efficiency—it is a strategic approach that designates centres of excellence at the regional level, and equips them to apply product development across the global organisation. This approach will both streamline efficiencies and expedite innovation, ultimately delivering industry-changing solutions to the market, faster.**

## Platform revenue

As we continue to align our single, global tech stack, our omnichannel revenue has grown significantly in FY24. Our profitability enables the integration of our existing solutions into a robust, data-driven infrastructure, which in turn will expedite innovation, lower costs, and facilitate continued long-term growth.



**With 333% EBITDA improvement year-over-year, we are paving the road to unparalleled product and technology excellence. We believe this road to excellence, enabled by cutting-edge advancements, will catalyse our aspiration of sustainable growth and operating leverage.**

## One platform

Going forward, we seek sustainable, platform-level growth. In FY25, we will initiate the transformation of our platform in Australia and integration of our global solutions. Leveraging the cloud and the power of modern APIs, we are focused on elevating the user's experience, and equipping pharmacies to offer higher value within the patient medication journey.

In June 2024, we officially unveiled Omnichannel Engagement for Pharmacy, powered by our AI-enabled platform, THRiV, in the US market. Harnessing THRiV's machine learning and AI capabilities, this suite of solutions enables "smart messaging" to help ensure patients receive compelling content when it's most convenient—informing them about medications and enabling them to better manage their health. In Australia, we were selected as the preferred software

provider for Expanded Scope of Practice (ESoP) initiatives addressing UTIs, oral contraceptives, and skin care, and were awarded the North Queensland Community Pharmacy Scope of Practice pilot. To support that pilot launch in April 2024, we delivered software enhancements to MedAdvisor for Pharmacy (formerly known as PlusOne).



**Looking towards FY25, we seek to accelerate innovation and data-driven personalisation by building towards one unified global platform, which will unlock key efficiencies and help pharmacies quickly extend their investment in digital patient engagement.**

With continued collaboration with our pharmacy network partners, we will enhance personalisation—meeting patients at the right moments to meaningfully drive behaviour change.

### One purpose

Our growth is driven by—and driving—innovation. With one unified platform, purpose-built for personalised engagement, we are giving pharmacists the tools to motivate, support, and inform patients in their medication journey.

We are supporting pharmacies in growing their vision of the role they play in the pharmacy of the future, where the pharmacy is a hub of information and services—a gateway to healthcare for patients.

For our pharmaceutical partners, we hold a desirable position in the pharmacy encounter and contribute valuably to streamlining

medication management for patients. Thus, pharma partners remain critical stakeholders as we consider long-term growth.

Of course, we could not deliver on our essential purpose without our people. In FY24, we welcomed Vinod Subramanian as chief operating officer, with global responsibility for technology, data/analytics, and product management. He is based in the US and has quickly made an impact on our operations as we've made One MedAdvisor Solutions a reality.



**Our vision for our Company's technology evolution—with FY25 priorities including strategic App updates, cloud migration, and US platform transformation— dovetails with our continued push towards operational efficiencies and Shared Services across analytics, technical operations, IT, engineering, and security. Taken together, this initiative is now known as Transformation 360°.**

The Transformation 360° initiative furthers our FY24 progress and sets new, expansive goals across operations, strategy, infrastructure, and technology. We look forward to updating you in FY25 with what I expect will be substantial, exciting progress towards these goals.

**Rick Ratliff**  
CEO and Managing Director

# The progress we've made

The robust momentum our business demonstrated this year—culminating with the achievement of our profitability targets—reaffirms the essential role of our innovative solutions across the US and Australian markets. As we build towards our unified, global THRiV platform, we are enabling an expansive vision of the pharmacy and pharmacist, in which the pharmacist is a trusted advisor engaging patients in their health.

## Continued growth, powered by our platform

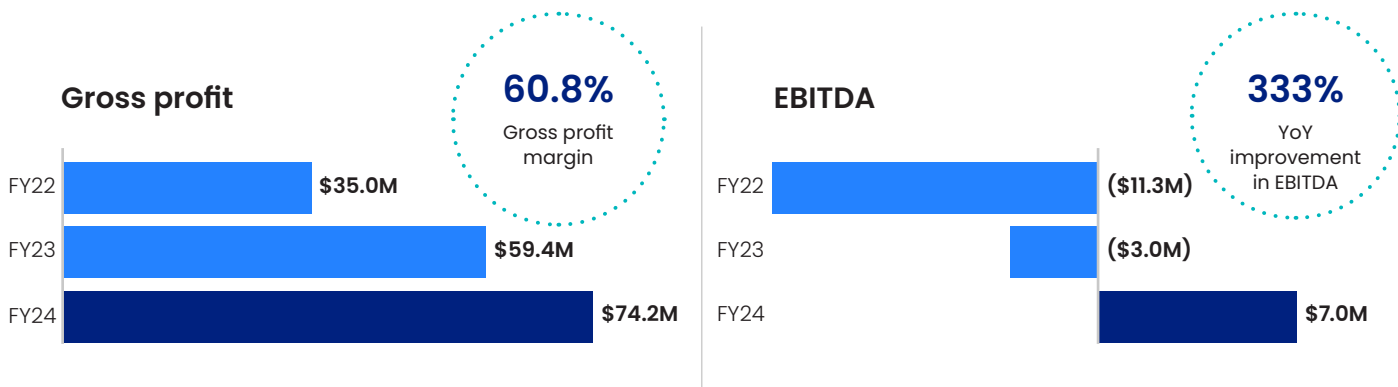
We have laid the groundwork for transformation towards our global, omnichannel platform, where THRiV will power further innovation in patient engagement solutions—including key enhancements to our patient App. Our platform, which will be fully integrated over FY25 and FY26, is core to our future growth and value delivery.

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## Profitability: a milestone met

We realised our **Pathway to Profitability** as intended, setting us on a new course for unprecedented growth and sustainable profit—the next phase of our five-year plan.



## Delivering on our purpose: pharmacists and patients

With new awareness and adherence programs, and ESoP offerings, we are connecting pharmacists and patients at more—and increasingly more valuable—points along their medication and healthcare journey.

## Medication awareness and adherence programs

# 167

Executed in US  
(53% GROWTH)

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## 52,000+

UTI services delivered in ESoP pilot

## 5,754

Oral contraceptive services delivered



# FY24 year in review

**As one company, the MedAdvisor Solutions team had one singular, defining goal for FY24: profitability. As one team, we reached the apex of our Pathway to Profitability with a great deal of momentum—not only establishing our Company’s profitability, but propelling us forward on a new path towards sustainable profit and the next stage of our five-year plan.**

## Highlights

**As a whole, MedAdvisor Solutions achieved the Company’s inaugural EBITDA and NPAT profitability, with group-level revenue of \$122.1 million—a 24.6% increase over FY23—fueled by growth in both the Australian and US markets. We improved EBITDA by \$10.1 million to \$7.0 million, and finished the year with a \$15.6 million cash balance.**

In the US, growth was driven by increased demand for patient engagement programs, powered by our THRiV platform, and a 43% increase in the overall number of patient engagement programs. Margins also improved in the US as a result of omnichannel program growth. Our Omnichannel Engagement for Pharmacy solutions enable personalised patient engagement to simplify medication management. The suite will soon include interactive channels with machine learning and artificial intelligence capabilities that allow “smart messaging” to help patients effectively manage their health and medications.

In Australia, the combination of subscription fee adjustments, the introduction of new transaction fees, and implementation of new payment services positively impacted revenue generated, which we expect to see build over time to complement our SaaS licences and health programs. We updated our MedAdvisor patient App, with a heavy emphasis on the onboarding experience, and initiated our cloud migration for MedAdvisor for Pharmacy. We also cemented our leadership in expanded scope of

practice for pharmacist programs, and completed initial enhancements to support the late-April launch of the North Queensland Community Pharmacy Scope of Practice pilot.

In the UK, we discontinued pharmacy operations, transferring pharmacy clients to Charac, and completed a minority investment of \$1 million in Charac. The transition reduces our expenses and increases our focus, all while maintaining our UK position.

The implementation of key components of the Charac cloud platform will help to expedite the rollout of new services in Australia, including the delivery of telehealth pharmacy support, advanced home delivery solutions, and over-the-counter eCommerce capabilities. MedAdvisor Solutions foresees significant revenue opportunities for the business through these supplementary services starting in FY25.

## Accelerating innovation with Shared Services

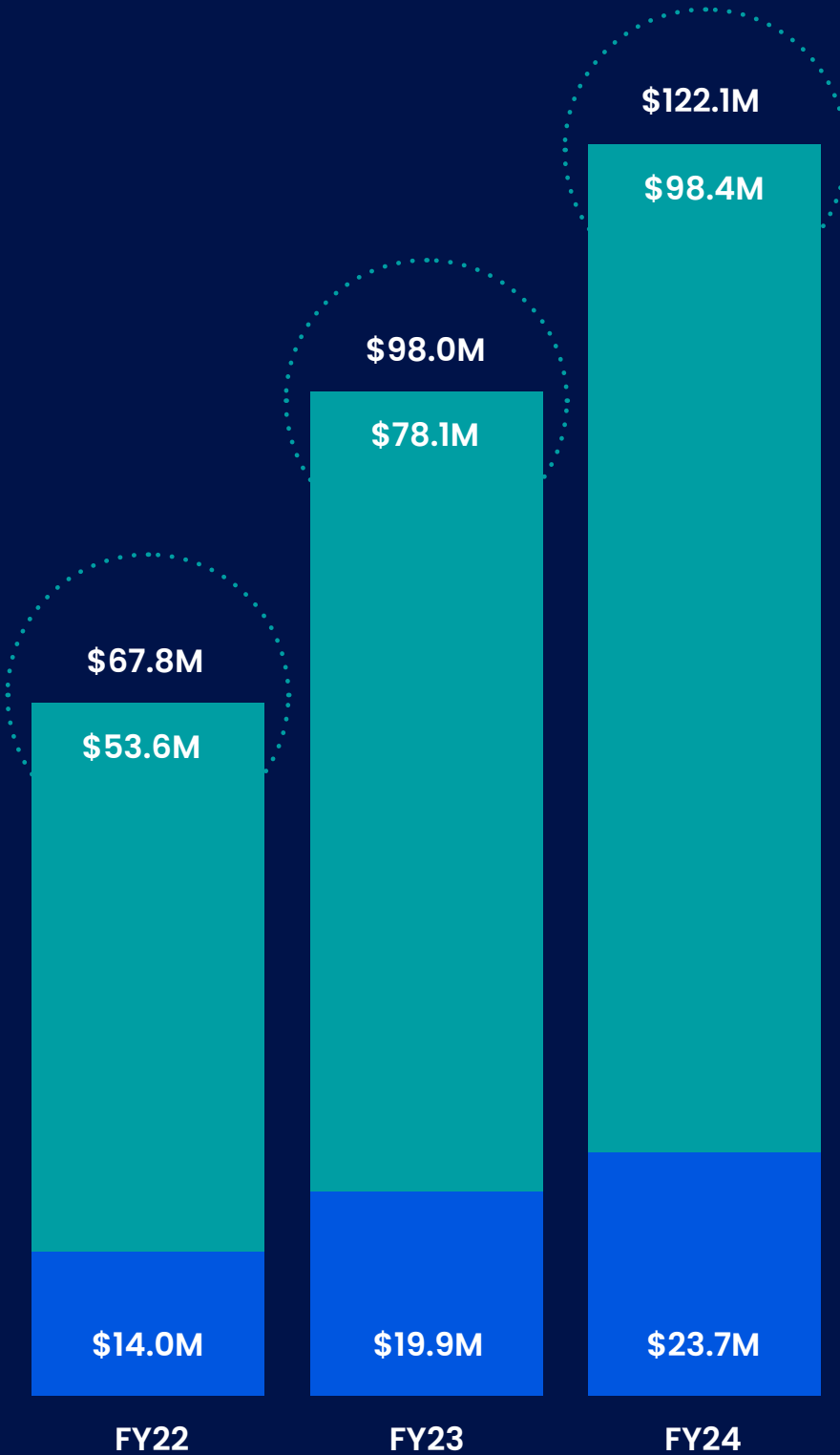
In FY24, we implemented a Shared Services organisation structure and delivered a detailed technology development plan—an initiative focused on accelerating innovation, streamlining operations, and reducing costs across the global organisation. The Shared Services initiative rounds out our transition to a unified, global organisation by consolidating functions previously dispersed across our organisations. At the end of FY24, we designated this initiative as “Transformation 360°.”

**We believe the road to excellence outlined by Transformation 360° will help drive sustainable, profitable growth and operating leverage required for continued success in the next three to five years—and beyond.**

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## Group operating revenue

● MDR US ● MDR ANZ



Group operating revenue over FY23 up

 24.6%

EBITDA of \$7.0M an improvement over FY23 of

 \$10.1M

Gross margin up from 60.6% in FY23 to

 60.8%

Strong cash balance of

 \$15.6M

# US performance FY24

In the US, we continue to expand programs with the top 20 pharmaceutical manufacturers, many of which have been our partners for over 20 years. In FY24, we ran 167 programs across 96 brands and 46 customers. Our continued shift to omnichannel solutions aligns well with pharma strategies to improve patient engagement across vaccines, chronic medications, and specialty drugs.

## Highlights

Our network now covers over 34,000 pharmacy locations, including 60% of corporate pharmacy locations and 40% of independent US pharmacies. Through this strong retail network, we reach more than 200 million people who visit one or more of these locations.

This year, we diversified our vaccine revenue, adding two new manufacturers and five new brands, and executed large-scale, pharma-sponsored programs for COVID, RSV, pneumococcal, flu, and shingles vaccine awareness programs across multiple brands.

With the growth of our adherence programs, we not only reached dramatic growth in the diabetes category—driven by the uptake in GLP-1 use—but expanded conditions to reach COPD, cardiovascular

conditions, chronic kidney disease, and migraine. Additionally, we saw growth in the anticoagulants category, and added a Parkinson’s treatment and glucocorticoids to our awareness programming.

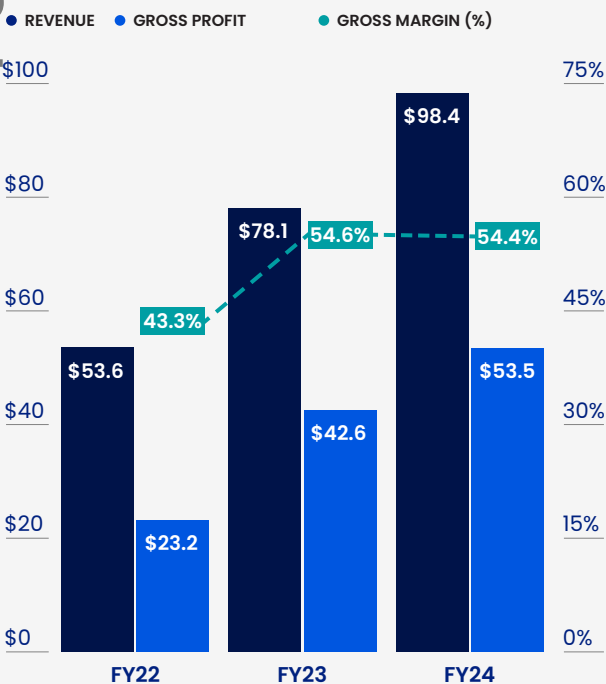
## Results from programs & operations

In FY24, our total US revenue grew by 26% to \$98.4 million, driven by 20+ new brands and growth in vaccine programming. Omnichannel engagement grew robustly as well, resulting in 36% of the total revenue.

In the area of talent, we recruited a new US president, Brian Peterson, to lead commercial operations and drive growth, diversify revenue, grow digital reach, and expand networks. Brian brings extensive leadership experience and a track record of achieving commercial growth across healthcare patient services and technology businesses. The year also brought new leadership across our Network Development and Customer Success teams, adding extensive experience in community pharmacy operations and client service to our roster.

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US financial performance (in millions)



 \$98.4M

Total US FY24 revenue grew by 26% over FY23

7.6x YoY increase

Revenue driven by omnichannel solutions powered by THRiV

20+

New brands, supporting revenue diversification



# ANZ performance FY24

In ANZ, we invested in the development of our cloud-based platform, MedAdvisor for Pharmacy, replacing the outgoing PlusOne software. As the leading vaccination and clinical workflow recording solution in the market, MedAdvisor for Pharmacy is being rolled out to our network, comprising 95% of Australian pharmacies. This modernisation supported the launch of our Queensland Full Scope of Practice pilot, one of many initiatives actively expanding pharmacist scope of practice across the Australian market.

Complementing these platform enhancements, upgrades to our MedAdvisor App v7 have enabled patient access to telehealth integrations, an improved eScript ordering experience, and general user enhancements such as biometric login. As we further streamline the App's patient onboarding experience, we anticipate a strong increase in patient reach, driving revenue associated with medication ordering, service bookings, and the delivery of pharma-sponsored health programs.

## Highlights

In FY24, we expanded our network, brands, programs, and our scope of practice in pharmacy initiatives. We realised a net addition of 250+ stores within our already comprehensive network of nearly 6,000 pharmacies. Adding five new vaccine programs—including awareness, adherence, and intervention—we delivered 15 pharmacy-led programs in FY24.

Our ESoP for pharmacists programs now span vaccinations, urinary tract infections, travel health, and oral contraceptives, significant progress towards

positioning community pharmacy at the centre of primary care across Australia. We are proud to have been selected by various state governments as the preferred software provider for these programs, providing the supportive infrastructure for this shift.

Once awarded the Queensland Full Scope of Practice pilot in late FY23, we spent the first nine months of FY24 building the software to launch the pilot in April 2024. This pilot, which takes Expanded Scope of Practice a step further, is implementing 22 related practice expansion programs—truly enabling pharmacists to work at the top of their licence. Eight pharmacies completed 118 clinical services by the end of FY24.

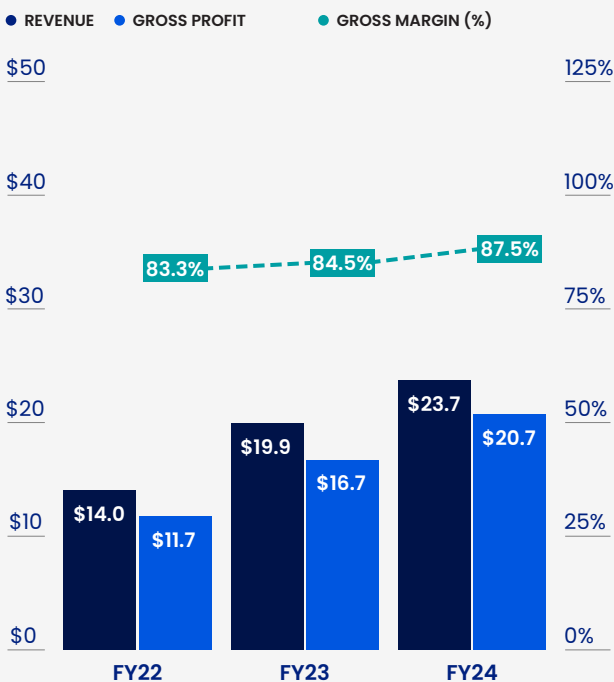
## Results from programs and operations


This year, we realised the full impact of the GuildLink migration and associated price changes, along with additional transaction fees introduced in the third quarter. We facilitated payments worth close to \$9 million for government-funded, state-based programs, including Queensland free flu, UTI, oral contraceptive, and travel health programs. Additionally, we grew to 56 pharma-sponsored programs across 43 brands and 24 manufacturers. With 10 new brands onboarded in FY24, we have consolidated market coverage with a 62.5% uplift compared with FY23.

For the MedAdvisor for Pharmacy and MedAdvisor Patient App, user feedback has been highly positive: Independent market research completed in December 2023 indicated satisfaction rates of over 90% among our network.

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## ANZ financial performance (in millions)




 \$23.7M

Total ANZ FY24 revenue grew by 19% over FY23

 94%

Net satisfaction score for PlusOne platform

 82%

Of vaccinations recorded in ANZ pharmacies are administered by the MedAdvisor platform, up by 75% from FY23

# MedAdvisor Solutions strategy

We are committed to building a unified, global platform that meaningfully engages patients in managing their medications, with a goal of simplifying the medication journey. This involves both deepening and personalising patient engagement through existing omnichannel touchpoints, and developing new programs and services that redefine the role of the pharmacist and enable the future of pharmacy.

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## The opportunity ahead: data & personalisation

Our strength lies in the MedAdvisor Solutions network, which covers 97% of the Australian pharmacy market and over 50% of the US pharmacy market. This extensive network provides unparalleled access to data, unlocking a deeper level of personalisation in patient engagement. With a comprehensive, 360-degree view of the patient and their journey, we can target and segment communications with precision, making messages more timely, relevant, and persuasive.



Leveraging AI-powered predictive analytics and data-modelling tools, we will address three significant opportunities in support of our vision for the future of pharmacy:

1. Deliver higher-value patient engagement with personalised messages based on their unique healthcare journey.
2. Expand the role of pharmacies in primary care through education, awareness, vaccines, and other care programs.
3. Reduce the burden on pharmacists by delivering easily consumable, FDA-vetted patient medication information via solutions such as our AI-powered Virtual Medication Advisor.



**In FY26, we aim to unify our ANZ and US platforms into a single global platform, powered by THriV, providing personalised, omnichannel solutions that enable pharmacists to focus on their passion: patient engagement.**

### Strategic focus

As we continue the rollout of our five-year strategy, our emphasis in FY25 is the pursuit of innovative patient engagement solutions for pharma and pharmacy partners, possibly extending to payers. We will enhance and expand the functionality of our Omnichannel Engagement for Pharmacy in the US and our Expanded Scope of Practice for pharmacists in Australia.

Simultaneously, we will harness data to deepen patient-behaviour insights and enable personalisation and patient engagement at a broader scale. AI will play a crucial role in our strategic focus and delivery. We will introduce AI capabilities to enhance data segmentation, supporting our omnichannel engagement strategy and integrated workflow experience for pharmacists through our Expanded Scope of Practice solution.

### ANZ—strategic implications for FY25 and beyond

#### Integrating the experience

- While we expect SaaS revenue to grow slightly, we anticipate greater growth from platform-related transaction fees and sponsored health programs and services.
- The MedAdvisor for Pharmacy software and Patient App will deliver an integrated ecosystem supporting pharmacists and patients in their medication journey.
- We will introduce AI-based features to enhance the pharmacist's workflow and enhanced patient focus.

#### Empowering the future

- In ANZ, we foresee the evolution of the pharmacy as a central component of primary care—engaging patients through communication, education initiatives, and general health services.
- Evident through the ESoP pilots across Australia, we are supporting pharmacies to operate outside the traditional dispensary and deliver a more comprehensive health offering to patients.
- As global demographics shift towards an aging population—and a parallel reduction in the working-age population, with pharmacist and provider shortages—we believe Australia can serve as a model for expanded healthcare access worldwide.

#### Diversifying revenue streams

- Services such as telehealth, booking, and eCommerce improvements will continue to drive revenues in Australia.
- We are also analysing the potential to accelerate a home-delivery solutions in this market.

### US—strategic implications for FY25 and beyond

#### Expanding engagement

- We will continue to expand our omnichannel engagement solutions, as we explore social media platforms, WhatsApp, interactive voice-response technologies, and more to drive patient engagement and behaviour change.

#### Leveraging data and AI

- As we introduce our AI-powered Medication Advisor to the market, we will enhance its value with additional functionalities, including two-way chat, website access, and more robust content.
- Our data strategy focuses on bolstering foundational elements to expand patient profiles and dramatically deepen and personalise patient engagement.

#### Reaching Underserved Populations

- We will offer AI-based data-segmentation capabilities in our THriV platform, providing unprecedented insights into the patient journey and vaccine utilisation.
- By expanding these segmentation capabilities, we aim to reach underserved populations to improve health access and equity.

### A global view: Transformation 360°

In FY25, we will launch Transformation 360°, investing in the evolution of patient engagement and unparalleled product and technology excellence. We believe the strategic initiatives prioritised by Transformation 360° will fuel our path to \$250 million revenue and 20% EBITDA growth over the next five years. The initiative hinges on evolving our Shared Services talent with relevant domain expertise, to deliver exceptional customer value. We believe Transformation 360° will reduce our operating expenses going into FY26.

With Transformation 360°, we are enhancing our solutions and elevating our platform capabilities, building a robust foundation for personalised patient engagement.

# Material business risks

**MedAdvisor Solutions' risk management framework is used to identify, assess, and manage risks. This helps the leadership team to make informed decisions while balancing risk and reward.**

**The following is a summary of current key risk factors which MedAdvisor Solutions is monitoring. If any of the risks materialise, then this may have an impact on MedAdvisor Solutions' operations and financial performance, resulting in any forecasts or projections being materially different to what is anticipated. This is not intended to be an exhaustive list, and other risks besides those detailed below could also adversely affect the business.**

## **Capital management**

The objective of MedAdvisor Solutions' capital management strategy is to maintain a strong financial position to support our current operations, prepare for future plans, and maximise shareholder value. MedAdvisor Solutions' current focus is on monitoring our capital and liquidity position and ensuring our performance indicators are aligned with key financial metrics. If further debt or equity financing is required, it will be assessed against the potential impact on current share holdings and the current share price.

## **Loss or theft of data and failure of data security systems and unauthorised use of personal information**

MedAdvisor Solutions' products involve the storage of customers' and patients' confidential and proprietary information, including health information. MedAdvisor Solutions' business could be materially impacted by security breaches as a result of unauthorised access, theft, or misappropriation, resulting in data being stolen. There is a risk that any measures taken may not be sufficient to prevent or detect unauthorised access to such information. We will continue to manage this risk with technology solutions and ongoing threat monitoring. Migrating key infrastructure to a cloud-based environment and regular information security auditing and privacy assessments will further reduce vulnerabilities and their potential impact.

## **Access to patient prescription data**

The successful continuation of MedAdvisor Solutions' health messaging platforms will depend on continued access to patient prescription data, which is dependent on permissions given by the pharmacy, retailer, or patient, as appropriate. If a significant number of customers or patients were to withdraw their consent for MedAdvisor Solutions to use prescription data, then that may have a material impact on our business. There is also a risk that governments may legislate to limit or prohibit the access of prescription data by commercial organisations. MedAdvisor Solutions will continue to focus on building strong relationships with key stakeholders to maintain trust.

## **Concentration of customers and poor rebranding**

The revenue of MedAdvisor Solutions' US business is highly concentrated in a small number of pharmaceutical manufacturers. If any one of these key customers ceased or significantly reduced its business with MedAdvisor Solutions, then this may have a material adverse impact on financial and operating performance. Further, our recent rebranding to MedAdvisor Solutions could lead to a loss of goodwill and reduce our brand awareness if not completed well. The next focus will be on diversifying the US portfolio of products and customers and consolidating the global transition to the MedAdvisor Solutions brand.

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### **Rising instability of revenue due to digital transformation and emerging competitors**

Increased competition through local or global competitors could result in price reductions; under-utilisation of personnel, assets, or infrastructure; reduced operating margins; or loss of market share; any of which could have an adverse impact on MedAdvisor Solutions' financial performance. Further, if a potential for unstable revenue streams is realised, coupled with a need to increase investment to accelerate our roadmap delivery, then this could also adversely impact MedAdvisor Solutions' profitability. A key focus will be on seeking new leads for new work by fostering relationships with new and existing customers and protecting or increasing barriers to entry for competitors where possible.

### **Disruption or failure of technology and software systems**

MedAdvisor Solutions and its customers are dependent on the performance, reliability, and availability of its platforms, data centres, and communications systems. There is a risk that these systems may be adversely affected by disruption, failure, or outage. MedAdvisor Solutions will continue to conduct disaster-recovery testing and business continuity planning periodically. Undertaking additional testing prior to releasing software and ensuring third-party service levels are upheld will further reduce the likelihood of this risk.

### **Loss of key personnel or skilled workers**

MedAdvisor Solutions' ability to be productive, profitable, and competitive and to implement our planned roadmap of initiatives depends on the continued employment and performance of senior management. MedAdvisor Solutions' performance also depends on its ability to attract and retain skilled talent with relevant industry and technical experience. The interim focus will be to build on staff engagement feedback and continue to foster a corporate culture based on our mission and values.

### **Regulatory risk**

MedAdvisor Solutions operates in a complex and changing regulatory environment across multiple jurisdictions. Risks associated with compliance and changes to the regulatory environment may result in higher compliance costs or make certain products less profitable. Any breach of security could result in significant financial penalties and breach of contract. Further, the impact of a data breach would likely result in the loss of contracts and reputational damage to MedAdvisor Solutions. A key focus will be monitoring for emerging changes in the regulatory environment, assessment of new products and services, and continuing assessment of potential legal risks.

### **Insurance risk**

MedAdvisor Solutions may be adversely impacted if we are unable to obtain adequate insurance coverage for business risks. MedAdvisor Solutions maintains insurance coverage that is consistent with industry practice; however, the level of coverage, premiums payable, and potential deductibles in the event of a claim may be impacted by various factors, including lack of competing insurers, inherent limitations of insurance policies available in the market, exclusions, or the ability to obtain insurance beyond certain limits. Ongoing focus for MedAdvisor Solutions will be reviewing and rejecting products and services that result in unreasonable risk and working with insurers and brokers to ensure we obtain good value and coverage for the risks that are insured.

### **Litigation risk**

MedAdvisor Solutions may be subject to litigation and other disputes and claims in the ordinary course of business. Pharmaceutical manufacturers, pharmacy groups, and retailers are frequently the subject of class actions and other litigation. MedAdvisor Solutions could become a party to such litigation. Any litigation, dispute, or claim could have a detrimental impact on MedAdvisor Solutions' current performance and reputation. MedAdvisor Solutions' ongoing focus will be to assess products with high-risk profiles and ensure approved delegations of authority are strictly followed.

# Our social responsibility journey

In FY24, we set out our early strategic objectives for environmental, social, and governance (ESG) risk management, and committed to building on our social responsibility as a global organisation.

We have met these early objectives through four key undertakings, by:

- Initiating development of a corporate ESG
- Undertaking a materiality assessment
- Developing the early stages of an internal governance model
- Addressing modern slavery requirements

At MedAdvisor Solutions, we recognise that our long-term success is inextricably linked to our ability to manage our environmental impact, foster a positive social impact, and uphold strong governance standards. As an organisation, we are in the early phase of developing a sustainability strategy. Our key focus during the reporting period was to begin work to determine our material topics, enabling us to establish our strategic focus areas.

We continue to be mindful of the ESG regulatory landscape both in Australia and the jurisdictions in which we operate, particularly with regard to human rights and climate change risk.

## ESG strategy: material topics

Initiating a materiality assessment, in 2024 we mapped our value chain to identify our key business activities and relationships. We reviewed topics outlined by GRI, the Sustainability Accounting Standards Board (SASB), and the European Sustainability Reporting Standards (ESRS) to compile an initial list of more than 90 topics that could be material. We also considered industry reporting trends and the regulatory landscape.

This list of potential topics was subject to an internal preliminary materiality assessment, enabling us to identify 22 topics most likely to be material, which we have clustered into six key focus areas.

### Technology stability, data protection, and customer privacy



MedAdvisor Solutions obeys all state and federal laws regarding privacy. We do not own any Protected Health Information (PHI) or sell PHI to third parties.

MedAdvisor Solutions has a governance framework that controls how we use, manage, and store PHI or customer data. Third-party access to PHI is granted specifically and exclusively to carry out messaging programs, measure program success, and create new programs for the benefit of our pharmacy network. Such access is governed by a Subcontractor Business Associate Agreement, which restricts use and protects customer privacy.

- **Business continuity and technology disruption**
- **Data security** There were no data breaches, complaints concerning customer privacy or loss of data, service disruptions, or service downtime during the reporting period.
- **Customer privacy** Under the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (collectively, "HIPAA"), MedAdvisor Solutions operates as a business associate and is permitted to use and disclose PHI to conduct programs on behalf of covered retail pharmacies and health plans.



## Information integrity

There were no incidents of non-compliance with marketing-related regulations during the reporting period.

- Marketing and labelling
- Access to quality information
- Advertising integrity

## Health equity and human rights

MedAdvisor Solutions respects human rights and upholds labour and employment standards.

- Freedom of association and collective bargaining
- Child labour
- Forced or compulsory labour We will submit a Modern Slavery Statement to the Attorney General's Department for the reporting period.

## Climate change

We continue to monitor expectations and regulatory changes around climate risk reporting, which is now in force or entering into force in the jurisdictions in which we operate (UK, US, Australia, and New Zealand).

While MedAdvisor Solutions does not yet have a regulatory disclosure requirement for climate-related financial information, a future requirement is likely, and we may be required to provide information to our business partners to enable them to meet their own requirements.

- Emissions in our value chain MedAdvisor Solutions does not own or control any buildings or vehicles, and therefore does not produce Scope 1 or 2 emissions.
- Climate change mitigation
- Climate change adaptation

## Employer attractiveness and equal opportunity

We recognise that being an employer of choice is essential to our long-term success. To enhance the value we offer to our team members, we are committed to fostering a safe and inclusive work environment, providing opportunities for growth and engagement, and building a supportive corporate culture.

- Occupational health and safety
- Training and education
- Diversity and inclusion The composition of our Board and team reflects our commitment to gender diversity, with half of employees and 44% of the Board identifying as female.
- Employee engagement
- Corporate culture

## Business ethics and governance

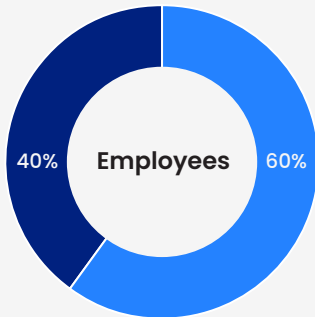
The MedAdvisor Solutions Corporate Governance Statement and Policies can be found on our website: <https://www.medadvisorsolutions.com/investors-corporate-governance>

The Company's CEO and managing director, Rick Ratliff, is responsible for ensuring the Board has oversight of ESG matters if they should arise.

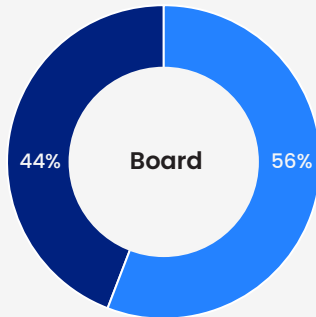
- Anti-bribery and anti-corruption We're committed to the highest standard of honesty and integrity in all our interactions. Our commitment to the highest ethical standards includes strict compliance with applicable anti-bribery and-corruption laws in Australia and overseas.
- Anti-competitive behaviour
- Protection of whistleblowers



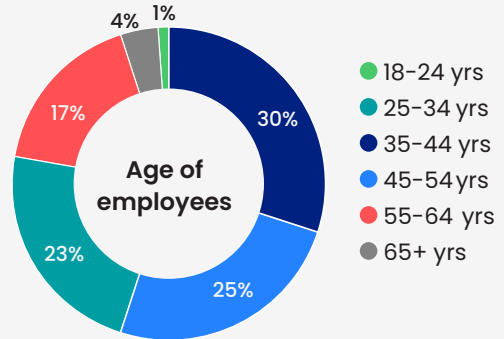
## Diversity and inclusion



● Women ● Men



● Women ● Men



● 18-24 yrs  
● 25-34 yrs  
● 35-44 yrs  
● 45-54 yrs  
● 55-64 yrs  
● 65+ yrs

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**Inclusion, diversity, & belonging**

81%

Of our employees had a favourable view

**Annual employee engagement**

83%

Participation across the Company

## Engagement initiatives

In 2024, MedAdvisor Solutions continued to support a broad range of health and social causes through employee engagement and corporate sponsorship initiatives.

An Independent Pharmacies of Australia (IPA) initiative in Cambodia by donating 17 laptops



Avalon Home, by giving Christmas presents to those in need and participating in working bee



Musculoskeletal Australia's Rattle Ya' Bones initiative, by running a survey at no cost to applicable patients



Australian Patients Association (APA), via a corporate sponsorship equating to \$25K





# Board of Directors and management

## Linda Jenkinson Non-Executive Chair

B. Bus, MBA

Chair & Director since 2022  
(appointed 28 February 2022)

Linda has 30 years of executive management, strategic consulting, and governance experience. She was the Co-founder and CEO of two global technology-enabled companies, DMSC and Les Concierges. She is an experienced growth CEO who was the first woman CEO/Co-founder to take her company public on the NASDAQ. She sold her second company to the Accor Hotel Group in 2016.

Linda was a partner at A.T. Kearney, where she helped build the global Financial Institutions Practice. During the last three years, Linda served on the board of Air New Zealand and Fleet Partners. Linda has won numerous awards, including E&Y Master Entrepreneur of the Year, Westpac NZ Women of Influence Business/Commercial, and World Class New Zealander. Linda has qualified as a Chartered Accountant. Linda holds an MBA from The Wharton School, University of Pennsylvania, and a Bachelor of Business Studies from Massey University.

Directorships at listed entities  
(current and recent):

- Chair & Non-Executive Director of Vinyl Group Ltd since November 2018
- Chair & Non-Executive Director of Straker Limited since July 2024

## Rick Ratliff CEO & Managing Director

MBA IT, BChE

Director since 2022 (appointed 15 July 2022)

Rick joined MedAdvisor Solutions 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 Solutions operates. He has led the development of a number of large-scale technology-enabled healthcare businesses within global organisations such as IBM and Accenture, as well as via start-up and early-stage businesses, including Healthvision, Surescripts, and ConnectiveRx. 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 an MBA, Information Technology, from The University of Tulsa.

## Ancila Desai Chief Financial Officer & Company Secretary

MBA, CA, MBS, MAICD

Ancila joined MedAdvisor Solutions in October 2022 and serves as the Global CFO and Company Secretary.

Prior to this, Ancila held commercial leadership roles for over 20 years and brings diverse experience with a background in M&A, customer and supplier negotiations, and capital management. She has also worked across a variety of sectors, including FMCG, logistics, and biotechnology, working with ASX-listed companies such as Metcash Limited, IDT Australia Limited, Toll Holdings Limited, and US-based Hollister Inc. She was also the CFO/Company Secretary and acted as strategic counsel to the CEO at ASX-listed IDT Australia (ASX: IDT), successfully steering the company back to profitability. Ancila also collaborated with the federal government's COVID-19 task force to enable the manufacture of Australia's first locally developed and manufactured mRNA COVID-19 vaccine candidate.

Ancila holds an Executive MBA from Melbourne Business School and a master's in Business Systems from Monash University. She is a Chartered Accountant and is a current member of the Australian Institute of Company Directors.

## Kevin Hutchinson Non-Executive Director

BBA, Business

Director since 2022  
(appointed 23 November 2022)

Member of Audit & Risk Committee  
from July 2023

Kevin is an entrepreneur with proven success over 30 years with expansive experience in the tech industry. He has built and grown companies that deliver innovative services by using disruptive technology. He also has seen great success in his ability to accelerate growth by hiring and developing teams that drive exceptional results.

He has served in numerous C-level executive roles, including CEO and COO, as well as a number of non-executive board appointments. Kevin is non-executive Board Chair of Matrix Analytics dba eon Health.

## Anthony Tassone Non-Executive Director

B. Pharm (Hon.), GAICD

Director since 2022 (appointed 27 July 2022)  
Member of Audit & Risk Committee from  
July 2023

Anthony is a community pharmacist and has been a proprietor of community pharmacies since 2006 in outer southeastern 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 has 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.

## Sandra Hook Non-Executive Director

GAICD

Director since 2016  
(appointed 19 January 2016)

Chair of People, Remuneration, and  
Nominations Committee from July 2023

Sandra Hook is an experienced board director with a non-executive career spanning diverse sectors including communications; IT, technology, and digital; health tech; tourism; government; research; and policy. She brings deep experience in transformation and growth gained in roles including Managing Director, CEO, COO, and Marketing Director for some of Australia's largest media organisations, including News Limited, Foxtel, and FairFax. Sandra's board experience spans listed, private, and government boards.

Directorships at listed entities  
(current and recent):

- Director of NextED Group Limited (ASX:NXD) from November 2021
- Director of IVE Group Limited (ASX:IGL) from May 2016

# Board of Directors and management

## Jim Xenos

### Non-Executive Director

BSc, DipEd, AFAIM, GAICD

Director since 2015

(appointed 12 November 2015)

Jim is currently the CEO 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.

## Lucas Merrow

### Non-Executive Director

MBA, BSc

Director since 2021 (appointed 10 August 2021)

Member of People, Remuneration, and Nomination Committee from July 2023

Lucas co-founded and served as the CEO 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 COO of Adheris Health, a leading firm in prescription adherence and patient education programs in the United States. MedAdvisor acquired Adheris Health in November 2020.

## Kate Hill

### Non-Executive Director

Bachelor of Science—Honours, Mathematics, and Statistics

Director since 2023

(appointed 24 May 2023)

Chair of Audit & Risk Committee from July 2023

Member of People, Remuneration, and Nomination Committee from July 2023

Kate is an experienced auditor and business advisor with over 30 years' experience of working with privately owned and ASX-listed companies across a broad range of business issues. A former senior partner and first female board member of top-4 accounting firm Deloitte, she has in recent years turned her focus, her energies, and considerable professional experience into non-executive director roles. She is an experienced director of small- to mid-cap companies listed on ASX and other global exchanges, with a successful track record in leading change involving new business models, new markets, and new technologies.

Directorships at listed entities (current and recent):

- Artrya Limited (ASX:AYA)—Non-Executive Director since February 2023
- Count Limited (ASX:CUP)—Non-Executive Director, Chair of Audit and Risk Committee, member of Acquisition Committee since June 2017
- Seeing Machines Limited (LON:SEE)—Chair of the Board, member of Finance, Risk and Audit committee and People, Culture and Remuneration Committee since December 2018
- Hipages Group Holdings Limited (ASX:HPG)—Non-Executive Director, Chair of Audit and Risk since August 2023.

## Brett Magun

### Non-Executive Director

BSBA, Business

JD, Law

Director since 2023

(appointed 24 May 2023)

Brett has over 20 years' experience as a diversified attorney licenced to practice in Massachusetts and New York. He provides high-quality legal advice to C-level suite and boards of directors regarding strategic corporate transactions. His extensive legal background includes M&A, strategic partnerships, employment issues, vendor contracts and management, privacy and regulatory compliance, pre-litigation and risk management, intellectual property (IP), marketing, external communications, and general legal matters.

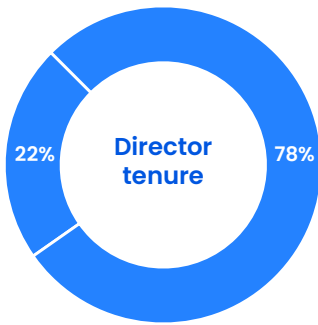
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# Board composition and performance

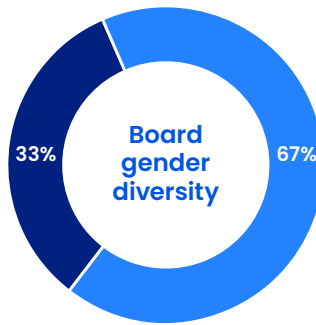
The directors in office at the date of this report are as follows:

Name	Title	Independence	Term
<b>Non-Executive Directors</b>			
Linda Jenkinson	Chairperson	Y	Full financial year
Kevin Hutchinson	Director	Y	Full financial year
Anthony Tassone	Director	N	Full financial year
Sandra Hook	Director	Y	Full financial year
Jim Xenos	Director	N	Full financial year
Lucas Merrow	Director	Y	Full financial year
Kate Hill	Director	Y	Full financial year
Brett Magun	Director	N	Full financial year
<b>Executive Directors</b>			
Richard Ratliff	Chief Executive Officer (CEO)	N	Full financial year

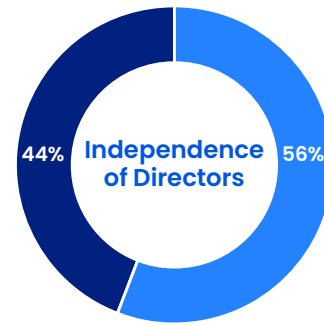
## Structure the Board to be effective and add value



- 0-3 Years
- 3-6 Years
- 7+ Years



- Male
- Female



- Independent
- Non-Independent

## Board composition

The Board comprises 9 directors, including five independent non-executive directors and one executive director, being the CEO. All committees are chaired by an independent director, as is the Board, and the committees comprise primarily independent directors.

While the Company has three non-executive directors who are not considered independent, it is the view of the Board that these directors contribute invaluable skills, knowledge and insights into the industry.

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## Board composition and performance continued

### Director independence and tenure

MedAdvisor recognises that having a majority of independent directors helps ensure that the decisions of the Board reflect the best interests of the Company and its shareholders, and that decisions are not biased towards the interest of management or any other group.

In determining whether a director is independent, the Board has considered the factors relevant to assessing the independence of a director as set out in the ASX Corporate Governance Principles and Recommendations 4th Edition – Principle 2.

In particular:

- Jim Xenos, through his company Kojent Pty Limited, has a beneficial interest in 6,846,956 shares in MedAdvisor, representing 1.25% of the share capital. In previous years this shareholding has exceeded 5% and Kojent has been listed as a substantial shareholder of MedAdvisor, however during FY22 Kojent's holding fell below 5%. At 30 June 2024, Mr Xenos is still considered not to be independent by virtue of this shareholding, however once a 3 year period has elapsed since the sell down to less than 5% then this shareholding will not be considered to impair his independence.
- In addition, as set out in Note 34: Related Party Transactions, NostraData Pty Limited, a company in which Mr Xenos holds a material interest and of which he is a director, is a supplier to the Company. Fees for NostraData during the year was \$373,165. The Board are of the view that this arrangement does not constitute a material business relationship, in that the amounts of fees paid are not material to either MedAdvisor or to NostraData Pty Limited. Accordingly, and having regard to the ASX Corporate Governance Principles, this business relationship is not considered to impair Mr Xenos's independence.
- As set out in Note 34: Related Party Transactions, MedAdvisor entered into a consulting arrangement with Mr Hutchison to provide strategic input to the Company in an area where he has specific expertise. The fees paid to Mr Hutchison during the financial year amounted to \$15,019 and in the opinion of the Board this does not constitute a material relationship in that the amounts paid are not material to either Mr Hutchison or MedAdvisor. Accordingly, and having regard to the ASX Corporate Governance Principles, this business relationship is not considered to impair Mr Hutchison's independence.
- Part of the remuneration of Non-executive Directors is in the form of options over the Company's shares. Approximately 50% of the options vest based on tenure, with the remainder vesting on the achievement of share price hurdles. The Company has adopted this remuneration structure for Non-executive Directors in order to preserve cash while at the same time attract directors of a suitable calibre to serve the Company. The inclusion of a share price hurdle for vesting aligns the longer term interests of the Directors with those of the shareholders, and in the opinion of the Board, this does not constitute performance based remuneration as contemplated in the ASX Governance Principles, as the Directors have no direct control over the share price.
- No independent Director holds in excess of 5% of the shares in the company on a fully diluted basis (i.e. including unexercised options).

The Board regularly assesses the independence of its directors, including by way of an annual, formal assessment. The Board has assessed five non-executive director of the Company as independent.

### Chair

The Chair of the Board, Linda Jenkinson, is an independent, Non-executive Director. Ms Jenkinson was appointed as director and Chair on 28 February 2022.

The Chair's role is to lead the Board. The Chair's responsibilities are set out in the Board Charter and include chairing Board meetings and facilitating open and effective discussions at those meetings (including with management). The Chair also serves as the primary link between the Board and management.

The roles of Chair and CEO are separate and are not performed by the same person.

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## Company Secretary

The MedAdvisor Board appoints the Company Secretary and the Company Secretary is accountable directly to the MedAdvisor Board, through the Chair, on all matters to do with the proper functioning of the MedAdvisor Board.

The MedAdvisor has joint company secretaries: Ancila Desai (appointed 27/02/2023) and Anshu Raghuvanshi (appointed 30/03/2023.)

## Director election and Board renewal

The MedAdvisor Board, in consultation with the Remuneration Nomination Committee, regularly reviews its succession plans.

Directors are generally elected for a three-year term. Retiring directors are not automatically re-appointed.

## Board skills, performance and development

The MedAdvisor Board is comprised of experienced business leaders with a variety of professional backgrounds and contains extensive experience of Pharma, Pharmacy and Technology and Digital services, as well as a mix of business, financial and operational expertise.

The Board's Skills Matrix has been developed to identify the mix of skills and experience required to support MedAdvisor's strategy and growth agenda. The MedAdvisor Board is committed to reviewing its Skills Matrix regularly to ensure the Board continues to have an appropriate mix of skills and experience. In FY24, the following skills and capabilities were identified as relevant to MedAdvisor Solutions.

- Executive leadership
- ASX & Governance
- Strategy; Financial acumen
- Mergers & Acquisitions
- High Growth
- International
- Technology & Innovation
- People & Remuneration
- Audit, Risk & Compliance; and
- Industry (Pharma/health) experience

The current board members, acting as a group, are considered to demonstrate a high level of proficiency across this list of skills and capabilities.

The Remuneration and Nomination Committee is responsible for considering, at least annually, whether any changes are required to the Board Skills Matrix.

At the date of this report, the MedAdvisor Board considers that its current mix of skills, experience and expertise is appropriate for it to discharge its obligations effectively.

The Board keeps up-to-date with market and industry developments through regular briefings at Board and Committee meetings, Board strategy sessions, meetings with key stakeholders and visits to our various geographies. At Board meetings, the Board is also briefed on material developments in laws, regulations and accounting standards relevant to the Company and its operations.

In accordance with its Charter, the Board assesses its performance annually. In June 2024, the Board commissioned Propero Consulting to conduct an external review of the board's performance including Board Skills and Capabilities, Strategy & Culture, Policy & Procedures, Customer and Stakeholder engagement, Performance and Risk, Committees and Company oversight, the results of which are due to be tabled in Q1 FY25. The review is conducted to help ensure the Board continues to operate effectively and efficiently.

# Directors' Report

The directors present their report, together with the Consolidated Financial Report, on MedAdvisor Limited (the Company) and its controlled entities (the Group) for the year ended 30 June 2024.

## Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

<b>Linda Jenkinson</b>	Non-Executive Chairman (appointed 28 February 2022)
<b>Richard Ratliff</b>	Executive Director/Chief Executive Officer (appointed 18 July 2022)
<b>Kevin Hutchinson</b>	Non-Executive Director (appointed 23 November 2022)
<b>Anthony Tassone</b>	Non-Executive Director (appointed 27 July 2022)
<b>Sandra Hook</b>	Non-Executive Director (appointed 19 January 2016)
<b>Jim Xenos</b>	Non-Executive Director (appointed 12 November 2015)
<b>Lucas Merrow</b>	Non-Executive Director (appointed 10 August 2021)
<b>Kate Hill</b>	Non-Executive Director (appointed 24 May 2023)
<b>Brett Magun</b>	Non-Executive Director (appointed 24 May 2023 & resigned on 28 August 2024)

Ancila Desai and Anshu Raghuvanshi were the joint Company Secretaries during the financial year.

Information on the Directors, the Company Secretary and the executive team can be found on pages 21 to 22 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 page 39 of the Annual Report.

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## Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee		People, Remuneration and Nominations Committee	
	Attended	Held	Attended	Held	Attended	Held
Linda Jenkinson	9	9	-	-	-	-
Richard Ratliff	9	9	-	-	-	-
Anthony Tassone	9	9	6	6	-	-
Kevin Hutchinson	9	9	6	6	-	-
Sandra Hook	9	9	-	-	5	5
Lucas Merrow	9	9	-	-	5	5
Jim Xenos	9	9	-	-	-	-
Kate Hill	9	9	6	6	5	5
Brett Magun	7	9	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

## Principal activities

During the financial year the principal continuing activities of the Group consisted of pharmacy-driven, innovative patient engagement solutions that simplify the patient medication journey to empower better health. Leveraging data driven insights and an individualised approach, the Group is on track to become one of the largest players to aid in the global transformation of the pharmacy of the future through digital, patient-centric medication management.

## Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

## Review of operations

The profit for the Group after providing for income tax amounted to \$792,133 (30 June 2023: loss of \$11,305,372).

Other key financial indicators for the financial year are:

	2024 \$	2023 \$	Change \$	Change %
Revenue from continuing operations	122,105,767	97,963,272	24,142,495	25%
Earnings/(losses) before interest, taxes, depreciation & amortisation	7,048,304	(3,028,389)	10,076,693	333%
Cash balance as at end of the financial year	15,578,260	14,198,644	1,379,616	10%
Net Assets as at end of the financial year	51,583,433	48,461,676	3,121,757	6%

Please refer to the Business Update and Management Commentary sections of the Annual Report on pages 10 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;
- comments on business strategies and prospects for future financial years; and
- comments on material business risks identified.

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.

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## Significant changes in the state of affairs

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

## Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to 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 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

In July 2024, MedAdvisor Limited has subscribed to 1,406 Ordinary shares of Charac Limited, a UK based entity, in consideration for a payment of GBP 500,000 to bring the total shareholding of MedAdvisor Limited in Charac to 7.92%.

In August 2024, the Group entered into an agreement to refinance its borrowings of \$12,350,664 as at 30 June 2024. As disclosed in note 19, the borrowings were set to fall due on 31 December 2024. With this refinancing, the maturity date of these borrowings have been revised to 31 December 2027. Further, as part of this refinancing, the Group has obtained an additional \$5,250,000 (USD 3,500,000) in borrowings falling due on 31 August 2027. Both borrowings carry a revised interest rate of 9.35%.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

## Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
15-Apr-16	14-Apr-31	\$0.00	14,284
15-Dec-16	14-Dec-31	\$0.00	82,854
27-Oct-17	28-Oct-32	\$0.00	132,846
19-Dec-17	19-Dec-32	\$0.00	35,712
12-Apr-18	12-Apr-33	\$0.00	8,571
28-Sep-18	28-Sep-33	\$0.00	87,133
10-Jan-19	10-Jan-34	\$0.00	14,284
21-Oct-19	18-Nov-35	\$0.00	8,570
09-Dec-19	08-Dec-34	\$0.00	199,997
09-Dec-19	08-Dec-34	\$0.28	71,428
09-Dec-19	08-Dec-34	\$0.49	214,284
09-Dec-19	08-Dec-34	\$0.63	428,571
09-Dec-19	08-Dec-34	\$0.84	428,572
09-Dec-19	02-Feb-35	\$0.35	28,571
13-Jan-20	12-Jan-35	\$0.00	15,000
25-Feb-20	01-Jan-35	\$0.00	8,570
14-Jul-20	13-Jul-30	\$0.50	80,655
17-Nov-20	17-Nov-35	\$0.00	14,285
09-Dec-20	09-Dec-30	\$0.38	27,940
21-Dec-20	30-Oct-24	\$0.68	750,000
21-Dec-20	30-Oct-29	\$0.70	1,987,500
25-Mar-21	24-Mar-36	\$0.70	140,000
25-Mar-21	24-Mar-36	\$1.00	75,000
28-May-21	28-May-28	\$0.40	659,091
28-May-21	28-May-28	\$0.43	608,392
28-May-21	28-May-28	\$0.50	1,054,545
28-May-21	28-May-28	\$0.58	1,205,195
07-Jul-21	06-Jul-36	\$0.00	400,000
07-Jul-21	06-Jul-36	\$0.60	200,000
07-Jul-21	06-Jul-36	\$0.70	200,000
07-Jul-21	06-Jul-36	\$0.80	200,000
18-Nov-21	28-Oct-24	\$0.00	100,000
26-Nov-21	30-Oct-24	\$0.40	750,000
18-Jul-22	17-Jul-29	\$0.14	13,327,647
01-Sep-22	31-Dec-25	\$0.00	62,500
18-Oct-22	18-Oct-29	\$0.14	6,348,042
27-Oct-22	31-Dec-31	\$0.19	10,750,000
11-Nov-22	31-Dec-25	\$0.00	728,000
14-Nov-22	31-Dec-25	\$0.42	80,000
14-Nov-22	31-Dec-25	\$0.70	64,000
09-Jan-23	31-Jan-26	\$0.00	433,300
14-Feb-23	28-Feb-26	\$0.00	135,000
27-Apr-23	31-Dec-23	\$0.00	250,000
27-Apr-23	31-Dec-24	\$0.00	375,000
27-Apr-23	31-Dec-25	\$0.00	125,000
30-Jun-23	31-Jan-26	\$0.00	58,000
18-Oct-23	30-Jun-29	\$0.00	750,000
18-Oct-23	30-Jun-29	\$0.20	3,500,000
22-Nov-23	30-Jun-29	\$0.20	2,500,000
29-Nov-23	31-Dec-31	\$0.20	1,000,000
			<b>50,718,339</b>

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No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

### Shares issued on the exercise of options

The following ordinary shares of the Company were issued during the year ended 30 June 2024 and up to the date of this report on the exercise of options granted:

Date options granted	Excercise Price	Number of shares issued
15-Apr-16	\$0.00	9,523
28-Sep-18	\$0.00	31,426
09-Dec-19	\$0.00	281,429
16-Mar-20	\$0.00	8,570
09-Apr-20	\$0.00	8,569
01-Sep-22	\$0.00	245,625
17-Oct-22	\$0.15	500,000
11-Nov-22	\$0.00	803,000
14-Feb-23	\$0.00	230,000
27-Apr-23	\$0.00	1,000,000
21-Jun-23	\$0.00	499,000
30-Jun-23	\$0.00	714,000
21-Sep-23	\$0.00	206,896
04-Oct-23	\$0.00	379,310
26-Oct-23	\$0.00	667,155
		<b>5,584,503</b>

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# Remuneration Report

Dear Shareholders,

**On behalf of the Board of Directors, I present MedAdvisor Solutions' Remuneration Report for the financial year ended 30 June 2024 (FY24).**

**FY24 heralded another period of significant growth for MedAdvisor Solutions and attainment of our ultimate goal: profitability. This demonstrates the team's extraordinary commitment and drive towards profitable growth across all segments of the business, in support of empowering the pharmacy of the future.**

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**Sandra Hook**  
Chair, Remuneration and  
Nomination Committee

The MedAdvisor Solutions Board is proud of the organization's commitment to the transformation of the business and to the evolution of the industry, and of the team's contributions to the company's success.

## FY24 Executive Remuneration Outcomes

To build upon this success, leadership continuity is critical. Remuneration, comprising fixed base, short term incentive and long term incentive—is fundamental to retaining and recognizing talent. As such, in FY24 the Board took steps to protect and recognize leadership, with a focus on aligning the Company's structure to industry benchmarks to ensure we attract and retain top talent.

Following is an overview of those initiatives.

### Fixed Remuneration – KMP

In principle, the Board chose to maintain base salaries at the same level as in the prior year, however providing an opportunity for additional remuneration through short term incentive in the event that the Company's challenging goals were met.

Rick Ratliff, CEO, led the company to profitability. His base salary of USD 475,000 was unchanged from 2023, however changes in exchange rates meant the AUD equivalent was \$722,850 (2023: 677,793).

Ancila Desai, CFO, has taken responsibility for Legal, Compliance and People and Culture in addition to her financial responsibilities. Her base salary was adjusted to AUD\$418,000 (2023: AUD\$400,000).

### Short-Term Incentives (STI)

KMP and other senior executives had the opportunity to earn up to 110% of their STI percentage in the financial year, reflecting the importance of achieving the Company's Pathway to Profitability goals.

Rick Ratcliff had the opportunity to earn up to 50% of his base salary in short term incentive, with an uplift of 10% with the achievement of stretch targets.

Ancila Desai had the opportunity to earn up to 40% of her base salary in short term incentive, with an uplift of 10% with the achievement of stretch targets.

Executive Key Management Personnel (KMP) short-term incentive achievement details are summarised in section 3(b).

### Long-Term Incentives (LTI)

Long-term incentives ensure that key stakeholders' financial interests are aligned with the Company's success by awarding MedAdvisor Solutions equity instruments to senior members of the management team. To date, consistent with technology companies of similar size and at similar stages of development, LTI awards have been delivered through zero priced options (ZEPOs), market priced options and premium price options. Options granted to employees under the MedAdvisor Solutions LTI Plan (the Plan) vest subject to tenure over a specified period ,

During the financial year an award of 2,500,000 options was made to Ancila Desai (further detailed in Section 5).

### Non-Executive Director Remuneration

Base fees for Non-Executive Directors (NEDs), the Chair, and Committee Chairs remained unchanged through FY24, and no additional fees were paid to Committee members.

### Looking ahead to FY25

The Board reviews Executive and NED remuneration structure and quantum on an annual basis to ensure it is aligned with market practice, stakeholder expectations, and our evolving strategy.

During FY24, the MedAdvisor Board appointed AON Advisory Australia Pty Ltd to assist with Executive Remuneration benchmarking of senior management roles, including the CEO and CFO. The objective of this exercise was to understand the relative positioning of Total Fixed Remuneration, Target Annual Remuneration, and Target Total Remuneration against peer companies in both Australia and the US, as well as to understand and move towards best practice in terms of the Company's remuneration strategy.

With this exercise, the MedAdvisor Solutions Board aims to:

- Understand and ensure that remuneration arrangements are appropriate for KMP;
- Motivate KMP to achieve target goals and objectives;
- Align with shareholder expectations; and
- Attract and retain top talent

As we look ahead, we will continue to focus on remuneration policies that encourage and reward executives for superior performance, while reinforcing desired standards and culture across the Company. We will also continue to strive to align management with the interests and expectations of our shareholders and other key stakeholders.

We thank you for your continued support and feedback on our remuneration practices, and we look forward to engaging with you in the future.

Yours sincerely,



**Sandra Hook**  
Chair, Remuneration and  
Nomination Committee

## Remuneration Report continued

### 1. Introduction

The Directors of MedAdvisor present the Remuneration Report for the Group for the year ended 30 June 2024. 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	Additional responsibility	Term
<b>Non-Executive Directors</b>			
Linda Jenkinson	Chairperson		Full financial year
Kevin Hutchinson	Director		Full financial year
Anthony Tassone	Director		Full financial year
Sandra Hook	Director	Chair remuneration and nominations committee	Full financial year
Jim Xenos	Director		Full financial year
Lucas Merrow	Director		Full financial year
Kate Hill	Director	Chair audit and risk committee	Full financial year
Brett Magun	Director		Full financial year
<b>Executive Directors</b>			
Richard Ratliff	Chief Executive Officer (CEO)		Full financial year
<b>Other Key Executives</b>			
Ancila Desai	Chief Financial Officer (CFO)		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.

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

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## 2. Executive KMP remuneration philosophy and principles

### (a) Remuneration Philosophy

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 mix is designed to reward both the achievement of short-term objectives and the creation of long-term value. A considerable proportion of Executive KMP remuneration is 'at risk' which drives performance and provides an alignment with the interests of our shareholders.

### (b) Remuneration Principles

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

#### Shareholder Value



Aligning rewards to business outcomes that deliver value to shareholders

#### High Performance



Driving a high-performance culture by setting challenging objectives and rewarding high performing individuals

#### Market Competitive



Ensuring remuneration is competitive in the relevant employment marketplace to support the attractions, motivation, and retention of executive talent

### 3. Executive KMP remuneration

#### (a) Remuneration components

Remuneration component	Purpose
<b>Fixed Remuneration</b>	<p>Fixed remuneration includes base salary, superannuation contributions and other ordinarily paid benefits, allowances, and any applicable fringe benefits tax (FBT).</p> <p>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.</p>
<b>Short-term incentives (STIs)</b>	<p>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 at the beginning of the financial year 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.</p> <p>Performance areas include:</p> <ul style="list-style-type: none"> <li>• Financial – revenues and operating results; and</li> <li>• Non-financial – strategic and individual goals set for each executive having regard to their overall accountability and scope of influence.</li> </ul> <p>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.</p> <p>The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.</p>
<b>Long-term incentives (LTIs)</b>	<p>Long-term incentives ensure alignment of shareholder interests with executive interests by facilitating the meaningful accumulation of MedAdvisor shares over time. The LTI is also expected to drive an ownership mentality in addition to providing a retention element to MedAdvisor's remuneration structure.</p> <p>Consistent with prevalent market practice for similar size technology companies at similar stage of development, LTI awards have, to date, been delivered through options. Options granted to employees under the MedAdvisor Long Term Incentive Plan (the Plan) vest subject to the service period 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.</p> <p>The LTI grants to executive KMP during FY24 included:</p> <ul style="list-style-type: none"> <li>• CFO (Ancila Desai) FY24 options – An award of 2,500,000 options which vest over a three year period based on tenure.</li> </ul> <p>The options awarded to the CFO are further described in Section 5.</p>

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### (b) 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 2024. Amounts shown under Share-Based Awards reflect the accounting expense recorded during the year with respect to prior year awards.

	Cash Salary & Fees \$	Cash Bonus <sup>2</sup> \$	Super- annuation \$	Value of Share-Based Awards in 2024 Financial Year <sup>1</sup> \$	Value of Share-Based Awards from prior Financial Years <sup>1</sup> \$	Total \$
<b>2024</b>						
<b>Executive Directors</b>						
R Ratliff	722,850	340,219	-	-	479,357	1,542,426
<b>Non-Executive Directors</b>						
L Jenkinson	200,000	-	-	-	331,729	531,729
K Hutchinson	55,000	-	-	-	132,692	187,692
L Merrow	55,000	-	-	-	82,932	137,932
S Hook	63,063	-	6,937	-	132,692	202,692
J Xenos	55,000	-	-	-	33,464	88,464
K Hill	68,266	-	1,734	61,678	-	131,678
A Tassone <sup>3</sup>	-	-	-	-	-	-
B Magun <sup>3</sup>	-	-	-	-	-	-
<b>Other Key Management Personnel</b>						
A Desai	412,823	184,466	27,399	154,574	58,239	837,501
	<b>1,632,002</b>	<b>524,685</b>	<b>36,070</b>	<b>216,252</b>	<b>1,251,105</b>	<b>3,660,114</b>

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. For FY24 STI Rick Ratliff achieved 87% and Ancila Desai achieved 94% of the target bonus.
3. Anthony Tassone and Brett Magun are nominee Directors who do not receive any fees or equity in their capacity as Directors.

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## Remuneration Report continued

	Cash Salary & Fees \$	Cash Bonus <sup>2</sup> \$	Super- annuation \$	Value of Share-Based Awards in 2024 Financial Year <sup>1</sup> \$	Value of Share-Based Awards from prior Financial Years <sup>1</sup> \$	Total \$
<b>2023</b>						
<b>Executive Directors</b>						
R Ratliff	677,793	642,560	-	710,236	-	2,030,589
J Swinnerton	7,121	-	748	-	-	7,869
<b>Non-Executive Directors</b>						
L Jenkinson	200,000	-	-	173,076	-	373,076
K Hutchinson	33,393	-	-	69,231	-	102,624
L Mellow	50,833	-	-	43,269	-	94,102
S Hook	55,703	-	5,849	69,231	-	130,783
J Xenos	61,365	-	-	23,216	-	84,581
K Hill	5,230	-	549	-	-	5,779
R Read <sup>6</sup>	211,824	-	8,416	-	-	220,240
A Tassone <sup>3</sup>	-	-	-	-	-	-
R Grossman <sup>3</sup>	-	-	-	-	-	-
<b>Other Key Management Personnel</b>						
A Desai <sup>4</sup>	221,449	80,020	17,966	50,086	-	369,521
B Magun <sup>3</sup>	-	-	-	-	-	-
S Glover <sup>5</sup>	17,485	-	1,267	-	-	18,752
	<b>1,542,196</b>	<b>722,580</b>	<b>34,795</b>	<b>1,138,345</b>	<b>-</b>	<b>3,437,916</b>

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. Anthony Tassone, Brett Magun and RaeAnn Grossman are nominee Directors who do not receive any fees or equity their capacity as Directors.
4. Ancila Desai commenced as CFO on 17 October 2022.
5. Simon Glover resigned as CFO on 15 July 2023.
6. Robert Read resigned as CEO and Executive Director on 15 July 2022 and became a Non-Executive Director. He resigned his position as Non-Executive Director on 30 November 2022.

## Remuneration linked to performance

The relative proportions of remuneration that are fixed and those which are at risk are as follows:

	Fixed Remuneration		At Risk – STI		At Risk – LTI	
	2024	2023	2024	2023	2024	2023
<b>Executive Directors</b>						
R Ratliff	47%	40%	22%	17%	31%	43%
J Swinnerton	n/a	100%	n/a	0%	n/a	0%
<b>Non-Executive Directors<sup>5</sup></b>						
L Jenkinson	38%	54%	0%	0%	62%	46%
K Hutchinson	29%	33%	0%	0%	71%	67%
L Merrow	40%	54%	0%	0%	60%	46%
S Hook	35%	47%	0%	0%	65%	53%
J Xenos	62%	73%	0%	0%	38%	27%
K Hill	53%	100%	0%	0%	47%	0%
R Read <sup>2</sup>	n/a	100%	n/a	0%	n/a	0%
A Tassone <sup>1</sup>	n/a	n/a	n/a	n/a	n/a	n/a
B Magun <sup>1</sup>	n/a	n/a	n/a	n/a	n/a	n/a
R Grossman <sup>1</sup>	n/a	n/a	n/a	n/a	n/a	n/a
<b>Other Key Management Personnel</b>						
A Desai <sup>3</sup>	53%	83%	22%	0%	25%	17%
S Glover <sup>4</sup>	n/a	100%	n/a	0%	n/a	0%

1. Anthony Tassone, Brett Magun and RaeAnn Grossman are nominee Directors who do not receive any fees or equity in their capacity as a Directors.
2. Robert Read resigned as CEO and Executive Director on 15 July 2022 and became a Non-Executive Director. He resigned his position as Non-Executive Director on 30 November 2022.
3. Ancila Desai commenced as CFO on 17 October 2022.
4. Simon Glover resigned on 15 July 2022.
5. Non-Executive Directors 'at risk' element represents the current year amortization of the value of Options that have been granted. The options will vest on tenure and share price hurdles.

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#### 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:

	Base salary	Term of agreement	Notice period
<b>Directors</b>			
R Ratliff	USD 475,000	Ongoing	3 months
<b>Other Key Management Personnel</b>			
A Desai	\$417,097	Ongoing	3 months

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

All executives of the Company received options at market price which vest over a three year period from grant date based on tenure.

##### CFO Equity Awards

Ancila Desai was granted 2,500,000 options on 21 September 2023 by the Board. The options have a \$0.20 exercise price and vest in three tranches on 30 June 2024, 2025 and 2026. 1,500,000 of these options remained unvested at the reporting date. The options have an expiry date of 30 June 2029. The condition of the vesting is that Ancila is continuing in her role as the CFO of the company on the vesting dates.

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## 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.

Given the Company's stage of development, the Company has issued unlisted options to Non-Executive Directors, after obtaining shareholder approval. The purpose of the Options is to preserve cash while also providing NEDs with a suitable remuneration package to attract high quality candidates. The inclusion of share price hurdles also serves to align the interests of the NEDs with those of the shareholders in the longer term.

### Base Fees

<b>Non-Executive Chairman (Linda Jenkinson)</b>	\$200,000 plus options granted
<b>Committee Chair (Kate Hill and Sandra Hook)</b>	\$70,000 plus options granted <sup>1</sup>
<b>Independent Non-Executive Directors</b>	\$55,000 plus options granted

1. \$70,000 is comprised of board fee of \$55,000 plus \$15,000 for committee chair role.

During FY24 and following approval at the 2023 AGM the following options were provided to Directors:

1. Kate Hill, 1,000,000 options as follows:

- 200,000 options vesting on 30 November 2024;
- 200,000 options vesting on 30 November 2026;
- 200,000 options vesting on 30 November 2028;
- 200,000 options vesting if the Company's 30-day VWAP is at or above 150% of the stock price at start date;
- 200,000 options vesting if the Company's 30-day VWAP is at or above 250% of the stock price at start date

The above vesting conditions are in addition to the condition that, for each respective recipient, that person is continuing in the role of director of the Company on the vesting date.

The Options have an exercise price of \$0.2044 and an expiry date of 31 December 2031.

All 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.

## 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.

2024	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
<b>Executive Directors</b>					
R Ratliff	19,675,689	-	-	7,035,058	12,640,631
<b>Non-Executive Directors</b>					
L Jenkinson	5,000,000	-	-	3,333,334	1,666,666
K Hutchinson	2,000,000	-	-	1,333,334	666,666
L Merrow	2,000,000	-	-	1,583,334	416,666
S Hook	2,000,000	-	-	1,333,334	666,666
J Xenos	500,000	-	-	250,000	250,000
K Hill	-	1,000,000	-	200,000	800,000
A Tassone <sup>1</sup>	-	-	-	-	-
B Magun <sup>1</sup>	-	-	-	-	-
<b>Other Key Management Personnel</b>					
A Desai	433,300	2,500,000	-	1,433,300	1,500,000

1. Anthony Tassone and Brett Magun are nominee Directors who do not receive any fees or equity in their capacity as a Directors.

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<b>2023</b>	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
<b>Executive Directors</b>					
R Ratliff	-	19,675,689	-	2,821,513	16,854,176
<b>Non-Executive Directors</b>					
L Jenkinson	-	5,000,000	-	1,250,000	3,750,000
K Hutchinson	-	2,000,000	-	500,000	1,500,000
L Merrow	750,000	1,250,000	-	312,500	1,687,500
S Hook	-	2,000,000	-	500,000	1,500,000
J Xenos	-	500,000	-	-	500,000
R Read <sup>2</sup>	862,500	-	862,500	-	-
A Tassone <sup>1</sup>	-	-	-	-	-
B Magun <sup>1</sup>	-	-	-	-	-
R Grossman <sup>1</sup>	-	-	-	-	-
<b>Other Key Management Personnel</b>					
A Desai <sup>3</sup>	-	433,300	-	-	433,300
S Glover <sup>4</sup>	291,666	-	291,666	-	-

1. Anthony Tassone, Brett Magun and RaeAnn Grossman are nominee Directors who do not receive any fees or equity in their capacity as a Directors.
2. Robert Read resigned as CEO and Executive Director on 15 July 2022 and became a Non-Executive Director. He resigned his position as Non-Executive Director on 30 November 2022.
3. Ancila Desai commenced as CFO on 17 October 2022.
4. Simon Glover resigned on 15 July 2022.

## Remuneration Report continued

### (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.

2024	Balance at start of the reporting period	Purchased on market	Received on exercise of option	Sold on market	Held at end of the reporting period
<b>Executive Directors</b>					
R Ratliff	-	-	-	-	-
<b>Non-Executive Directors</b>					
L Jenkinson	-	-	-	-	-
K Hutchinson	393,943	-	-	-	393,943
L Merrow	940,290	-	-	-	940,290
S Hook	309,521	-	-	-	309,521
J Xenos	13,736,768	-	-	(6,846,955)	6,889,813
K Hill	-	-	-	-	-
A Tassone	-	-	-	-	-
B Magun	-	-	-	-	-
<b>Other Key Management Personnel</b>					
A Desai	-	-	-	-	-

2023	Balance at start of the reporting period	Purchased on market	Received on exercise of option	Sold on market	Held at end of the reporting period
<b>Executive Directors</b>					
R Ratliff	-	-	-	-	-
<b>Non-Executive Directors</b>					
L Jenkinson	-	-	-	-	-
K Hutchinson	-	393,943	-	-	393,943
L Merrow	940,290	-	-	-	940,290
S Hook	249,999	59,522	-	-	309,521
J Xenos	13,736,768	-	-	-	13,736,768
K Hill	-	-	-	-	-
R Read <sup>2</sup>	5,414,283	-	-	(5,414,283)	-
A Tassone	-	-	-	-	-
B Magun	-	-	-	-	-
R Grossman	-	-	-	-	-
<b>Other Key Management Personnel</b>					
A Desai	-	-	-	-	-
S Glover <sup>1</sup>	178,571	-	-	(178,571)	-
J Swinnerton	15,535,259	-	-	(15,535,259)	-

1. As Simon Glover resigned during the financial year, his closing share value has not been included.
2. Robert Read resigned as CEO and Executive Director on 15 July 2022 and became a Non-Executive Director. He resigned his position as Non-Executive Director on 30 November 2022.



### (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 \$373,165 (2023: \$159,811).

During the financial year, the Group paid \$15,019 (2023: nil) to Kevin Hutchison for strategic consulting. These services are in addition to his role as a Non-executive Director.

## 8. Additional information

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

	2024 \$	2023 \$	2022 \$	2021 \$	2020 \$
Revenue from services	122,105,767	97,963,272	67,750,061	38,772,576	9,602,646
Other revenue	156,126	51,511	2,330	1,507,552	1,468,098
<b>Total Revenue</b>	<b>122,261,893</b>	<b>98,014,783</b>	<b>67,752,391</b>	<b>40,280,128</b>	<b>11,070,744</b>
<b>Total margin</b>	<b>74,248,529</b>	<b>59,408,811</b>	<b>34,991,859</b>	<b>21,305,948</b>	<b>8,381,419</b>
EBITDA	7,048,304	(3,028,389)	(11,286,221)	(13,608,000)	(9,172,683)
EBIT	2,853,079	(8,381,639)	(16,186,047)	(16,819,435)	(9,684,907)
Loss after income tax	792,133	(11,305,372)	(17,488,407)	(14,371,990)	(9,779,590)
Share price	0.50	0.25	0.17	0.30	0.50

**End of audited Remuneration Report**

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### Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, 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 executives 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.

### Indemnity and insurance 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

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 32 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), 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 32 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- 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.

### Officers of the Company who are former partners of RSM Australia Partners

There are no officers of the Company who are former partners of RSM Australia Partners.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 48.

### Auditor

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

This 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**  
Chairperson

29 August 2024  
Camberwell, VIC

# Governance and Disclosures

## Corporate Governance Statement

The Board is committed to maintaining high standards of corporate governance by overseeing a sound and effective governance framework for the management and conduct of the Group's operations.

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 Board believes that the governance arrangements complied with these principles and recommendations throughout the reporting period. The Group's Corporate Governance Statement was approved by the Board on 23 August 2023 and is current as of 28 August 2024.

The corporate and is available on MedAdvisor Solutions' website at:  
[medadvisorsolutions.com/investors](https://medadvisorsolutions.com/investors).

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**RSM Australia Partners**

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[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report MedAdvisor Limited for the year ended 30 June 2024, 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.

A handwritten signature in blue ink that reads "RSM".

**RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink that reads "M Parameswaran".

**M PARAMESWARAN**  
Partner

Date: 29 August 2024  
Melbourne, Victoria

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



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**MedAdvisor Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2024**

	Note	2024 \$	2023 \$
<b>Revenue</b>			
Revenue from continuing operations	6	122,105,767	97,963,272
Direct expenses	7	<u>(47,857,238)</u>	<u>(38,554,461)</u>
Gross margin		<u>74,248,529</u>	<u>59,408,811</u>
Interest Income		156,126	51,511
<b>Expenses</b>			
Employee benefits expense	8	(46,422,376)	(44,030,690)
Consultants and contractors		(5,354,323)	(4,231,576)
Software and IT expenses		(6,937,178)	(6,538,343)
Marketing expenses		(2,678,101)	(2,467,455)
Other expenses		<u>(5,964,373)</u>	<u>(5,220,647)</u>
<b>Earnings/(losses) before interest, taxes, depreciation &amp; amortisation</b>		7,048,304	(3,028,389)
Depreciation and amortisation expense	8	(4,195,225)	(5,353,250)
Interest expense	8	<u>(1,929,496)</u>	<u>(2,133,856)</u>
<b>Profit/(loss) before income tax expense</b>		923,583	(10,515,495)
Income tax expense	10	<u>(131,450)</u>	<u>(789,877)</u>
<b>Profit/(loss) after income tax expense for the year attributable to the owners of MedAdvisor Limited</b>	26	792,133	(11,305,372)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(245,360)</u>	<u>250,846</u>
Other comprehensive income for the year, net of tax		<u>(245,360)</u>	<u>250,846</u>
<b>Total comprehensive income for the year attributable to the owners of MedAdvisor Limited</b>		<u><u>546,773</u></u>	<u><u>(11,054,526)</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	4	0.14	(2.07)
Diluted earnings per share	4	0.13	(2.07)

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

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**MedAdvisor Limited**  
**Consolidated statement of financial position**  
**As at 30 June 2024**

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	15,578,260	14,198,644
Trade and other receivables	12	14,855,424	11,730,635
Other current assets	15	2,076,185	2,181,087
<b>Total current assets</b>		<u>32,509,869</u>	<u>28,110,366</u>
<b>Non-current assets</b>			
Investments	13	962,348	-
Property, plant and equipment	16	261,875	531,132
Right-of-use assets	14	180,210	840,012
Intangibles	17	64,851,355	66,409,589
Other non-current assets	15	16,990	17,120
<b>Total non-current assets</b>		<u>66,272,778</u>	<u>67,797,853</u>
<b>Total assets</b>		<u>98,782,647</u>	<u>95,908,219</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	18	16,014,852	14,363,807
Borrowings	19	12,350,664	-
Other current liabilities	20	15,144,196	16,172,097
Lease liabilities	21	256,670	781,634
Employee benefits	22	1,346,143	1,314,542
Income tax		555,748	542,736
<b>Total current liabilities</b>		<u>45,668,273</u>	<u>33,174,816</u>
<b>Non-current liabilities</b>			
Borrowings	19	-	12,045,662
Lease liabilities	21	-	265,224
Employee benefits	22	174,999	188,862
Deferred tax	23	1,355,942	1,771,979
<b>Total non-current liabilities</b>		<u>1,530,941</u>	<u>14,271,727</u>
<b>Total liabilities</b>		<u>47,199,214</u>	<u>47,446,543</u>
<b>Net assets</b>		<u>51,583,433</u>	<u>48,461,676</u>
<b>Equity</b>			
Issued capital	24	116,545,837	115,411,625
Reserves	25	7,128,498	5,933,086
Accumulated losses	26	(72,090,902)	(72,883,035)
<b>Total equity</b>		<u>51,583,433</u>	<u>48,461,676</u>

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

**MedAdvisor Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2024**

	Contributed Equity \$	Share Option reserve \$	Foreign Currency Translation Reserve \$	Retained Earnings / (Losses) \$	Total Equity \$
Balance at 1 July 2022	91,807,626	3,062,807	1,252,458	(61,577,663)	34,545,228
Loss after income tax expense for the year	-	-	-	(11,305,372)	(11,305,372)
Exchange rate differences on translation of foreign entities	-	-	250,846	-	250,846
Total comprehensive income for the year	-	-	250,846	(11,305,372)	(11,054,526)
<i>Transactions with owners in their capacity as owners:</i>					
Ordinary shares issued	23,735,704	-	-	-	23,735,704
Capital raising costs (net of GST)	(949,266)	-	-	-	(949,266)
Share options issued	-	2,184,536	-	-	2,184,536
Share options exercised	817,561	(817,561)	-	-	-
Balance at 30 June 2023	<u>115,411,625</u>	<u>4,429,782</u>	<u>1,503,304</u>	<u>(72,883,035)</u>	<u>48,461,676</u>
	Contributed Equity \$	Share Option reserve \$	Foreign Currency Translation Reserve \$	Retained Earnings / (Losses) \$	Total equity \$
Balance at 1 July 2023	115,411,625	4,429,782	1,503,304	(72,883,035)	48,461,676
Profit after income tax expense for the year	-	-	-	792,133	792,133
Exchange rate differences on translation of foreign entities	-	-	(245,360)	-	(245,360)
Total comprehensive income for the year	-	-	(245,360)	792,133	546,773
<i>Transactions with owners in their capacity as owners:</i>					
Share options issued	-	2,574,984	-	-	2,574,984
Share options exercised	1,134,212	(1,134,212)	-	-	-
Balance at 30 June 2024	<u>116,545,837</u>	<u>5,870,554</u>	<u>1,257,944</u>	<u>(72,090,902)</u>	<u>51,583,433</u>

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

**MedAdvisor Limited**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2024**

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		120,427,388	104,507,984
Payments to suppliers and employees (inclusive of GST)		(113,395,744)	(104,546,502)
		7,031,644	(38,518)
Interest received		154,876	51,511
Interest and other finance costs paid		(1,493,751)	(1,467,078)
Income taxes paid		(504,820)	-
Net cash from/(used in) operating activities	9	<u>5,187,949</u>	<u>(1,454,085)</u>
<b>Cash flows from investing activities</b>			
Payments for investments		(962,348)	-
Payments for property, plant and equipment	16	(65,279)	(178,675)
Payments for development of software		(1,768,665)	-
Net proceeds received from acquisition of subsidiary		-	1,423,145
Payment of deferred consideration		-	(4,474,940)
Net cash used in investing activities		<u>(2,796,292)</u>	<u>(3,230,470)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	24	-	14,596,745
Share issue transaction costs		-	(949,267)
Repayment of lease liabilities		(831,965)	(1,231,010)
Net cash from/(used in) financing activities		<u>(831,965)</u>	<u>12,416,468</u>
Net increase in cash and cash equivalents		1,559,692	7,731,913
Cash and cash equivalents at the beginning of the financial year		14,198,644	7,578,638
Effects of exchange rate changes on cash and cash equivalents		(180,076)	(1,111,907)
Cash and cash equivalents at the end of the financial year	11	<u><u>15,578,260</u></u>	<u><u>14,198,644</u></u>

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

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**MedAdvisor Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 1. General information**

The financial statements cover MedAdvisor Limited as a consolidated entity consisting of MedAdvisor Limited and the entities it controlled at the end of, or during the year (the "Group"). The financial statements are presented in Australian dollars, which is MedAdvisor Limited's functional and presentation currency.

MedAdvisor Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2, 971 Burke Road, Camberwell VIC 3124

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2024. The directors have the power to amend and reissue the financial statements.

**Note 2. Material accounting policy information**

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**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.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**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 had a profit after income tax of \$792,133 and net cash inflows from operating activities of \$5,187,949 for the year ended 30 June 2024. As at that date the Group had net current liabilities of \$13,158,404.

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## **Note 2. Material accounting policy information (continued)**

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- Included in the current liabilities as at 30 June 2024 are borrowings amounting to \$12,350,664 which have been refinanced subsequent to the end of the financial year to a revised maturity date of 31 December 2027 as disclosed in note 36. Further, as part of this refinancing, the Group has obtained an additional \$5,250,000 (USD 3,500,000) in borrowings falling due on 30 August 2027. Considering this refinancing, the Group forecasted to have sufficient cash reserves to repay its current obligations as and when they fall due for a period of at least 12 months from the date of this report.
- The Group has a proven track record of raising funds and is confident of being able to raise further, if required.

### **Parent entity information**

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Financial information about the parent entity, MedAdvisor Limited, is disclosed in note 28.

### **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 29 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.

Where the Group 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 Group 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.

### **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'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### **Foreign currency translation**

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

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**Note 2. Material accounting policy information (continued)**

*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.

**Revenue recognition**

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: 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.

*SaaS revenue*

SaaS revenue is primarily license fees charged for the use of the MedAdvisor platform. The revenue is recognised over the period the customer has agreed to the terms and conditions of use of the platform. The fees are charged from the point the interface is installed on their computer equipment and the customer is able to benefit from and be rewarded for the use of the platform.

*Health Programs*

Revenue from Health Programs are recognised when the service is provided. Typically health programs consist of fixed milestones such as set up, message reporting and patient enrolments and the revenue is recognised at the point in time when these performance obligations are met.

*Transaction and Development fees*

Transaction and Development fees typically include pharmacy development programs, SMS messaging fees, website development and other transactional revenue. These revenues are recorded at a point in time when the performance obligations are fulfilled.

*Medicines Information*

Medicines Information fees typically include fees for distribution of consumer medicine information and product information to the points of dispense of medication. Annual maintenance fees associated with these services are recorded over the period which the customer has agreed to receive these services. The fees for distribution of the information are recorded at a point in time when these performance obligations are met.

*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.

**Note 2. Material accounting policy information (continued)**

*Other revenue*

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

**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 unused tax losses and 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.

**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 Group'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 Group'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.

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**Note 2. Material accounting policy information (continued)**

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**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 Group 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.

**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.

**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 Group 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 Group 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 Group'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.

**Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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**Note 2. Material accounting policy information (continued)**

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.

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*

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

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

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Right-of-use assets**

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

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**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.

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**Note 2. Material accounting policy information (continued)**

*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.

*Research and development*

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

*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 years.

**Impairment of non-financial assets**

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group 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.

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

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**Note 2. Material accounting policy information (continued)**

**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 Group'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.

**Borrowings & 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.

**Provisions**

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group 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.

**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 at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. 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 high quality 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.

The cost of equity-settled transactions are 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 Group 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 are 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.



**Note 2. Material accounting policy information (continued)**

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.
- 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 Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group 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.

**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.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

**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.

**Business combinations**

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

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**Note 2. Material accounting policy information (continued)**

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

Where the business combination is achieved in stages, the Group 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.

**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.

**Goods and Services Tax ('GST') and other similar taxes**

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.

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.

**Note 2. Material accounting policy information (continued)**

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

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**Comparative figures**

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

**Note 3. 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 (refer to the respective notes) within the next financial year are discussed below.

*Goodwill and other indefinite life intangible assets*

The Group 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 2. The recoverable amounts of cash-generating units 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 Group's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on 1-year projection period approved by management and extrapolated for a further 4 years using growth rates assessed to be appropriate, together with a terminal value. Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

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

CGU	Valuation method	Years of cashflow projection	Pre -tax discount rate		Per annum projected revenue growth rate		Per annum increase in operating costs and overheads		Gross Margin	
			2024	2023	2024	2023	2024	2023	2024	2023
ANZ	Value in use	5	21.00%	21.33%	12.50%	12.50%	10-12.5%	10-12.5%	85.6%	84.10%
US	Value in use	5	16.13%	16.13%	10%	10.00%	7-10%	7-10%	52-55%	54-57%

The pre-tax discount rates reflect management's estimate of the time value of money and the Group'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 are 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.

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**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*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:
- Gross margin would need to decrease by more than 10.1% in the US CGU before goodwill would need to be impaired; or
  - Gross margin would need to decrease by more than 9.34% in the ANZ 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 26.05% in the USA CGU before goodwill would need to be impaired; or
  - the discount rate would be required to increase by more than 13.18% in the ANZ 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 units 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 Group 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 Group 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 Group 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.

*Recovery of deferred tax assets*

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

**Note 4. Earnings per share**

	2024 \$	2023 \$
<i>Earnings per share for profit/(loss) from continuing operations</i>		
Profit/(loss) after income tax attributable to the owners of MedAdvisor Limited	<u>792,133</u>	<u>(11,305,372)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	548,122,496	544,959,408
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	<u>49,001,325</u>	<u>-</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>597,123,821</u>	<u>544,959,408</u>

**Note 4. Earnings per share (continued)**

	Cents	Cents
Basic earnings per share	0.14	(2.07)
Diluted earnings per share	0.13	(2.07)

**Note 5. Operating segments**

*Identification of reportable operating segments*

The Group is organised into 3 operating segments: ANZ, US and UK. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

*Operating segment information*

2024	ANZ operations \$	US operations \$	UK operations \$	Total \$
<b>Revenue</b>				
Segment revenue	23,702,363	98,409,442	(6,038)	122,105,767
<b>Total revenue</b>	<u>23,702,363</u>	<u>98,409,442</u>	<u>(6,038)</u>	<u>122,105,767</u>
Impairment of receivables from UK	(7,320,815)	-	-	(7,320,815)
Write off of payables to ANZ	-	-	7,320,815	7,320,815
Segment operating profit (loss) excluding write off of intercompany balances	335,861	1,556,039	(968,317)	923,583
<b>Profit/(loss) before income tax expense</b>	<u>(6,984,954)</u>	<u>1,556,039</u>	<u>6,352,498</u>	<u>923,583</u>
Income tax expense				(131,450)
<b>Profit after income tax expense</b>				<u>792,133</u>
<i>Material items include:</i>				
Depreciation and amortisation	<u>1,026,553</u>	<u>3,165,367</u>	<u>3,305</u>	<u>4,195,225</u>
<b>Assets</b>				
Segment assets	<u>20,266,212</u>	<u>78,500,297</u>	<u>16,138</u>	<u>98,782,647</u>
<b>Total assets</b>				<u>98,782,647</u>
<b>Liabilities</b>				
Segment liabilities	<u>22,613,688</u>	<u>24,585,526</u>	<u>-</u>	<u>47,199,214</u>
<b>Total liabilities</b>				<u>47,199,214</u>

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Note 5. Operating segments (continued)

2023	ANZ Operations \$	US Operations \$	UK Operations \$	Total \$
<b>Revenue</b>				
Segment revenue	19,821,208	78,072,483	69,581	97,963,272
<b>Total revenue</b>	<u>19,821,208</u>	<u>78,072,483</u>	<u>69,581</u>	<u>97,963,272</u>
Segment operating loss	(8,603,136)	(1,246,033)	(666,326)	(10,515,495)
<b>Loss before income tax expense</b>	<u>(8,603,136)</u>	<u>(1,246,033)</u>	<u>(666,326)</u>	<u>(10,515,495)</u>
Income tax expense				(789,877)
<b>Loss after income tax expense</b>				<u>(11,305,372)</u>
<i>Material items include:</i>				
Depreciation and amortisation	1,034,798	4,315,087	3,365	5,353,250
<b>Assets</b>				
Segment assets	19,944,145	75,881,982	82,092	95,908,219
<b>Total assets</b>				<u>95,908,219</u>
<b>Liabilities</b>				
Segment liabilities	20,073,249	27,019,319	353,975	47,446,543
<b>Total liabilities</b>				<u>47,446,543</u>

Note 6. Revenue from continuing operations

	2024 \$	2023 \$
Health Programs	102,021,990	79,932,529
SaaS Revenue	12,697,255	12,036,882
Transaction fees	4,245,235	3,153,264
Medicines Information	2,410,361	2,038,717
Other	251,574	260,798
Development fees	479,352	541,082
	<u>122,105,767</u>	<u>97,963,272</u>

The disaggregation of revenue from contracts with customers is as follows:

	2024 \$	2023 \$
Services transferred over time	14,586,563	13,703,991
Goods transferred at a point in time	107,519,204	84,259,281
	<u>122,105,767</u>	<u>97,963,272</u>

During the year ending 30 June 2024, approximately \$48 million of the Group's external revenue was derived from sales to a global pharmaceutical company involved in vaccine-related programs and patient engagement programs powered by THrIV. Additionally, another \$17 million was derived from sales to a pharmaceutical company providing adherence and awareness programs.

Revenue by geographical region has been disclosed in note 5.

**MedAdvisor Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 7. Direct expenses**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Direct costs of SMS services	334,753	238,558
Direct transaction costs	45,450,415	35,851,456
Managed services costs for the MedAdvisor Platform	2,072,070	2,464,447
	<u>47,857,238</u>	<u>38,554,461</u>

**Note 8. Expenses**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	33,969	54,959
Office equipment	295,065	1,179,351
Right-of-use assets	665,812	1,016,613
Total depreciation	<u>994,846</u>	<u>2,250,923</u>
<i>Amortisation</i>		
Software	2,138,549	2,080,903
Relationships	1,048,707	1,008,301
Intellectual property	13,123	13,123
Total amortisation	<u>3,200,379</u>	<u>3,102,327</u>
Total depreciation and amortisation	<u>4,195,225</u>	<u>5,353,250</u>
<i>Employee Benefits Expenses</i>		
Salaries and wages (excluding defined contribution superannuation expense)	42,047,630	38,526,649
Defined contribution superannuation expense	1,707,467	1,894,037
Redundancy expenses	92,295	1,402,391
Share-based employee remuneration	2,574,984	2,207,613
	<u>46,422,376</u>	<u>44,030,690</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable	<u>1,929,496</u>	<u>2,133,856</u>

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**Note 9. Reconciliation of profit/(loss) after income tax to net cash from/(used in) operating activities**

	2024 \$	2023 \$
Profit/(loss) after income tax expense for the year	792,133	(11,305,372)
Adjustments for:		
Depreciation and amortisation	4,195,225	5,353,250
Share-based payments	2,574,984	2,201,311
Unwinding of discounts	395,239	622,977
Other non cash movements & Foreign exchange	12,396	(255,853)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(3,018,989)	(1,784,328)
Decrease in in other assets	525,160	91,035
Increase/(decrease) in trade and other payables	1,124,987	(2,702,130)
Increase in provision for income tax	13,012	542,736
Increase/(decrease) in deferred tax liabilities	(416,034)	247,141
Increase/(decrease) in provisions	17,738	(561,941)
Increase/(decrease) in income in advance	(1,027,902)	6,097,089
Net cash from/(used in) operating activities	<u>5,187,949</u>	<u>(1,454,085)</u>

**Note 10. Income tax expense**

	2024 \$	2023 \$
Income tax expense		
Current tax	547,487	542,736
Deferred tax	(416,037)	247,141
Aggregate income tax expense	<u>131,450</u>	<u>789,877</u>

*Numerical reconciliation of income tax expense and tax at the statutory rate*

Profit/(loss) before income tax expense	<u>923,583</u>	<u>(10,515,495)</u>
Tax at the statutory tax rate of 30%	277,075	(3,154,649)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Difference in overseas tax rates	(313,178)	273,514
Deferred tax assets not brought into account	-	3,671,012
Others	167,553	-
Income tax expense	<u>131,450</u>	<u>789,877</u>

	2024 \$	2023 \$
<i>Summary of provision for deferred income tax</i>		
Deferred tax liability on acquired intangible assets	(729,998)	(971,504)
MedAdvisor US Net operating losses	958,125	2,140,756
Intangibles – Amortised	(888,895)	(1,612,311)
Intangibles – Indefinite life	(1,867,411)	(1,829,435)
Accruals	1,197,783	500,515
	<u>(1,330,396)</u>	<u>(1,771,979)</u>

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**Note 11. Cash and cash equivalents**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Cash at bank	15,578,260	14,198,644

**Note 12. Trade and other receivables**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Trade receivables	13,064,269	8,982,081
Less: Allowance for expected credit losses	(42,620)	(42,178)
	<u>13,021,649</u>	<u>8,939,903</u>
Other receivables	<u>1,833,775</u>	<u>2,790,732</u>
	<u><u>14,855,424</u></u>	<u><u>11,730,635</u></u>

*Allowance for expected credit losses*

The Group has recognised a loss of \$14,022 in profit or loss in respect of the expected credit losses for the year ended 30 June 2024 (30 June 2023: 10,192).

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Expected credit losses allowance	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	%	%	\$	\$	\$	\$
Not overdue:	0.3%	0.4%	12,100,611	7,977,243	30,886	31,888
0 to 3 months overdue:	1.0%	1.0%	882,927	996,399	8,101	9,964
3 to 6 months overdue:	4.5%	4.5%	80,731	8,841	3,633	398
Over 6 months overdue:	18.0%	18.0%	-	(402)	-	(72)
			<u>13,064,269</u>	<u>8,982,081</u>	<u>42,620</u>	<u>42,178</u>

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Opening balance	42,178	38,421
Additional provisions recognised	14,022	10,192
Receivables written off during the year as uncollectable	(13,580)	(6,435)
Closing balance	<u><u>42,620</u></u>	<u><u>42,178</u></u>

**Note 13. Investments**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Investment in Charac Limited	<u>962,348</u>	<u>-</u>

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**Note 13. Investments (continued)**

Refer to note 31 for further information on fair value measurement.

On 1 December 2023, MedAdvisor Limited has subscribed to 1,179 Ordinary shares of Charac Limited, a UK based entity, in consideration for a payment of \$962,348 representing 3.57% of Charac Limited's total issued share capital.

**Note 14. Right-of-use assets**

	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Non-current assets</i>		
Buildings - right-of-use	1,987,832	3,535,810
Less: Accumulated depreciation	<u>(1,807,622)</u>	<u>(2,695,798)</u>
	<u>180,210</u>	<u>840,012</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Buildings - Right of use \$
Balance at 1 July 2022	1,966,695
Lease modifications	125,869
Exchange differences	(235,939)
Depreciation expense	<u>(1,016,613)</u>
Balance at 30 June 2023	840,012
Exchange differences	6,010
Depreciation expense	<u>(665,812)</u>
Balance at 30 June 2024	<u>180,210</u>

**Note 15. Other current assets**

	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Current assets</i>		
Prepayments	1,953,491	2,058,445
Security deposits	<u>122,694</u>	<u>122,642</u>
	<u>2,076,185</u>	<u>2,181,087</u>
<i>Non-current assets</i>		
Prepayments	<u>16,990</u>	<u>17,120</u>

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**Note 16. Property, plant and equipment**

	2024 \$	2023 \$
<i>Non-current assets</i>		
Office equipment - at cost	4,932,315	5,026,819
Less: Accumulated depreciation	<u>(4,695,624)</u>	<u>(4,554,823)</u>
	236,691	471,996
Leasehold improvements - at cost	245,462	245,675
Less: Accumulated depreciation	<u>(220,278)</u>	<u>(186,539)</u>
	25,184	59,136
	<u>261,875</u>	<u>531,132</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Office Equipment \$	Leasehold improvements - at cost \$	Total \$
Balance at 1 July 2022	1,372,921	133,357	1,506,278
Additions	189,345	5,668	195,013
Additions through business combinations	64,865	-	64,865
Exchange differences	24,216	(24,930)	(714)
Depreciation expense	<u>(1,179,351)</u>	<u>(54,959)</u>	<u>(1,234,310)</u>
Balance at 30 June 2023	471,996	59,136	531,132
Additions	65,279	-	65,279
Disposals	(11,204)	-	(11,204)
Exchange differences	5,685	17	5,702
Depreciation expense	<u>(295,065)</u>	<u>(33,969)</u>	<u>(329,034)</u>
Balance at 30 June 2024	<u>236,691</u>	<u>25,184</u>	<u>261,875</u>

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**Note 17. Intangibles**

	2024 \$	2023 \$
<i>Non-current assets</i>		
Goodwill - at cost	46,344,561	46,607,422
Intellectual property - at cost	131,219	131,219
Less: Accumulated amortisation	<u>(122,706)</u>	<u>(109,584)</u>
	8,513	21,635
Relationships - at cost	11,393,472	10,404,149
Less: Accumulated amortisation	<u>(4,380,401)</u>	<u>(2,312,284)</u>
	7,013,071	8,091,865
Software - at cost	11,903,452	11,975,232
Less: Accumulated amortisation	<u>(8,610,815)</u>	<u>(6,544,071)</u>
	3,292,637	5,431,161
Brands - at cost	6,210,142	6,257,506
Software work in progress - at cost	1,982,431	-
	<u>64,851,355</u>	<u>66,409,589</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Goodwill \$	Intellectual property \$	Relationships \$	Software \$	Brands \$	Software work in progress \$	Total \$
Balance at 1 July 2022	37,382,456	34,757	6,399,522	6,517,090	6,012,527	-	56,346,352
Additions through business combinations	7,865,374	-	2,451,587	786,758	-	-	11,103,719
Exchange differences	1,359,592	-	249,057	208,216	244,979	-	2,061,844
Amortisation expense	-	(13,122)	(1,008,301)	(2,080,903)	-	-	(3,102,326)
Balance at 30 June 2023	46,607,422	21,635	8,091,865	5,431,161	6,257,506	-	66,409,589
Additions	-	-	-	-	-	1,982,431	1,982,431
Exchange differences	(262,861)	-	(30,086)	25	(47,364)	-	(340,286)
Amortisation expense	-	(13,122)	(1,048,708)	(2,138,549)	-	-	(3,200,379)
Balance at 30 June 2024	<u>46,344,561</u>	<u>8,513</u>	<u>7,013,071</u>	<u>3,292,637</u>	<u>6,210,142</u>	<u>1,982,431</u>	<u>64,851,355</u>

\* Intellectual Property includes Copyright and Trademarks

**MedAdvisor Limited**  
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**Note 18. Trade and other payables**

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	3,269,977	4,170,464
Accrued abatements	4,066,129	4,241,369
Other payables	8,678,746	5,951,974
	<u>16,014,852</u>	<u>14,363,807</u>

**Note 19. Borrowings**

	2024 \$	2023 \$
<i>Current liabilities</i>		
Bank loans	<u>12,350,664</u>	<u>-</u>
<i>Non-current liabilities</i>		
Bank loans	<u>-</u>	<u>12,045,662</u>

Facility	Commitment (AUD)	Drawn at close (AUD)	Maturity Date
Tranche A – USD 5,000,000 term loan	7,496,550	7,496,550	31/12/2024
Tranche B – USD 3,500,000 revolving line of credit	<u>5,247,585</u>	<u>4,198,068</u>	31/12/2024
	<u>12,744,135</u>	<u>11,694,618</u>	

The difference between the drawn down facility of AUD 11,694,618 and the Book Value of AUD 12,350,664 represents Fair Value adjustments made in accordance with AASB 9 Financial Instruments.

The loan facilities have an annual interest rate of 12% paid monthly on amounts borrowed. Principal is due at maturity. The loan was renegotiated on 30 June 2023. The annual interest rate was 10.25% for the year ended 30 June 2023 and has been raised to 12% from 14 July 2023 until the maturity date. Other fees include back-end fees totaling USD 534,122 payable subsequent to the end of the current financial year and up to the date of maturity of the loan.

The 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.

**Note 20. Other liabilities**

	2024 \$	2023 \$
<i>Current liabilities</i>		
Gross pharmacy subscriptions in advance	120,498	217,610
GuildData	31,854	414,100
MedAdvisor Web Solutions	73,052	64,234
Medicines Information	801,119	774,392
Patient engagement program (PEP) fees in advance	<u>14,117,673</u>	<u>14,701,761</u>
	<u>15,144,196</u>	<u>16,172,097</u>

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**MedAdvisor Limited**  
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**Note 21. Lease liabilities**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Lease liability	<u>256,670</u>	<u>781,634</u>
<i>Non-current liabilities</i>		
Lease liability	<u>-</u>	<u>265,224</u>
		Building - Lease Liability \$
Balance at 1 July 2022		
Lease Modifications		2,281,510
Lease Payments		125,869
Interest Charge		(1,301,834)
Exchange Differences		96,266
		<u>(154,953)</u>
Balance at 30 June 2023		<u>1,046,858</u>
Lease Payments		(831,965)
Interest Charge		25,907
Exchange Differences		15,870
		<u>256,670</u>

**Note 22. Employee benefits**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Employee benefits	<u>1,346,143</u>	<u>1,314,542</u>
<i>Non-current liabilities</i>		
Employee benefits	<u>174,999</u>	<u>188,862</u>

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**Note 23. Deferred tax**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current liabilities</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
MedAdvisor US Net operating losses	(958,125)	(2,140,756)
Intangibles - Amortised	888,895	1,612,311
Intangibles	1,867,411	1,829,435
Accruals	(1,172,237)	(500,515)
Deferred tax liability on acquired intangible assets	<u>729,998</u>	<u>971,504</u>
Deferred tax liability	<u><u>1,355,942</u></u>	<u><u>1,771,979</u></u>
<i>Movements:</i>		
Opening balance	1,771,979	553,334
Charged/(credited) to profit or loss (note 10)	(416,037)	247,141
Additions through business combinations	<u>-</u>	<u>971,504</u>
Closing balance	<u><u>1,355,942</u></u>	<u><u>1,771,979</u></u>

**Note 24. Issued capital**

	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u><u>550,543,912</u></u>	<u><u>544,959,408</u></u>	<u><u>116,545,837</u></u>	<u><u>115,411,625</u></u>

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**Note 24. Issued capital (continued)**

*Movements in ordinary share capital*

Details	Shares	Issue price	\$
Balance at 1 July 2022	380,839,459		91,807,628
EIP Options Exercised	35,712	\$0.04	1,428
EIP Options Exercised	75,747	\$0.15	10,983
EIP Options Exercised	666,667	\$0.22	146,667
EIP Options Exercised	450,000	\$0.24	109,260
EIP Options Exercised	8,571	\$0.28	2,400
EIP Options Exercised	100,000	\$0.31	31,000
EIP Options Exercised	195,714	\$0.33	64,586
EIP Options Exercised	8,571	\$0.34	2,880
EIP Options Exercised	45,000	\$0.34	15,300
EIP Options Exercised	415,595	\$0.35	145,458
EIP Options Exercised	737,432	\$0.39	287,598
New Share Issue	104,262,450	\$0.14	14,596,745
New Share Issue (as Consideration)	57,118,490	\$0.16	9,138,958
Share issue transaction costs, net of tax for the year			(949,266)
Balance at 30 June 2023	544,959,408		115,411,625
EIP Options Exercised	8,570	\$0.32	2,700
EIP Options Exercised	31,426	\$0.04	1,257
EIP Options Exercised	281,429	\$0.33	92,872
EIP Options Exercised	245,626	\$0.16	39,914
EIP Options Exercised	500,000	\$0.07	33,647
EIP Options Exercised	803,000	\$0.20	160,600
EIP Options Exercised	1,000,000	\$0.22	220,000
EIP Options Exercised	714,000	\$0.25	178,500
EIP Options Exercised	586,206	\$0.23	134,827
EIP Options Exercised	667,155	\$0.20	136,767
EIP Options Exercised	9,523	\$0.03	257
EIP Options Exercised	8,569	\$0.41	3,513
EIP Options Exercised	230,000	\$0.25	58,650
EIP Options Exercised	499,000	\$0.14	70,708
Balance at 30 June 2024	<u>550,543,912</u>		<u>116,545,837</u>

*Ordinary shares*

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.

*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.

Set out below are summaries of options granted under the plan:

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**Note 24. Issued capital (continued)**

Grant date	Expiry date	Exercise Price \$	Balance at start of the year #	Granted #	Excercised #	Expired / forfeited / other #	Balance at end of the year #
2016	2031	\$0.00	115,232	-	(9,523)	(8,571)	97,138
2017	2032	\$0.00	181,413	-	-	(12,855)	168,558
2018	2033	\$0.00	127,130	-	(31,426)	-	95,704
2019	2034	\$0.00	495,710	-	(281,429)	-	214,281
2019	2034	\$0.28	71,428	-	-	-	71,428
2019	2034	\$0.49	214,284	-	-	-	214,284
2019	2034	\$0.63	428,571	-	-	-	428,571
2019	2034	\$0.84	428,572	-	-	-	428,572
2019	2035	\$0.00	8,570	-	-	-	8,570
2019	2035	\$0.35	28,571	-	-	-	28,571
2020	2023	\$0.60	750,000	-	-	(750,000)	-
2020	2024	\$0.68	750,000	-	-	-	750,000
2020	2029	\$0.70	1,987,500	-	-	-	1,987,500
2020	2030	\$0.38	27,940	-	-	-	27,940
2020	2030	\$0.50	80,655	-	-	-	80,655
2020	2035	\$0.00	54,995	-	(17,139)	-	37,856
2021	2024	\$0.00	100,000	-	-	-	100,000
2021	2024	\$0.40	750,000	-	-	-	750,000
2021	2028	\$0.40	659,091	-	-	-	659,091
2021	2028	\$0.43	608,392	-	-	-	608,392
2021	2028	\$0.50	1,054,545	-	-	-	1,054,545
2021	2028	\$0.58	1,205,195	-	-	-	1,205,195
2021	2036	\$0.00	400,000	-	-	-	400,000
2021	2036	\$0.60	200,000	-	-	-	200,000
2021	2036	\$0.70	340,000	-	-	-	340,000
2021	2036	\$0.80	200,000	-	-	-	200,000
2021	2036	\$1.00	75,000	-	-	-	75,000
2022	2025	\$0.00	1,839,125	-	(1,048,625)	-	790,500
2022	2025	\$0.15	500,000	-	(500,000)	-	-
2022	2025	\$0.42	80,000	-	-	-	80,000
2022	2025	\$0.70	64,000	-	-	-	64,000
2022	2029	\$0.14	19,675,689	-	-	-	19,675,689
2022	2031	\$0.19	10,750,000	-	-	-	10,750,000
2023	2023	\$0.00	1,749,000	-	(1,499,000)	-	250,000
2023	2024	\$0.00	375,000	-	-	-	375,000
2023	2025	\$0.00	125,000	586,206	(586,206)	-	125,000
2023	2026	\$0.00	1,570,300	667,155	(1,611,155)	-	626,300
2023	2029	\$0.00	-	750,000	-	-	750,000
2023	2029	\$0.20	-	6,000,000	-	-	6,000,000
2023	2031	\$0.20	-	1,000,000	-	-	1,000,000
			<u>48,070,908</u>	<u>9,003,361</u>	<u>(5,584,503)</u>	<u>(771,426)</u>	<u>50,718,340</u>

Weighted average exercise price	\$0.22	\$0.16	\$0.01	\$0.58	\$0.23
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The weighted average remaining contractual life of options outstanding at the end of the financial year was 5.60 years (2023: 6.16 years)

*Share buy-back*

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

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**Note 25. Reserves**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Share options reserve	5,870,554	4,426,506
Foreign currency reserve	1,257,944	1,506,580
	<u>7,128,498</u>	<u>5,933,086</u>

*Movements in reserves*

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

	Share options reserve \$	Foreign currency translation reserve \$	Total \$
Balance at 1 July 2022	3,062,807	1,252,458	4,315,265
Share options issued	2,184,536	-	2,184,536
Share options exercised	(817,561)	-	(817,561)
Foreign currency translation	-	250,846	250,846
Balance at 30 June 2023	4,429,782	1,503,304	5,933,086
Share options issued	2,574,984	-	2,574,984
Share options exercised	(1,134,212)	-	(1,134,212)
Foreign currency translation	-	(245,360)	(245,360)
Balance at 30 June 2024	<u>5,870,554</u>	<u>1,257,944</u>	<u>7,128,498</u>

**Note 26. Accumulated losses**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Accumulated losses at the beginning of the financial year	(72,883,035)	(61,577,663)
Profit/(loss) after income tax expense for the year	792,133	(11,305,372)
Accumulated losses at the end of the financial year	<u>(72,090,902)</u>	<u>(72,883,035)</u>

**Note 27. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Note 28. Parent Entity Information**

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Statement of Profit/Loss and OCI</i>		
Loss after income tax	<u>(6,138,217)</u>	<u>(8,679,255)</u>

**MedAdvisor Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 28. Parent Entity Information (continued)**

	2024	2023
<i>Statement of Financial Position</i>		
Total Current Assets	144,128	113,351
Total Non-Current Assets	96,279,135	100,227,145
	<u>96,423,263</u>	<u>100,340,496</u>
Total Liabilities	<u>324,000</u>	<u>30,000</u>
Issued capital	116,545,837	115,411,625
Share options reserve	5,870,554	4,429,782
Accumulated losses	<u>(25,669,128)</u>	<u>(19,530,911)</u>
	<u>96,747,263</u>	<u>100,310,496</u>

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

*Capital commitments – property, plant & equipment*

The parent entity had no capital commitments for property plant & equipment as at 30 June 2024 and 30 June 2023.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the Group as disclosed in note 2.

**Note 29. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024 %	2023 %
MedAdvisor International Pty. Ltd.	Australia	100.00%	100.00%
Medicines Information Pty Ltd	Australia	100.00%	100.00%
Health Enterprises 2 Pty. Ltd.	Australia	100.00%	100.00%
MedAdvisor Welam UK Ltd.	United Kingdom	100.00%	100.00%
MedAdvisor Welam USA Inc.	USA	100.00%	100.00%
Adheris, LLC	USA	100.00%	100.00%

**Note 30. Financial instruments**

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 Group 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:

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Note 30. Financial instruments (continued)

	2024 \$	2023 \$
<i>Financial Assets</i>		
Cash and equivalents	15,578,260	14,198,644
Trade and other receivables	14,855,424	11,730,635
Investments	962,348	-
	<u>31,396,032</u>	<u>25,929,279</u>
<i>Financial Liabilities</i>		
Trade and other payables	16,014,852	14,363,807
Borrowings	12,350,664	12,045,662
Lease liabilities	256,670	1,046,858
	<u>28,622,186</u>	<u>27,456,327</u>

**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 Group has minimal exposure to interest rate fluctuations as our loan facility, as outlined in note 19, was at a fixed interest rate of 12% (2023: 10.25%).

**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 Group 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 Group to borrow funds if necessary.

*Contractual maturity of financial assets and liabilities*

2024	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
<i>Financial liabilities due for payment</i>				
Trade and other payables	15,003,347	-	-	15,003,347
<i>Interest bearing – fixed rate</i>				
Lease liabilities	256,670	-	-	256,670
Borrowings	12,350,664	-	-	12,350,664
Total financial liabilities	<u>27,610,681</u>	<u>-</u>	<u>-</u>	<u>27,610,681</u>
<i>Financial assets – cash flows realisable</i>				
Cash and equivalents	15,578,260	-	-	15,578,260
Trade and other receivables	14,855,424	-	-	14,855,424
Investments	962,348	-	-	962,348
Total financial assets	<u>31,396,032</u>	<u>-</u>	<u>-</u>	<u>31,396,032</u>
Net inflow/(outflow) on financial instruments	<u>3,785,351</u>	<u>-</u>	<u>-</u>	<u>3,785,351</u>

**Note 30. Financial instruments (continued)**

2023	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
<i>Financial liabilities due for payment</i>				
Trade and other payables	14,363,807	-	-	14,363,807
<i>Interest bearing – fixed rate</i>				
Lease liabilities	781,634	265,224	-	1,046,858
Borrowings	453,224	11,592,438	-	12,045,662
Total financial liabilities	<u>15,598,665</u>	<u>11,857,662</u>	<u>-</u>	<u>27,456,327</u>
<i>Financial assets – cash flows realisable</i>				
Cash and equivalents	14,198,644	-	-	14,198,644
Trade and other receivables	11,730,635	-	-	11,730,635
Total financial assets	<u>25,929,279</u>	<u>-</u>	<u>-</u>	<u>25,929,279</u>
Net inflow/(outflow) on financial instruments	<u>10,330,614</u>	<u>(11,857,662)</u>	<u>-</u>	<u>(1,527,048)</u>

**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 12.

**Foreign currency risk**

The Group 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 risk is measured using sensitivity analysis and cash flow forecasting. The Group has assessed the foreign exchange risk to be low and has not entered into any forward foreign exchange contracts. The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2024 \$	2023 \$	2024 \$	2023 \$
US dollars	30,102,526	24,063,102	23,994,861	18,581,379
British pounds	16,138	82,092	-	353,975
	<u>30,118,664</u>	<u>24,145,194</u>	<u>23,994,861</u>	<u>18,935,354</u>

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**Note 30. Financial instruments (continued)**

The Group had net financial assets denominated in foreign currencies of \$6,123,805 as at 30 June 2024 (30 June 2023: \$5,209,840). Based on this exposure, had the Australian dollar weakened by 5% (2023: 5%) against these foreign currencies with all other variables held constant, the Group's comprehensive loss before tax for the year would have been \$291,610 lower (2023 : \$247,877 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 2024 was \$13,836 (2023 : \$84,822).

*Price risk*

The Group is not exposed to any significant price risk.

**Fair value of financial instruments**

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.

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the Company are as follows:

	2024		2023	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
<b>Assets</b>				
Cash and cash equivalents	15,578,260	15,578,260	14,198,644	14,198,644
Trade receivables	14,855,424	14,855,424	11,730,635	11,730,635
Investments	962,348	962,348	-	-
	<u>31,396,032</u>	<u>31,396,032</u>	<u>25,929,279</u>	<u>25,929,279</u>
<b>Liabilities</b>				
Trade and other payables	16,014,852	16,014,852	14,363,807	14,363,807
Borrowings	12,350,664	12,350,664	12,045,662	12,045,662
Lease liability	256,670	256,670	1,046,858	1,046,858
	<u>28,622,186</u>	<u>28,622,186</u>	<u>27,456,327</u>	<u>27,456,327</u>

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**Note 31. Fair value measurement**

*Fair value hierarchy*

The following tables detail the Company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

<b>2024</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Ordinary shares at fair value through profit or loss	-	-	962,348	962,348
Total assets	-	-	962,348	962,348

There were no assets or liabilities at measure at fair value in the previous year ending 30 June 2023.

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

*Level 3 assets and liabilities*

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

	Investments \$
Balance at 1 July 2022	-
Balance at 30 June 2023	-
Additions	962,348
Balance at 30 June 2024	962,348

**Note 32. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below:

	2024 \$	2023 \$
Short-term employee benefits	2,156,687	2,264,776
Post-employment benefits	36,070	34,795
Share-based payments	1,467,357	1,138,345
	<u>3,660,114</u>	<u>3,437,916</u>

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**MedAdvisor Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 33. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Audit services - RSM Australia Partners</i>		
Audit or review of the financial statements	269,656	245,295
<i>Other services - RSM Australia Partners</i>		
Taxation services	35,600	26,010
Other services	2,500	22,030
	<u>38,100</u>	<u>48,040</u>
	<u><u>307,756</u></u>	<u><u>293,335</u></u>

**Note 34. 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 a director-related entity of the Company because Mr Jim Xenos, a director of MedAdvisor, is also a director of that entity.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 32 and the remuneration report included in the directors' report.

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>2024</b>	<b>2023</b>
	\$	\$
Purchase of goods and services:		
Data and consulting services provided by NostraData Pty Ltd	373,165	159,811
Advisory services from Kevin Hutchison (Non-Executive Director)	15,019	-

*Receivable from and payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>2024</b>	<b>2023</b>
	\$	\$
Current payables:		
Amounts payable to NostraData Pty Ltd	35,200	24,165

**Note 35. Contingencies**

Neither the Group nor the parent entity have any contingent liabilities or contingent assets as at 30 June 2024 or 30 June 2023.

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**MedAdvisor Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 36. Events after the reporting period**

In July 2024, MedAdvisor Limited has subscribed to 1,406 Ordinary shares of Charac Limited, a UK based entity, in consideration for a payment of GBP 500,000 to bring the total shareholding of MedAdvisor Limited in Charac to 7.92%.

In August 2024, the Group entered into an agreement to refinance its borrowings of \$12,350,664 as at 30 June 2024. As disclosed in note 19, the borrowings were set to fall due on 31 December 2024. With this refinancing, the maturity date of these borrowings have been revised to 31 December 2027. Further, as part of this refinancing, the Group has obtained an additional \$5,250,000 (USD 3,500,000) in borrowings falling due on 31 August 2027. Both borrowings carry a revised interest rate of 9.35%.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Note 37. Reclassification of comparatives**

*Reclassification*

During the current financial year ended 30 June 2024, management has reassessed the classification of operating expenses to better reflect the nature of expenses that are presented on the Consolidated statement of profit or loss and other comprehensive income. There is no impact on the EBITDA previously reported. The reclassification of the previously reported comparative balances are shown in the table below.

	As previously reported for year ended 30 June 2024	Adjustment	Reclassified balance for the year ended 30 June 2024
Development costs	7,507,041	(7,507,041)	-
Employee benefits expenses	41,469,731	2,560,959	44,030,690
Consultants and contractors	-	4,231,576	4,231,576
Software and IT expenses	-	6,538,343	6,538,343
Marketing expenses	3,263,123	(795,668)	2,467,455
Other expenses	10,248,816	(5,028,169)	5,220,647
	<u>62,488,711</u>	<u>-</u>	<u>62,488,711</u>

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**MedAdvisor Limited**  
**Consolidated entity disclosure statement**  
**As at 30 June 2024**

Entity name	Entity type	Place formed / Country of incorporation	Ownership	Tax residency
			interest	
			%	
MedAdvisor Limited	Body Corporate	Australia	100.00%	Australia
MedAdvisor International Pty Ltd	Body Corporate	Australia	100.00%	Australia
Medicines Information Pty Ltd	Body Corporate	Australia	100.00%	Australia
Health Enterprises 2 Pty Ltd	Body Corporate	Australia	100.00%	Australia
MedAdvisor Welam USA Inc	Body Corporate	United States of America	100.00%	United States of America
Adheris, LLC	Body Corporate	United States of America	100.00%	United States of America
MedAdvisor Welam UK Ltd	Body Corporate	United Kingdom	100.00%	United Kingdom

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**MedAdvisor Limited**  
**Directors' declaration**  
**30 June 2024**

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



---

Linda Jenkinson  
Chairperson

29 August 2024

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

**Opinion**

We have audited the financial report of MedAdvisor Limited Ltd. (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 material accounting policy information, the consolidated entity disclosure statement 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 2024 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 (including independence standards)* (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.

**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.

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Key Audit Matter	How our audit addressed this matter
<p><b>Recognition of Revenue</b></p> <p>Refer to Note 6 in the financial statements</p>	
<p>The Group receives revenue from three core income streams, and the accounting for each of these differs.</p> <p>While SaaS Revenue from subscriptions and revenue from Medicines information are not complex and do not involve significant management judgements, the recognition of revenue generated from Transaction Fees, Development Fees and Health Programs involves management estimates around the timing of delivery of services.</p> <p>Revenue recognition was considered a Key Audit Matter due to the materiality and significance of the balance.</p>	<p>Our audit procedures in relation to the recognition of revenue included:</p> <ul style="list-style-type: none"> <li>Assessing whether the Group's revenue recognition policies were in compliance with <i>AASB 15 Revenue from Contracts with Customers</i>;</li> <li>Evaluating the operating effectiveness of management's controls related to revenue recognition;</li> <li>Performing application controls for Health Programs revenue;</li> <li>Performing substantive analytical review procedures on the SaaS Revenue stream;</li> <li>Performing detailed testing on a sample of contracts with customers and assessing the revenue recognised to various elements in the contracts; and</li> <li>Reviewing revenue transactions before and after year-end to ensure that revenue is recognised in the correct period.</li> </ul>
<p><b>Impairment of Intangible Assets</b></p> <p>Refer to Note 17 in the financial statements</p>	
<p>The Group has Intangible Assets of \$64,851,355 as at 30 June 2024.</p> <p>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.</p> <p>For the year ended 30 June 2024, management have performed an impairment assessment over the Intangible Assets balance by:</p> <ul style="list-style-type: none"> <li>Identifying the CGU's to which the intangible asset belongs;</li> </ul>	<p>Our audit procedures in relation to management's impairment assessment included:</p> <ul style="list-style-type: none"> <li>Assessing management's determination of the CGUs to which the Intangible Assets is allocated;</li> <li>Assessing the valuation methodology used;</li> <li>Challenging the reasonableness of key assumptions, including the cash flow projections, revenue growth rates, discount rates, and sensitivities used;</li> <li>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</li> <li>Reviewing the accuracy of disclosures of critical estimates and assumptions in the financial statements in relation to the valuation methodologies.</li> </ul>



Key Audit Matter	How our audit addressed this matter
<p>• Calculating the value in use of each CGU using a discounted cash flow model.</p> <p>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</p> <p>• Comparing the resulting value in use of the CGU to their respective book values.</p> <p>Management also performed a sensitivity analysis over the value in use calculations by varying the assumptions used to assess the impact on the valuations.</p>	

**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 2024 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.

**Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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### Responsibilities of the Directors for the Financial Report (Continued)

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/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_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 2024.

In our opinion, the Remuneration Report of MedAdvisor Limited, for the year ended 30 June 2024, 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.

A handwritten signature in blue ink, appearing to read 'RSM'.

**RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink, appearing to read 'M Parameswaran'.

**M PARAMESWARAN**

Partner

Date: 29 August 2024

Melbourne, Victoria

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# Shareholder Information

The shareholder information set out below was applicable as at 21 August 2024.

## A. Equity security holders

### Twenty largest holders of quoted equity securities

	Ordinary shares	
	Number Held	Percentage of total shares issued
GUILD GROUP HOLDINGS LIMITED	94,905,130	17.21%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	84,152,463	15.26%
EBOS PH PTY LTD	53,986,823	9.79%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	45,226,380	8.20%
COTIVITI INC	43,999,999	7.98%
CITICORP NOMINEES PTY LIMITED	38,361,455	6.96%
NATIONAL NOMINEES LIMITED	14,892,708	2.70%
UBS NOMINEES PTY LTD	14,289,149	2.59%
BOND STREET CUSTODIANS LIMITED <SALTER - D79836 A/C>	9,700,000	1.76%
KOJENT PTY LTD <KOJENT A/C>	6,846,956	1.24%
INDCORP CONSULTING GROUP PTY LIMITED <SUPERANNUATION FUND A/C>	6,550,000	1.19%
ROMIDA ENTERPRISES PTY LTD <ROMIDA FAMILY A/C>	5,642,935	1.02%
GREAD MANAGEMENT PTY LIMITED <THE A G & R R FAMILY A/C>	5,344,283	0.97%
PROVARE PTY LTD <PROVARE INVESTMENT A/C>	3,743,419	0.68%
TAGDIME PTY LTD <IAN M DAVISON P/L S/F A/C>	3,264,316	0.59%
DR CHRISTOPHER HAROLD BENTON	3,000,000	0.54%
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	2,815,940	0.51%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,383,158	0.43%
DMX CAPITAL PARTNERS LIMITED	2,351,551	0.43%
WAVEY INDUSTRIES PTY LTD <JOSH SWINNERTON FAMILY A/C>	2,300,000	0.42%
<b>Total top 20 holders</b>	<b>443,756,665</b>	<b>80.49%</b>
Total all other holders	107,550,972	19.51%
<b>Total shares on issue</b>	<b>551,307,637</b>	<b>100%</b>

### Unquoted equity securities

	Number on issue	Number of holders
Options over unissued ordinary shares	55,845,320	66

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## 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	137	0.01%	0
1,001 to 5,000	953	0.46%	0
5,001 to 10,000	411	0.57%	5
10,001 to 100,000	876	5.40%	19
100,001 and over	223	93.56%	42
<b>Total</b>	<b>2,600</b>	<b>100.00%</b>	<b>66</b>

There were 151 holders of less than a marketable parcel of 1,099 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
EBOS PH Pty. Ltd.	53,986,823
Perennial Value Management Ltd.	48,187,368
TopCo, KKR and Veritas Entities	43,999,999
Cotiviti Inc	43,999,999

# Corporate Directory

## Directors

### Linda Jenkinson

Non-Executive Director and Chair

### Richard Ratliff

Managing Director and Chief Executive Officer

### Kevin Hutchinson

Non-Executive Director

### Anthony Tassone

Non-Executive Director

### Sandra Hook

Non-Executive Director

### Jim Xenos

Non-Executive Director

### Lucas Merrow

Non-Executive Director

### Kate Hill

Non-Executive Director

### Brett Magun

Non-Executive Director

## Company secretaries

### Ancila Desai

Anshu Raghuvanshi

## ABN

17 145 327 617

## Website

[www.medadvisorsolutions.com](http://www.medadvisorsolutions.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

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