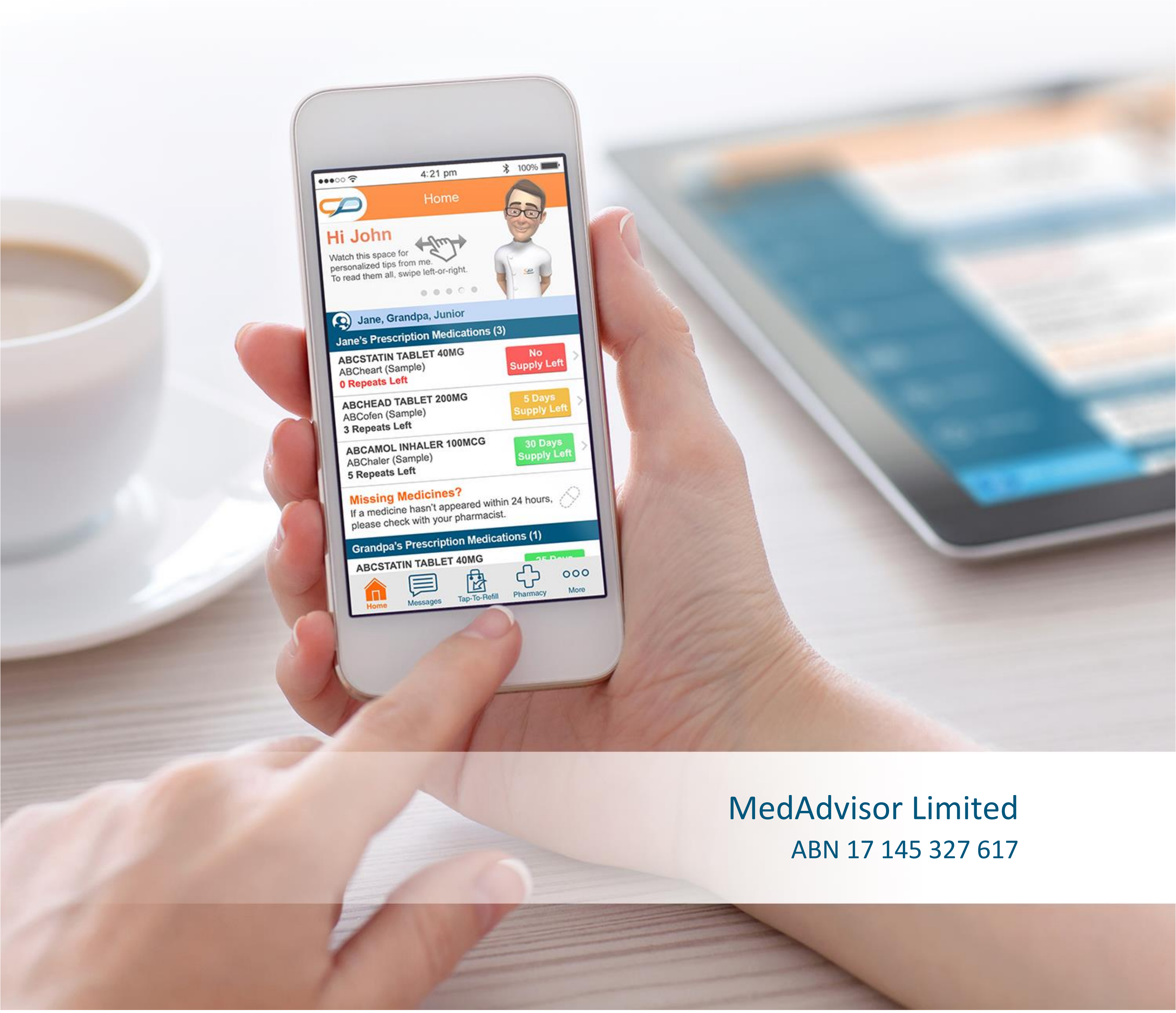
Annual financial report
for the year ended
30 June 2019



MedAdvisor Limited

ABN 17 145 327 617

MedAdvisor's (ASX: MDR) core purpose is to tackle the global issue of medication non-adherence and poor health literacy to drive improved health outcomes for patients by making medication manageable.

Contents

Chairman's Letter

Dear Shareholders,

I would like to thank you for your support and bid a warm welcome to shareholders who have joined us this year.

We are delighted to share our strong domestic performance, with total revenues increasing by 24% to $9.2m (vs $7.4m in FY18), and operating revenue increasing by 25% to $8.2m vs $6.6m in FY18. MedAdvisor has consolidated its leadership position in the Australian community pharmacy network, with over 55% of pharmacies licensing PlusOne to connect to and support their patients. Over 1.2m Australians are now digitally connected through MedAdvisor, helping them to make medication manageable. We ran 58 funded Health Programs in FY19, generating $1m in revenue (+48% from FY18) for 23 different health program funders.

Building from this strong core, the team have made great progress in globalising the platform and identifying partners and customers eager to deploy MedAdvisor into new markets. As we enter FY20, the pathway to revenues from at least three new markets is clear.

US

In FY19, we built a strong, experienced team to conclude the partnerships and build the relationships needed for long term success in the market. A commercial partnership was struck with Adheris Health, the leading provider of patient adherence and engagement solutions to US pharmaceutical companies. The initial 12 month partnership agreement opens up MedAdvisor's Health Programs for the benefit of the ~197m US customers of 26,000+ pharmacies that Adheris Health already works with. We expect revenues from the US to begin to flow from late 1HFY20.

Asia

In May 2019, we completed the formation of a 50:50 joint venture with Zuellig Pharma Holdings Pte Ltd ("Zuellig Pharma"). Zuellig Pharma's $US13 billion business provides healthcare services to over 350,000 medical facilities (pharmacies, medical clinics, hospitals) across South East Asia, and works with over 1,000 corporate clients, including the top 20 pharmaceutical companies in the world.

The 50:50 joint venture subsequently signed its first pharmacy chain customer, MedExpress Drugstores ("MedExpress"). MedExpress is the leading hospital outpatient pharmacy chain in the Philippines serving approximately 1.5 million customers in 50 key hospitals nationwide and is also the leading delivery service drugstore in the Philippines. MedAdvisor will provide a MedExpress branded app to support digital medication ordering for customers. We expect revenues from Asia to commence in 1HFY20.

UK

In August 2019, we entered the UK market through an agreement with our first UK pharmacy chain customer, The Day Lewis Group ("Day Lewis"). Day Lewis will rollout PlusOne to its 270 pharmacies and a white labelled MedAdvisor app to its 1m+ customers to support medication ordering and management. We are expecting revenues in the UK to begin in 2HFY20.

Executive Team Changes

We had a number of executive changes over the year. In September 2018, we appointed Ruba El-Afifi to the role of EGM People & Culture. Ruba has a rich history in senior HR roles and most recently from Oracle's Aconex where she was GM Human Resources. This was followed with the appointment of Victor Kovalev an experienced Silicon Valley CTO, most recently CTO at Redbubble (ASX:RBL) as our new CTO and Head of Global Product. Finally, we appointed Simon Glover as CFO. Simon is a highly regarded finance professional who has held a number of senior finance roles in large listed companies such as Tabcorp Holding (ASX:TAH) and Coles Group (ASX:COL) and also brings prior industry experience from his time at Mayne Pharma. These significant appointments reflect MedAdvisor's ability to continue to attract high calibre talent and the acceleration of its growth initiatives.

Looking ahead

There is significant potential in the domestic market to connect more patients, pharmacies, GPs and health programs. The traditional patient acquisition channel – our pharmacy customers – continues to drive patient uptake. Additionally, we continue to explore ways to drive further patient growth via other stakeholders in patient health, including hospitals and GPs. Growth in take up of our Health Programs shows great promise, and we continue to explore opportunities to bring new program funders beyond pharma companies to leverage our platform, such as hospitals, health insurers and the Government.

Globally, we recognize that the potential opportunity for MedAdvisor that is being unlocked through the partnerships and early customer wins across the US, Asia and UK, is many times larger than the Australian business on its own. By globalizing the MedAdvisor platform and partnering with leading local companies, we are providing a lower cost, faster market entry and a shorter path to revenue.

We have a bold ambition to address the global issue of medication non-adherence and poor health literacy to drive improved health outcomes for patients by making medication manageable.

We have built a strong, experienced leadership team across our key markets to ensure excellence in our execution. I would like to acknowledge the work of the Executive Team, led by Robert Read and that of all of our employees who continue to strive to make medication manageable for patients. Their commitment and effort will form the basis for the continued success of MedAdvisor in what promises to be another extremely busy year.

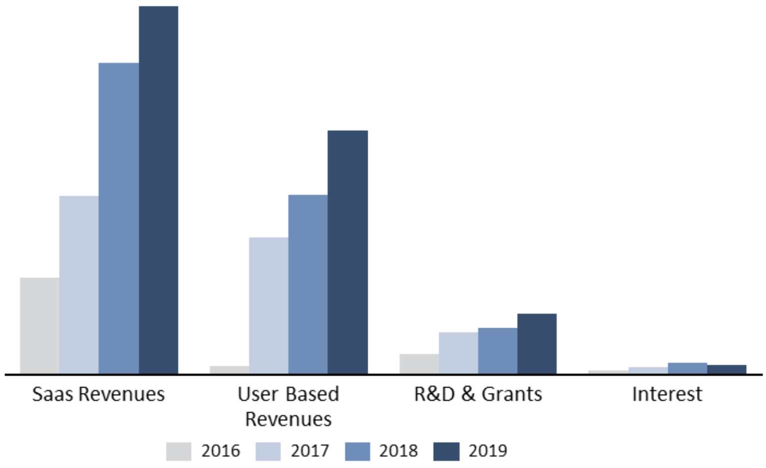
Finally, on behalf of the Board, I thank our shareholders for their continued support and extend my thanks to all our partners and customers.

Yours Sincerely

Peter Bennetto
Chairman
Camberwell, 29 August 2019.

Summary of 2019 financial year results

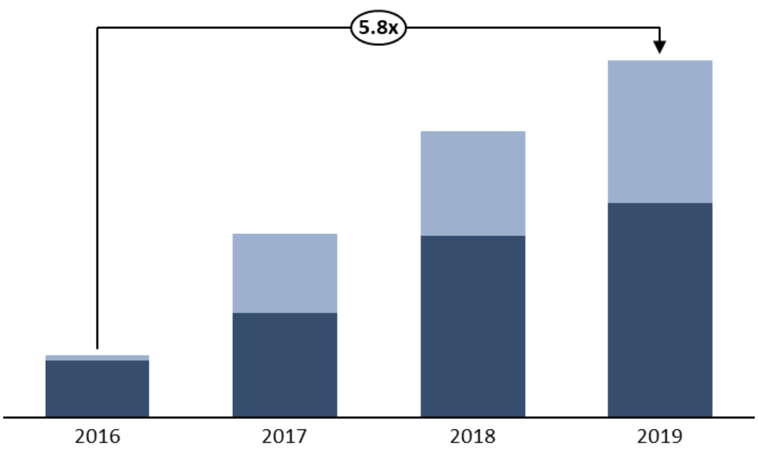
Revenue breakdown by financial year



SaaS revenue growth driven by an increase in pharmacy network, coupled with price increases.

User based revenues (Messaging and Health Program fees) has seen strong growth from the higher number of pharmacy and pharma Health Programs.

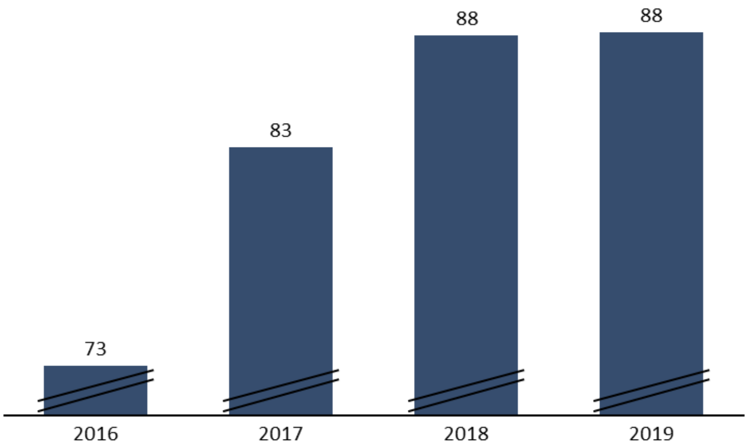
Fixed v user based operating revenue



Operating revenue continues to increase strongly driven by a growing pharmacy network and an increased number of Health Programs. SaaS based Annual Recurring Revenue (ARR) is now ~$6m.

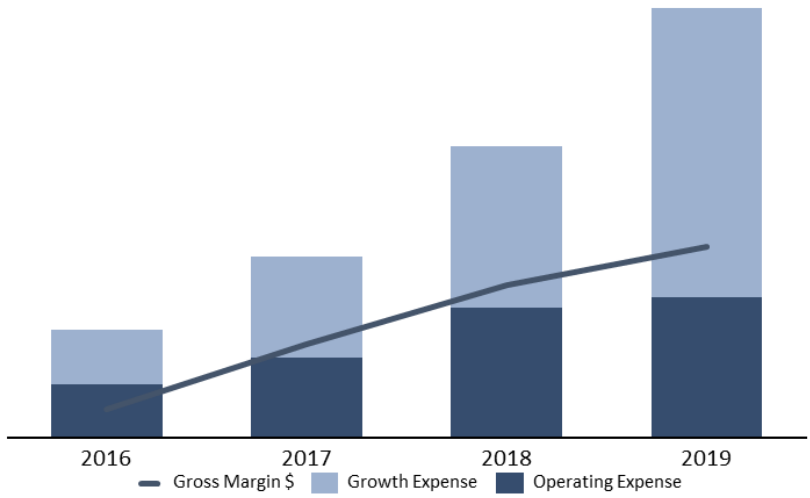
User based revenue is tracking at ~40% of total operating revenues, up from 37% in FY18 due to the strong growth in revenue from Health Services Programs.

Gross Margins by year



Gross Margins are stable in FY19 at ~88% creating significant operating leverage as the business scales. Continued focus on the cost of doing business will support strong margins.

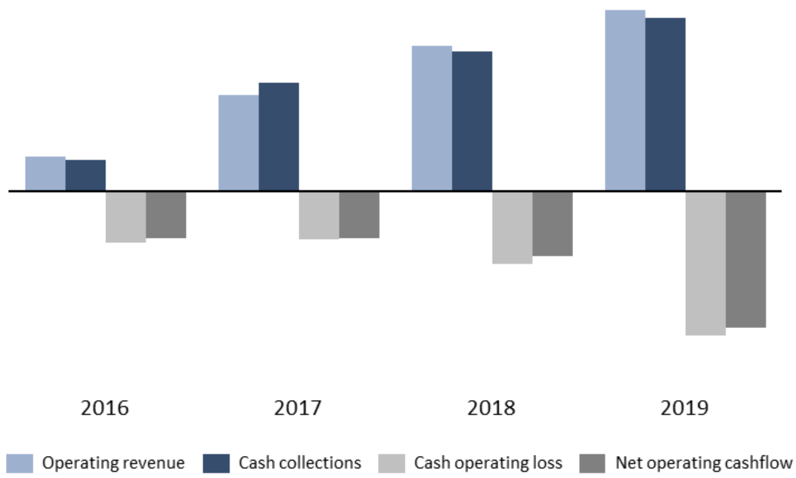
Operating and growth expenses to gross margin



Coverage of our fixed operating expenses is increasing as a result of the growth in our margins.

The investment in growth includes the expenses associated with both domestic and international market development.

Operating performance to cash



Cash collections from the underlying business continue to be strong and support the growth of the business.

Full year profit and loss highlights

	2019 $ 000's	2018 $ 000's	Change $ 000's	%
Revenues				
Revenues from services	8,242	6,605	1,637	24.8%
Total operating revenue	**8,242**	**6,605**	**1,637**	**24.8%**
R&D tax concession	750	634	115	18.2%
Government grants	67	-	67	n/a
Net finance income	135	155	(21)	(13.4%)
Total Other Revenue	**951**	**790**	**161**	**20.4%**
Total Revenue	**9,193**	**7,394**	**1,799**	**24.3%**
Direct costs	(1,014)	(822)	(192)	23.4%
Gross profit	7,228	5,783	1,445	25.0%
Gross margin[1]	88%	88%	n/a	0.1%
Major Expenses (exc. non-cash expenses)				
Development	(7,380)	(3,662)	(3,718)	101.5%
Marketing & sales	(4,823)	(3,597)	(1,227)	34.1%
New market development	(391)	(529)	139	(26.2%)
Administration	(2,248)	(1,608)	(640)	39.8%
Governance & listing costs	(518)	(506)	(12)	2.4%
Cash loss from continuing operations	**(7,181)**	**(3,330)**	**(3,851)**	**115.7%**
Depreciation & amortization	(259)	(197)	(62)	31.6%
Share based remuneration	(661)	(821)	159	(19.4%)
One off transaction costs	-	(108)	108	(100.0%)
Loss from continuing operations	**(8,101)**	**(4,455)**	**(3,646)**	**81.8%**

Revenue driven by continued growth in Pharmacy network, and user based fees, particularly Health Service Programs

Margin growth maintained; supported by improved efficiency with technology

Significant effort has been made to build capability and capacity to leverage the platform across multiple international markets.

[1] - margins are based on Revenues from services

Summary balance sheet

	2019 $ 000's	2018 $ 000's	Change $ 000's	%
Current assets				
Cash & cash equivalents	4,401	10,475	(6,074)	(58.0%)
Other current assets	1,537	1,195	342	28.6%
Total current assets	**5,938**	**11,670**	**(5,732)**	**(49.1%)**
Non-current assets				
Property plant & equipment	405	370	35	9.6%
Intangible assets	5,182	5,340	(158)	(3.0%)
Total non current assets	**5,837**	**5,710**	**127**	**2.2%**
Total assets	**11,775**	**17,380**	**(5,605)**	**(32.2%)**
Current liabilities				
Trade & other payables	1,850	1,248	602	48.3%
Income in advance	475	389	86	22.0%
Employee benefits	752	441	311	70.5%
Total current liabilities	**3,077**	**2,077**	**1,000**	**48.1%**
Non-current liabilities				
Employee benefits	53	133	(80)	(60.2%)
Total non current liabilities	**53**	**133**	**(80)**	**(60.2%)**
Total liabilities	**3,130**	**2,210**	**920**	**41.6%**
Net assets	**8,645**	**15,169**	**(6,525)**	**(43.0%)**
Net tangible assets	**3,463**	**9,829**	**(6,366)**	**(64.8%)**

Note, Total cash includes $4,401k, plus $127k in cash on deposit as security, bringing a total cash balance of $4,528k as of 30 June 2019

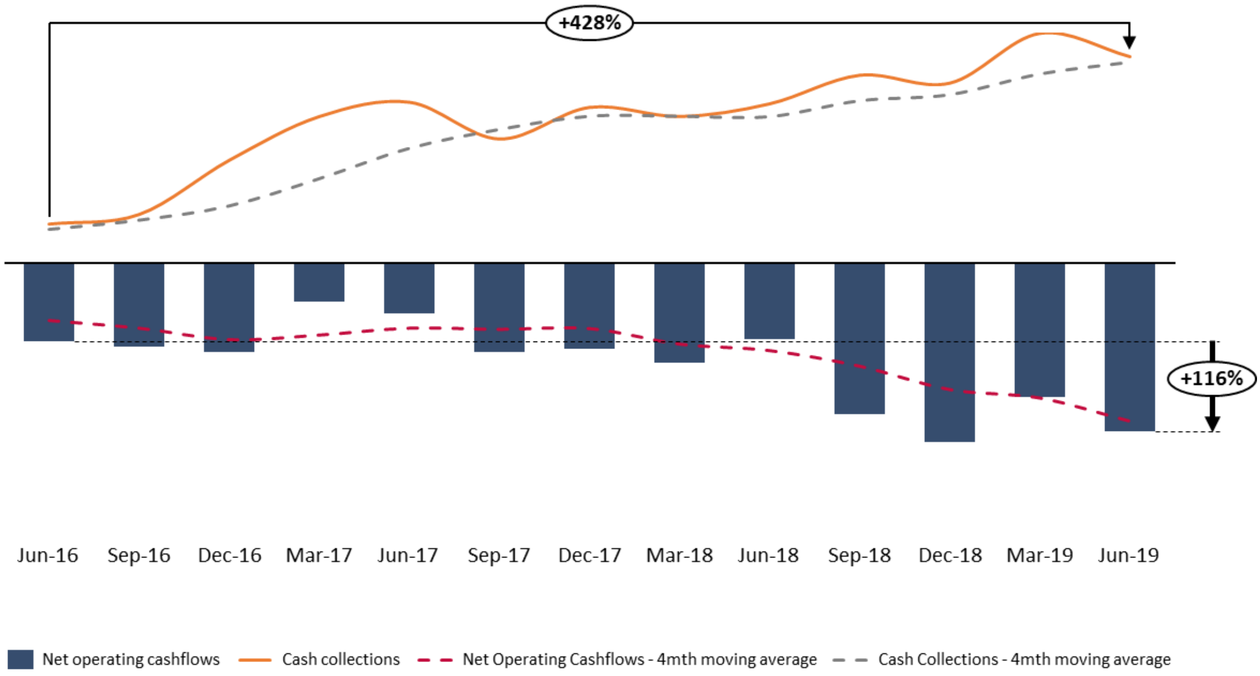
Summary operating cash flow

	2019	2018	Change	
Operating cash inflows	**$ 000's**	**$ 000's**	**$ 000's**	**%**
Receipts from customers	8,063	6,422	1,642	26%
R&D tax concession	750	634	115	18%
Government grants	-	-	-	n/a
Interest	134	155	(22)	-14%
Total operating cash inflows	**8,947**	**7,212**	**1,735**	**24%**
Operating cash outflows				
Payments to suppliers	5,957	5,146	811	16%
Payments to employees	9,934	5,334	4,600	86%
Total operating cash outflows	**15,892**	**10,480**	**5,412**	**52%**
Net operating cash flows	**(6,945)**	**(3,268)**	**(3,677)**	**113%**

Cash flows from operations remain robust, and reflect the growth in the Saas fees and Health Services Programs

Investment in growth initiatives to enable expansion across multiple markets efficiently and at low cost

Normalised Quarterly Cash Flow FY17-FY19



The net operating cash flows and cash collections have been normalised by adjusting for the effects of receipt of the R&D Tax Concession by averaging those receipts over the year to which they relate.

Corporate directory

Directors	Mr Peter Bennetto	Non-executive Chairman
	Mr Robert Read	Managing Director & CEO
	Mr Joshua Swinnerton	Founder & Executive Director
	Mr Jim Xenos	Non-executive Director
	Ms Sandra Hook	Non-executive Director
Company secretary	Mr Carlo Campiciano	
Notice of annual general meeting	Details of the annual general meeting of MedAdvisor Limited are: At the offices of RSM Australia Level 21, 55 Collins Street Melbourne Vic 3000 9:00 a.m. on Tuesday 24th October 2019.	
Registered office	Level 2, 971 Burke Road Camberwell Vic 3124	
Principal place of business	Level 2, 971 Burke Road Camberwell Vic 3124	
Share register	Computershare Investor Services Pty Ltd Yarra Falls 1152 Johnston Street Abbotsford Vic 3067	
Auditor	RSM Australia Partners Level 21, 55 Collins Street Melbourne Vic 3000	
Lawyers	HWL Ebsworth - Lawyers Level 26, 530 Collins Street Melbourne Vic 3000	
Stock exchange listing	MedAdvisor Limited shares are listed on the Australian Securities Exchange (ASX:MDR)	
Website	www.medadvisor.com.au	

Directors' report

The Directors of MedAdvisor Limited ('MedAdvisor') present their report, together with financial statements of the consolidated entity, being MedAdvisor Limited ('the Company') and its Controlled Entities ('the Group') for the year ended 30 June 2019.

Directors

The names of Directors in office at any time during or since the end of the year are:

Peter Bennetto	Non-Executive Chairman
Robert Read	Executive Director / Chief Executive Officer
Joshua Swinnerton	Executive Director / Founder
Jim Xenos	Non-Executive Director
Sandra Hook	Non-Executive Director

Peter Bennetto, Non-Executive Chairman.
GAICD, SA Fin. Director since 2013.

Member of Audit and Risk Committee
Member of the People and Remuneration Committee

Peter Bennetto is an experienced company director, with skills in banking, corporate finance and governance. Peter has held a number of company director positions in exploration, mining and manufacturing companies listed on the ASX since 1990. Mr Bennetto has been Non-Executive Chairman at MedAdvisor Limited (formerly Exalt Resources Limited) since November 28, 2013.

Mr Bennetto is currently non-executive Chairman of Ironbark Zinc Ltd and Kingwest Resources Ltd.

Robert Read, Executive Director/ CEO.
BComm(Mgt), BA(Psych), GAICD. Director since 2015.

Member of Audit and Risk Committee
Member of the People and Remuneration Committee

Robert Read has extensive commercial experience in a wide range of businesses, including Director of Commercial Strategy and Operations in one of the world's leading pharmaceutical companies, and roles in Venture Capital and Private Equity. Robert brings a wide range of skills to the position of CEO - in leadership, sales and marketing, financial performance improvement and a deep understanding of the requirements to successfully grow early stage businesses.

Joshua Swinnerton, Executive Director/ Founder.
MEI, GradCert Eng., BE, BCS(Hons). Director since 2015.

Joshua Swinnerton has extensive experience leading and managing sizeable IT ventures, both within large companies, as a consultant, and as the technical and operational lead of start-up companies. Prior to founding MedAdvisor, Josh led a technology start-up which he also founded and sold into the US as well as raising funds in the US for the company's expansion and managed software development. During this time Mr Swinnerton gained valuable experience in bridging the gap between innovative technology and business objectives. Josh also has extensive skills in building and managing exceptional development teams.

Jim Xenos, Non-Executive Director.
BSc, DipEd, AFAIM, GAICD. Director since 2015.

Member of Audit and Risk Committee
Chair of the People and Remuneration Committee

Jim Xenos brings to the board a wealth of pharmaceuticals industry experience and market insight, forged over 25+ years leading highly successful teams to drive strong commercial outcomes.

He has a track record of delivering market share and profit growth across national and multinational corporations by creating impactful brand and portfolio strategies, and by introducing new product offerings that leverage innovative go-to market platforms in highly competitive industry categories.

In addition to his extensive industry knowledge, Mr Xenos' brings to the role a sharp strategic mindset, collaborative approach and a single-minded focus on value creation.

Sandra Hook, Non-Executive Director.
GAICD. Director since 2016.

Chair of Audit and Risk Committee
Member of the People and Remuneration Committee

Sandra Hook has 25+ years' experience developing and implementing commercially successful business and brands driving growth and leading change.

Sandra has a track record in delivering customer-centred business transformation and transitioning traditional organisations in rapidly evolving environments.

Sandra brings extensive operational, financial management and strategic experience built over a career which includes CEO, COO, GM, Marketing Director and Snr Brand Manager with some of Australia's largest media companies including News Limited, Foxtel, Federal Publishing Company, Murdoch Magazines and Fairfax. She brings a strong focus on customer-centric growth and digital innovation at Board level.

Since 2000 she has served as a non-executive director on listed, public and private companies, and government bodies.

Sandra is currently director of ASX listed digital, technology and marketing communications companies: RXP Services Ltd and IVE Group Ltd, as well as .au Domain Administration Ltd and the Sydney Fish Market Ltd. She is a trustee of the Sydney Harbour Federation Trust.

Company secretary

Carlo Campiciano, Company Secretary/ CFO
MEI, GradDip(Comp), Bbus(Acc), GIA(cert), MIPA.

Carlo Campiciano is a qualified accountant with extensive experience working with business on a wide range of areas including taxation, finance, operations, planning, operational and financial strategy. Mr Campiciano commenced his career with Coopers & Lybrand where he completed his Professional Year of Study which qualified him for admittance to the Institute of Chartered Accountants before moving onto roles in professional services firms as well as roles in industry which extended both his technical as well as practical business skills. Mr Campiciano was a Director of MedAdvisor International Pty Ltd prior to the relisting of MedAdvisor Limited and was the CFO from 2012 until June 30, 2019.

Directors' meetings

	Board Meetings	
2019	Meetings held	Meetings attended
Peter Bennetto	10	10
Robert Read	10	10
Joshua Swinnerton	10	10
Jim Xenos	10	10
Sandra Hook	10	10

Committee Meetings	People & Remuneration		Audit & Risk	
2019	Meetings held	Meetings attended	Meetings held	Meetings attended
Peter Bennetto	3	3	3	3
Robert Read	3	3	3	3
Jim Xenos	3	3	3	3
Sandra Hook	3	3	3	3

Principal activities

The principal activities of the Entity have continued to be the development and deployment of the MedAdvisor medication and adherence platform. The MedAdvisor platform is focused on improving health outcomes by connecting health professionals with their patients using mobile and web technologies.

Operating results

During the year, the Company reported a net loss of $8,101,385 (2018 $4,454,211). Operating revenue totaled $8,241,993, growing 25% on the prior financial year (2018 $6,604,762).

Dividends

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

Review of operations

MedAdvisor's core purpose is to tackle the global issue of medication non-adherence and poor health literacy to drive improved health outcomes for patients by making medication manageable. Improving adherence and health literacy creates benefits for all MedAdvisor's stakeholders; for patients, improved health outcomes, for pharmacy and pharmaceutical companies, increased revenue and for healthcare payors such as government, health insurers and hospitals, reduced health costs.

Delivering on this core purpose, MedAdvisor derives revenue from three key customer segments:

1. **Pharmacies**, that pay SaaS fees (plus messaging fees) for a license to **PlusOne**, a pharmacy software solution that digitally connects a pharmacy to its patients via an App, SMS and web/email and supports the delivery of a range of health programs and services ('Health Programs');

2. **Pharmaceutical companies**, that pay a per patient fee for the delivery of **Health Programs** directly to patients or in-pharmacy; and

3. **Patients**, who get free access to the App, SMS and web/email services ('**MedAdvisor App**') and can pay for premium services such as certain GP-related services.

Customer Type: *Pharmacy*
Product: *PlusOne*

The global landscape for the pharmacy sector is experiencing significant change. In a range of markets, revenue derived from the traditional source of medication dispensing has been falling for some time, resulting in increased pressure to offer customers value-added health services and programs. Competitive pressure from non-traditional, new market entrants like Amazon is also driving consumer expectations around convenience and digital experience that raise the bar for the sector.

PlusOne offers pharmacies a Software-as-a-Service solution that empowers them to digitally connect to their patients, automate medication reminders, and offer a range of ordering and medication related services. In addition to allowing patients to "click & collect" their medication, pharmacies use PlusOne to alert them to health programs and services funded by the government (through 6CPA) and pharmaceutical companies (through MedAdvisor) that are relevant and appropriate for their patients. Patients can be enrolled, a record of the delivery of the program or service streamlined, and any fees earned by the pharmacy automatically claimed.

Importantly, pharmacies using PlusOne report higher customer loyalty with less than 3% of MedAdvisor App users changing pharmacy within the App, improved adherence for their connected patients (+20%), and the simpler mechanism for services delivery means time savings that lead to more services and more revenue.

Customer Type: *Pharmaceutical Companies*
Products: *Health Programs*

The World Health Organisation ("WHO") estimates that medical adherence to long term therapies in developed nations is approximately 50%, and closing the gap represents the largest driver of the avoidable health costs that ensue, impacting the funders of health care including governments, health insurers and hospitals. In addition, low adherence costs pharmaceutical companies more than $630 billion[1] in revenue each year.

MedAdvisor's Health Programs offer pharmaceutical companies a platform for distribution of direct to patient and in-pharmacy programs to large, aggregated, hard to reach audiences to communicate information to drive quality use of medicine, health literacy resulting in improved adherence, and seek to reduce the $630B loss in revenue. MedAdvisor is working toward becoming a global leader in the distribution of Health Programs, with its global reach expanding dramatically in FY19 through a combination of its partnership with Adheris, its joint venture with Zuellig Pharma, and its UK market entry.

MedAdvisor offers several Health Program types to meet pharmaceutical companies' requirements, including digital adherence, healthcare provider intervention, patient awareness, clinical trial recruitment, and patient surveys. Fees are charged on a per patient basis. The advantage for global pharmaceutical companies of working through MedAdvisor is the aggregation of hard to reach audiences across multiple pharmacy chains that results in lower overhead, centralized compliance processes, the range of Health Program types, and a proven model for improving patient adherence.

Customer Type: *Patients*
Product: *MedAdvisor App*

In each of the markets that MedAdvisor operates in, a large part of the population (typically upwards of 50%) suffers from at least one chronic condition and is on at least one long-term medication. MedAdvisor App patients report feeling more in control of their health and medication, being more organized around their medication and saving significant time in the ordering process. The added peace of mind that comes from having easy access to medication history for those in more frequent interactions with the health system cannot be underestimated.

The MedAdvisor App provides a digital connection for patients to their pharmacist to support them in their medication journey. Comprising important information regarding their medication, the ability to pre-order when required and added benefits including dosage reminders, a GP script renewal service and carer mode that allows users to take care of others.

Domestic Business

MedAdvisor's Australian business represents a strong, growing core for the company. At the close of FY19, MedAdvisor had over 3,300 pharmacies using PlusOne (55% of the Australian market) to digitally connect to over 1.2 million patients and to process in excess of $300m worth of medication orders. In addition, MedAdvisor's pharmacy network increased the number of Federal Government funded, 6CPA professional services in FY19 by over 76% and MedAdvisor delivered an additional 58 Health Programs funded by Pharmaceutical Companies, up from 30 in FY18.

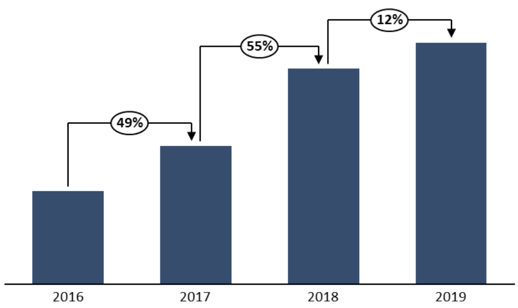
[1] https://www.rdmag.com/news/2016/11/medication-nonadherence-costs-billions-lost-revenue

Directors' report - continued

Revenue increased by 25% year on year overall.

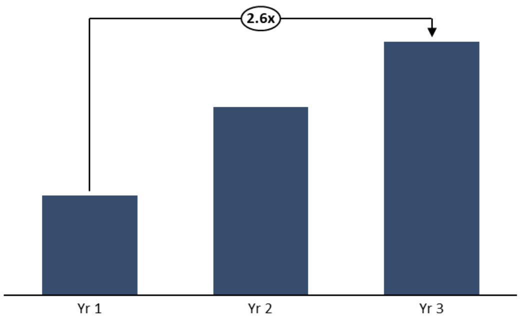
Revenue per pharmacy has increased at a compound annual growth rate ("CAGR") of ~37% over the past 3 years with SaaS license and messaging fees averaging ~$175/month in FY19. Retention of pharmacies has averaged >97%, indicative of the strong engagement with the software and the positive return on investment. On average, pharmacies earn >8x ROI on their investment in PlusOne through the increased revenue from prescriptions and fees generated from services.

Average Revenue Per Pharmacy



Revenue from Health Programs grew 48% with revenue per pharma company increasing 2.6x on average over three years. This increase demonstrates the impact of repeat Health Program funding via pharmaceutical companies evidently satisfied with the return on investment.

Growth in Health Program Revenue from a Pharma Company Over Time



These results demonstrate the strength of the core domestic business, and the Australian market continues to show material opportunities for growth through across a range of key metrics.

First, with an estimated population of chronic patients estimated at up to 12 million nationally, growth of the MedAdvisor App user base remains a key focus, with pharmacy still a primary channel for customer acquisition. Additionally, MedAdvisor is exploring other viable, scalable of new customer app sign-ups, including via GPs, hospitals and direct-to-consumer.

Second, building on its dominant position and the industry leading nature of PlusOne, MedAdvisor can grow market share with community pharmacies. PlusOne is perfectly positioned to assist pharmacy with the increasing emphasis on in-pharmacy services. For example, in FY19, MedAdvisor network pharmacies delivered just under 300,000 flu vaccinations, a 236% increase on prior year and MedAdvisor continues to offer the industry leading solution for pharmacists to offer, deliver and claim for in-pharmacy services.

Third, there remains significant potential in Australia for MedAdvisor in the delivery of Health Programs. Revenue from pharmaceutical companies funding Health Programs grew significantly in FY19 to $1m. Additionally, MedAdvisor is looking toward other potential funders of Health Programs, including private health insurers, hospitals and government.

International Growth

FY19 has been a seminal year for MedAdvisor's expansion overseas, with commercial partnerships and/or new customers acquired in the US, UK and South-East Asia. With investment in moving to a global product suite, MedAdvisor's globally leading platform will move from generating revenue in one to four geographic markets in FY20.

USA

The US represents a highly attractive market to MedAdvisor given it is the largest pharmaceutical market in the world, with a well-developed community pharmacy sector comprising large chains and banners representing over 60% market share of the total pool of 60,000 pharmacies. MedAdvisor has established a team that has deep local knowledge, expertise and relationships within the US healthcare sector, including MedAdvisor founder, Josh Swinnerton, who relocated to support the rollout.

In March 2019, MedAdvisor signed an initial 12-month agreement with Adheris Health, the leading provider of dynamic patient adherence and engagement solutions to US biopharmaceutical customers. Adheris Health has built a participating network of 26,000+ pharmacies that account for ~197m US patients. They also bring relationships with the top 100 US retail-dispensed branded pharmaceutical manufacturers, including the US arms of many of MedAdvisor's existing Australian clients.

The advantage of the Adheris Health partnership for MedAdvisor is that it can offer Health Programs via Adheris Health in the US without the need for US pharmacy chains to license and install PlusOne. This reduces the requirements for integration with multiple dispense vendors and has allowed the team to focus on the Health Program requirements in the largest pharmaceutical market in the world, whilst keeping the door open for the sale of PlusOne in the future.

Under the agreement, Adheris Health will promote and jointly sell MedAdvisor powered Health Programs in the US to its existing pharmaceutical clients as an extension of its suite of Health Program solutions. Revenue is expected to come online in 1H20.

Asia

During 1H19, MedAdvisor announced a 50/50 joint venture with Zuellig Pharma. Zuellig Pharma is one of the largest healthcare services groups in Asia. Started almost a hundred years ago, it has grown to become a US$13 billion business covering 13 markets with over 10,000 employees, serving over 350,000 medical facilities and working with over 1,000 clients, including the top 20 pharmaceutical companies in the world.

The joint venture will operate from Singapore, with Zuellig Pharma to commercialise MedAdvisor's medication management platform. In return, MedAdvisor will license its core intellectual property to the JV on an exclusive royalty free basis and develop localized versions of its platform. In May 2019, MedAdvisor announced that it had signed its first customer, MedExpress Drugstores in the Philippines. MedExpress is the leading hospital out-patient pharmacy in the Philippines, serving over 1.5million people across 50 hospitals in the Philippines. Revenue is expected to come online in 1H20.

UK

The UK represents a highly attractive market for MedAdvisor's platform. There are 14,000 pharmacies with large corporatized ownership groups and independents, as well as an NHS infrastructure that significantly reduces the integration points required to access consented patient medication data. Added to this is a population of 66 million, and with 54% of people aged over 65 living with two or more chronic medical conditions, making MedAdvisor a powerful platform for the market.

MedAdvisor secured its first customer in the UK in August 2019 with the signing of Day Lewis Pharmacy Group ('Day Lewis') - one of the largest independent pharmacy chains in the UK owning over 270 pharmacies, and servicing over 1 million customers. Day Lewis will license PlusOne and promote and distribute a Day Lewis branded version of the MedAdvisor consumer app to its customers for medication ordering and management. Rollout of the MedAdvisor platform across Day Lewis pharmacies will take place during the Q3 FY20.

New management appointments

During the year, MedAdvisor made several new appointments to the Executive team. In February, Victor Kovalev, was appointed as CTO and Global Head of Product. Victor Kovalev is an experienced Silicon Valley CTO, and prior to joining MedAdvisor was CTO at Redbubble (ASX:RBL). This appointment followed the appointment in late last year of Ruba El-Afifi former EGM of HR at Aconex as EGM People & Culture as GM of People and Culture. Following the retirement of CFO, Carlo Campiciano, in August 2019, Simon Glover was appointed as the new CFO. Simon is a highly regarded finance professional who has held a number of senior finance roles in large listed companies such as

Tabcorp Holding (ASX:TAH) and Coles Group (ASX:COL) and also brings prior industry experience from his time at Mayne Pharma. These significant appointments reflect MedAdvisor's ability to attract high calibre talent and the acceleration of its growth initiatives.

Financial position

The Group has $4,400,719 plus $127,022 in cash on deposit as security, bringing a total cash balance of $4,527,741 as of 30 June 2019 following a net cash decrease of $6,074,058 for the year.

The net assets of the Group at 30 June 2019 were $8,644,281, a decrease in net assets of $6,523,641 from 30 June 2018.

Proceedings

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings in the period.

Matters subsequent to the end of the financial year

There have been no other matters or circumstances which have arisen since the end of the financial period that significantly affected, or may significantly affect the operations of the Entity, the results of those operations or the state of affairs of the Entity in future years.

Auditor's independence declaration

In accordance with section 307C of the Corporations Act 2001 the auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 23 of the Annual Report and forms part of this report.

Unissued ordinary shares under option

Grant date	Expiry date	Exercise price	# of Options	Class
14-Apr-16	15-Apr-31	$0.000	4,016,665	Unlisted
26-Oct-16	26-Oct-19	$0.080	5,000,000	Unlisted
15-Dec-16	12-Sep-19	$0.040	5,000,000	Unlisted
15-Dec-16	12-Sep-19	$0.080	10,000,000	Unlisted
15-Dec-16	14-Dec-31	$0.000	8,756,668	Unlisted
27-Oct-17	27-Oct-32	$0.000	5,470,003	Unlisted
19-Dec-17	19-Dec-32	$0.000	290,000	Unlisted
12-Apr-18	12-Apr-33	$0.000	880,000	Unlisted
24-Sep-18	24-Sep-33	$0.000	6,883,334	Unlisted
10-Jan-19	10-Jan-34	$0.000	100,000	Unlisted
15-Mar-19	15-Mar-34	$0.000	4,000,000	Unlisted
15-Mar-19	15-Mar-34	$0.035	1,000,000	Unlisted

Remuneration report - audited

The Directors of MedAdvisor Limited (the Group) present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001 Remuneration Philosophy.

The Remuneration Report is set out under the following main headings:

a. Principles used to determine the nature and amount of remuneration
b. Details of remuneration
c. Service agreements
d. Share-based remuneration; and
e. Other information

a. Principles used to determine the nature and amount of remuneration

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

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

MedAdvisor Limited has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Group. The remuneration structure that has been adopted by the Group consists of the following components:

- fixed remuneration being annual salary;
- short term incentives, being bonuses; and
- long term incentives, being employee share schemes.

The payment of bonuses, share options and other incentive payments are reviewed by the Board prior to approval by the Board annually as part of the review of executive remuneration. All bonuses, options and incentives must be linked to pre-determined performance criteria.

Short Term Incentive (STI) and Long-Term Incentive (LTI)

MedAdvisor performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the Company values. The performance measures are set annually after consultation with the Directors and executives and are specifically tailored to the areas where each executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.
The Key Performance Indicators (KPI's) for the Executive Team are summarised as follows:

Performance areas

- financial – revenues and operating results; and
- non-financial – strategic goals set for each business unit based on job descriptions

The STI and LTI Program's incorporate both cash and share-based components for the Executive Team and other employees. The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.

Remuneration report –audited continued

b. Details of remuneration

2019	Cash Salary & Fees $	Cash Bonus $	Super-annuation $	Value of Share Based Awards in 2019 Financial Year[1] $	Value of Share Based Awards from prior years[1] $	Total $
Executive Directors						
R Read	285,229	-	20,531	-	10,705 *	316,465
J Swinnerton	259,795	-	6,453	-	-	266,248
Non-Executive Directors						
P Bennetto	81,000	-	7,695	-	-	88,695
J Xenos	45,000	-	4,275	-	-	49,275
S Hook	45,000	-	4,275	-	-	49,275
Other Key Management Personnel						
C Campiciano	233,906	-	20,531	56,952	-	311,389
	949,930	-	63,760	56,952	10,705	1,081,347

* Mr Read's performance linked Share Based Entitlements are in accordance with his Employment Agreement dated 30 June 2015 which were disclosed in the Company's Prospectus dated 8 September 2015. These Share Based Entitlements are brought to account based on a probability of all the performance milestones under his Employment Agreement being achieved. During the financial year 11,000,000 Read Rights vested and 15,000,000 Read Rights lapsed based on the agreed milestones. The value brought to account of the Vested Read Rights in the current year; net of the value brought to account in previous years for lapsed options is $7,398, (2018 $81,072).

2018	Cash Salary & Fees $	Cash Bonus $	Super-annuation $	Value of Share Based Awards in 2018 Financial Year[1] $	Value of Share Based Awards from prior years[1] $	Total $
Executive Directors						
R Read	280,711	-	20,049	-	242,309	543,069
J Swinnerton	209,332	-	19,887	-	-	229,219
Non-Executive Directors						
P Bennetto	81,000	-	7,695	-	-	88,695
J Xenos	45,000	-	4,275	-	-	49,275
S Hook	45,000	-	4,275	-	-	49,275
Other Key Management Personnel						
C Campiciano	221,074	-	19,224	30,726	-	271,024
	882,117	-	75,405	30,726	242,309	1,230,557

[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.

The proportion of the cash bonus paid/payable or forfeited is as follows:

	Cash bonus paid/payable		Cash bonus forfeited	
	2019	2018	2019	2018
Executive Directors				
R Read	0%	100%	0%	0%

Remuneration report –audited continued

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

`	Fixed Remuneration		At Risk - STI		At Risk - LTI	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Executive Directors						
R Read	97%	55%	0%	0%	3%	45%
J Swinnerton	100%	100%	0%	0%	0%	0%
Non-Executive Directors						
P Bennetto	100%	100%	0%	0%	0%	0%
J Xenos	100%	100%	0%	0%	0%	0%
S Hook	100%	100%	0%	0%	0%	0%
Other Key Management Personnel						
C Campiciano	82%	89%	0%	0%	18%	11%

c. Service agreements

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

Name	**Base salary**	**Term of agreement**	**Notice period**
Directors			
R Read	$286,740	Undefined	9 months
J Swinnerton	$276,235	Undefined	9 months
Other Key Management Personnel			
C Campiciano	$236,508	Undefined	6 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.

The remuneration of non-executive Directors is set by the Board at a level that provides the Board with the ability to attract and retain directors of the highest calibre whilst incurring a cost that is acceptable to shareholders. At the Annual General Meeting held on 18 December 2015 shareholders approved aggregate remuneration of non-executive directors of $350,000 per annum.

The amount each non-executive director is remunerated is set by the Board based on the recommendation from the People and Remuneration Committee. Individual remuneration is set having regard to the director's experience and their role on the Board and Committees.

d. Share-based remuneration

MedAdvisor employee incentive option plan

All options refer to options over ordinary shares of the Company, which are exercisable at no cost on a one-for-one basis under the terms of the Employee Share Option Plan that was approved by shareholders at the 2015 annual general meeting.

Options granted to employees under the MedAdvisor Employee Incentive Option Plan will vest subject to the service period and performance milestone conditions in the grant of Options in accordance with the plan. Unvested options will expire on the termination of the individual's employment; vested options will expire on the expiry date, which is 15 years.

Remuneration report –audited continued

Read Rights

Rights were issued to Mr Read under his employment agreement dated 1 July 2015 and were exercisable subject to meeting the following conditions:

- 5 million for continuous employment (Employment Rights) over a 5-year period from the date of his employment with MedAdvisor International Pty Ltd
- 37.5 million on achievement of predetermined revenue, activated patients and active medical practitioner targets (Performance Rights) within 3 years from the date of relisting of the Company on the Australian Securities Exchange being 1 December 2015.

Employment Rights

4 million of Mr Read's Employment Rights have vested as at 30 June 2019, and the remaining 1 million are due to vest on 30 June 2020 on the condition that Mr Read is employed by the Company at the vesting date.

Performance Rights

Of the 37.5 million Performance Rights, 15 million lapsed on 1 December 2018 and 22.5 million had vested on achievement of the predetermined milestones as of 1 December 2018 as follows:

Financial year ended:	
30-Jun-17	5,000,000
30-Jun-18	7,500,000
30-Jun-19	10,000,000
	22,500,000

Of the total of 26.5 million Read Rights that have vested (4 million Employment Rights and 22.5 million Performance Rights), Mr Read has exercised a total of 12 million Read Rights (7 million in September 2017 and 5 million in May 2019), 14.5 million Read Rights that have vested but not exercised as at 30 June 2019.

All of the Read Rights refer to rights over ordinary shares of the Company, which are exercisable on a one-for-one basis at no cost under the terms of the Mr Read's employment agreement.

Performance Incentives for year ended 30 June 2020

The Board has approved a performance-based incentive plan for Mr Read (CEO) for financial year 2020 via an allocation of 12 million Employee Incentive Options under the MedAdvisor Employee Incentive Plan. The options will vest based on the achievement of a number of pre-determined performance targets across international expansion, product execution, people and culture metrics and share price targets. The vesting of the performance options will be at the discretion of the Board.

Bonuses included in remuneration

During the 2018 financial year Mr Read was paid his short-term incentive cash bonus of $30,000 which was accrued at the end of the previous financial year. There were no bonuses paid and or payable in the 2019 financial year.

Other information

Options held by directors and key management personnel

The number of options and rights to acquire shares in the Company held during the 2019 reporting period by each of the directors and key management personnel of the Group; including their related parties are set out below.

Remuneration report –audited continued

2019	Balance at start of the reporting period	Granted as remuneration	Exercised / Lapsed	Vested and exerciseable at end of the reporting period	Vested and un-exerciseable at end of the reporting period
Executive Directors					
R Read[1]	35,500,000	-	20,000,000	14,500,000	1,000,000
Non-Executive Directors					
P Bennetto	10,000,000	-	10,000,000	-	-
S Hook	5,000,000	-	-	-	5,000,000
Other Key Management Personnel					
C Campiciano	1,500,000	1,500,000	1,533,332	-	1,466,668

[1]Read Rights

Shares held by directors and key management personnel

Ordinary Shares

The number of ordinary shares in the Company held during the 2019 reporting period by each of the directors and key management personnel of the Group; including their related parties are set out below.

2019	Balance at start of the reporting period	Granted as remuneration	Received or Exercised	Other changes	Held at end of the reporting perioc
Executive Directors					
R Read	13,423,888	-	5,000,000	-	18,423,888
J Swinnerton	175,062,602	-	-	-	175,062,602
Non-Executive Directors					
P Bennetto	1,332,754	-	10,000,000	-	11,332,754
S Hook	1,250,000	-	-	-	1,250,000
J Xenos	144,086,062	-	-	-	144,086,062
Other Key Management Personnel					
C Campiciano	22,006,562	-	1,533,332	-	23,539,894

2018	Balance at start of the reporting period	Granted as remuneration	Received or Exercised	Other changes	Held at end of the reporting period
Executive Directors					
R Read[a]	6,423,888	-	7,000,000	-	13,423,888
J Swinnerton[b]	106,837,500	-	68,225,102	-	175,062,602
Non-Executive Directors					
P Bennetto	1,332,754	-	-	-	1,332,754
S Hook	1,250,000	-	-	-	1,250,000
J Xenos[c]	88,050,000	-	56,036,062	-	144,086,062
Other Key Management Personnel					
C Campiciano[d]	13,125,000	-	8,381,562	500,000	22,006,562

a 8,166,667 shares of Mr Read's holding is subject to voluntary escrow until 1 December 2018.
b 145,062,602 shares of Mr Swinnerton's holding is subject to voluntary escrow until 1 December 2018.
c 126,236,062 shares of Mr Xenos' holding is subject to voluntary escrow until 1 December 2018.
d 21,506,562 shares of Mr Campiciano's holding is subject to voluntary escrow until 1 December 2018.

Remuneration report –audited continued

Founder Performance Shares

There were no Founder Performance Shares in the Company held during the 2019 reporting period. The following Founder Performance Shares held by each of the directors and key management personnel of the Group; including their related parties that converted to Ordinary shares in the 2018 reporting period are set out below.

2018	Balance at start of the reporting period	Granted as remuneration	Received or Exercised	Other changes	Held at end of the reporting perioc
Executive Directors					
J Swinnerton	68,225,102	-	-	(68,225,102)	-
Non-Executive Directors					
J Xenos	56,036,062	-	-	(56,036,062)	-
Other Key Management Personnel					
C Campiciano	8,381,462	-	-	(8,381,462)	-

Founder Performance Shares converted to ordinary shares upon satisfaction of both of the following milestones in October 2017:

- 50% of the Founder Performance Shares shall convert upon the "MedAdvisor Platform" being activated at 2,500 pharmacies within a period of 2 years from the issue of the Founder Performance Shares; and
- 50% of the Founder Performance Shares shall convert upon the Company receiving annualised revenue from the MedAdvisor business (calculated over two consecutive calendar quarters) of no less than $5,000,000, within a period of 3 years from the issue of the Founder Performance Shares.

Other transactions with directors and key management personnel:

- During 2019 the Group used the services of NostraData Pty Ltd of which Mr 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 $140,825 (2017 $120,345).

End of audited Remuneration Report

Additional information

The earnings of the group since the incorporation of MedAdvisor International Pty Ltd are summarized below:

	2019 $	2018 $	2017 $	2016 $	2015 $
Revenue from services	8,241,993	6,604,762	4,242,746	1,425,781	1,145,712
Revenue from Actavis license fee (non recurring)	-	-	-	-	500,000
Other revenue	951,121	789,829	659,341	336,704	258,744
Total revenue	9,193,114	7,394,590	4,902,087	1,762,485	1,904,456
Total margin	7,227,972	5,783,128	3,508,881	1,043,258	511,677
EBITDA	(7,842,054)	(4,256,876)	(3,288,317)	(3,032,376)	(536,311)
EBIT	(8,101,368)	(4,453,869)	(3,428,643)	(3,066,196)	(546,123)
Profit after income tax	(8,101,385)	(4,454,211)	(3,429,927)	(3,071,062)	(546,123)
Share Price	$ 0.0510	$ 0.0490	$ 0.0320	$ 0.0380	n/a

Indemnities given to, and insurance premiums paid for 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.

Additional information - continued

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.

Indemnities and insurance premiums of auditor

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

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

Non-audit services

During the year, RSM Australia Partners, the Company's auditors, did not perform any other services in addition to their statutory audit duties.

Details of the amounts paid to the auditors of the Company, RSM Australia Partners, and its related practices for audit services provided during the year are set out in Note 11 to the financial statements.

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 Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

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 immediately after this directors' report.

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,

Chairman
29 August 2019
Camberwell, VIC.

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

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 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

RSM

RSM AUSTRALIA PARTNERS

Philip A Ransom

P A RANSOM
Partner

Dated: 29 August 2019
Melbourne, Victoria

Corporate governance statement

Corporate governance

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, MedAdvisor Limited and its Controlled Entities ('the Group') have adopted the third edition of the *Corporate Governance Principles and Recommendations* which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for financial years beginning on or after 1 July 2014.

The Group's Corporate Governance Statement for the financial year ending 30 June 2019 is dated as at 30 June 2019 and date of last review and Board approval was on 23 August 2019. The Corporate Governance Statement is available on MedAdvisor's website at:

http://medadvisor.com.au/Investors/CorporateDirectory#governance-policies

Consolidated financial report for the year ended 30 June 2019

MEDADVISOR LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 30 JUNE 2019

	Notes	Consolidated Jun-19	Consolidated Jun-18
		$	$
Revenues from services	8 a.	8,241,993	6,604,762
Other revenue	8 b.	951,121	789,829
Total revenues		9,193,114	7,394,590
Direct expenses	9 a.	(1,014,022)	(821,634)
Development costs		(2,591,683)	(893,037)
Employee benefits expense	9 b.	(9,268,366)	(6,288,151)
Marketing expense		(2,355,979)	(2,179,311)
Depreciation and amortisation expense	9 c.	(259,314)	(196,993)
Directors fees	9 b.	(187,245)	(181,131)
Other expenses		(1,601,563)	(1,276,242)
Finance costs	9 d.	(16,328)	(12,304)
(Loss) before income tax from continuing operations		**(8,101,385)**	**(4,454,211)**
Income tax (expense) / income	10	-	-
(Loss) for the year		**(8,101,385)**	**(4,454,211)**
Other comprehensive income		(50,908)	-
Total comprehensive income (loss)		**(8,152,293)**	**(4,454,211)**

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

MEDADVISOR LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

		Consolidated	
		Jun-19	**Jun-18**
Assets		**$**	**$**
Current assets			
Cash and cash equivalents	**12**	4,400,719	10,474,777
Trade and other receivables	**13**	1,129,752	890,879
Other assets	**14**	407,270	303,912
Total current assets		**5,937,742**	**11,669,567**
Non-current assets			
Other Assets	**14**	250,000	-
Property, plant & equipment	**15**	405,295	369,876
Intangible Assets	**16**	5,181,815	5,340,258
Total non-current assets		**5,837,111**	**5,710,134**
Total assets		**11,774,853**	**17,379,700**
Liabilities			
Current liabilities			
Trade and other payables	**17**	1,850,094	1,247,513
Income in advance	**18**	474,977	389,440
Employee benefits	**19**	751,957	440,954
Total current liabilities		**3,077,028**	**2,077,907**
Non-current liabilities			
Employee benefits	**19**	53,004	133,332
Total non-current liabilities		**53,004**	**133,332**
Total liabilities		**3,130,032**	**2,211,239**
Net assets		**8,644,821**	**15,168,462**
Equity			
Contributed equity	**4**	28,136,013	25,979,898
Reserves	**5**	1,153,934	1,732,305
Retained profits / (losses)	**20**	(20,645,126)	(12,543,741)
Total equity		**8,644,821**	**15,168,462**

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 YEAR ENDED 30 JUNE 2019

2019	**Contributed Equity $**	**Share Options Reserve $**	**Foreign Currency Translation Reserve $**	**Retained Earnings / (Losses) $**	**Total Equity $**
Balance at 1 July 2018	25,979,898	1,732,305	-	(12,543,741)	15,168,462
Transactions with equity holders in their capacity as equity holders					
Ordinary shares issued	983,750				983,750
Capital raising costs	(16,347)				(16,347)
Share options issued		661,250			661,250
Share options exercised	1,188,712	(1,188,712)			-
Foreign currency translations			(50,908)		(50,908)
Net (loss)				(8,152,293)	(8,152,293)
Balance at 30 June 2019	**28,136,013**	**1,204,843**	**(50,908)**	**(20,696,034)**	**8,593,912**

2018	**Contributed Equity $**	**Share Options Reserve $**	**Foreign Currency Translation Reserve $**	**Retained Earnings / (Losses) $**	**Total Equity $**
Balance at 1 July 2017	16,184,549	1,259,273	-	(8,089,530)	9,354,292
Transactions with equity holders in their capacity as equity holders					
Ordinary shares issued	9,548,375				9,548,375
Capital raising costs	(100,626)				(100,626)
Share options issued		820,632			820,632
Share options exercised	347,600	(347,600)			
Net (loss)				(4,454,211)	(4,454,211)
Balance at 30 June 2018	**25,979,898**	**1,732,305**	**-**	**(12,543,741)**	**15,168,462**

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

MEDADVISOR LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR YEAR ENDED 30 JUNE 2019

	Notes	Consolidated Jun-19 $	Consolidated Jun-18 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		8,812,840	7,056,328
Payments to suppliers and employees (inclusive of GST)		(15,891,812)	(10,479,634)
Interest received		133,804	155,387
Income tax paid		-	-
Net cash inflow (outflow) from operating activities	**22**	**(6,945,168)**	**(3,267,919)**
Cash flows from investing activities			
Secuity bonds - cash on deposit with banks		-	(115,757)
Payments for property, plant and equipment		(103,890)	(405,580)
Payments for intangibles		-	-
Net cash outflow from investing activities		**(103,890)**	**(521,337)**
Cash flows from financing activities			
Proceeds from new share issue		975,000	9,530,000
Capital raising costs (net of GST)		-	(100,626)
Payments to related parties		-	-
Net cash (outflow) inflow from financing activities		**975,000**	**9,429,374**
Net increase/(decrease) in cash held		(6,074,059)	5,640,118
Cash and cash equivalents at the beginning		10,474,777	4,834,659
Cash and cash equivalents at the end of the year		**4,400,719**	**10,474,777**

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

Note 1: Statement of Significant Accounting Policies

The financial statements cover the Company of MedAdvisor Limited. MedAdvisor Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorized for issue on the 29 August 2019 by the Directors of the Company.

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.

Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent MedAdvisor Limited and all of the subsidiaries. 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 6 of the Financial Statements.

The assets, liabilities and results of all subsidiaries are fully 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.

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.

(b) 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.

(c) Revenue recognition

The consolidated entity recognises revenue as follows:

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

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

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

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

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

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

(d) 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 unused tax losses.

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

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

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

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

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

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

(e) Current and non-current classification

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

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

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

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

(f) Cash and cash equivalents

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

(g) Trade and other receivables

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

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

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

(h) Work in progress

Work in progress on services contract's 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.

(i) Plant and equipment

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

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

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

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

The depreciation rates and method of deprecation is as follows:

- Office equipment – diminishing value at 30% p.a.
- Office furniture – straight line at 20% p.a.
- Leasehold improvements – straight line over the unexpired period of the lease

(j) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis.

(k) 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 amortization 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 amortization method or period.

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

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.

(l) Impairment of assets

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

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

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

(m) Trade and other payables

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

(n) Provisions

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

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

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

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

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

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

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

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- 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.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

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

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

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

(p) 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.

(q) 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.

(r) Business combinations

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

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

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

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

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

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

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

(s) 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.

(t) Financial instruments

Recognition
Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortization.

(u) Goods and services tax (GST)

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

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

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

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

(v) 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 consolidated entity incurred a loss of $8,101,385 and had net cash outflows from operating activities of $6,945,168 for the year ended 30 June 2019.

The Directors believe that it is reasonably foreseeable that the consolidated entity 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: -

- the Directors are assessing growth and investment options for MedAdvisor and future capital raisings may be required to pursue these opportunities. MedAdvisor has a strong track record of raising capital and if required the directors are confident of further successful capital raisings to support the business strategy and operational requirements of the consolidated entity;

- the Directors constantly review the capital requirements of the business in light of the operational and growth plans for the business and will adjust those plans to reflect the capital that is available to execute those plans.

(w) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the 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. The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments
The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers
The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The impact on the financial performance and position of the consolidated entity from the adoption of these Accounting Standards has been assessed and no restatement of comparative disclosures is required.

(x) New standards and interpretations issued but not yet effective

At the date of this financial report the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective.

Reference	Title	Summary	Application date (financial years beginning)
AASB 16	Leases	This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. AASB 16 will affect primarily the accounting for the consolidated entity’s operating leases which are mainly property leases. The operating lease rental associated with these leases will be recognised as depreciation of the lease asset and interest expense on the lease liability instead of rent expense in the statement profit or loss. The consolidated entity will adopt this standard from 1 July 2019 and its impact on adoption as at the reporting date is the recognition of the Right of Use Asset of $1,606,965 in respect of the lease and $1,658,560 in relation to non-cancellable operating lease commitments, excluding short-term and low-value leases. The balancing adjustment of $51,595 will be taken up as an adjustment to retained earnings.	01-Jan-19

(y) Comparative figures

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

Note 2: Critical accounting judgements, estimates and assumptions

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

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

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 3 year projection period approved by management and extrapolated for a further 2 years using a steady rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

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

(a) 21.16% (2018: 19.78%) pre-tax discount rate;
(b) 15-20% (2018: 5.0%) per annum projected revenue growth rate;
(c) 15-20% (2018: 5.0%) per annum increase in operating costs and overheads.

The discount rate of 21.16% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital, the risk-free rate and the volatility of the share price relative to market movements.

Management believes the projected revenue and cost growth rate of 20% in years one and two, and 15% in years three through to five, is prudent and justified based on current and expected growth in the business.

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

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

(a) Revenue would need to decrease by more than 8.5% for the business before goodwill would need to be impaired, with all other assumptions remaining constant.

(b) The discount rate would be required to increase by 30.56% on a pre-tax basis before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of the goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in a further impairment charge for the goodwill.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair

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

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

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

Note 3: Earnings per share

Both the basic and diluted loss per share have been calculated using the loss attributable to shareholders of MedAdvisor Limited as the numerator, i.e. no adjustments to profits were necessary during the year ended 30 June 2019.

	Consolidated	
	Jun-19	Jun-18
	$	$
Earning per share for loss from continuing operations of MedAdvisor Limited		
Loss for the year	(8,101,385)	(4,454,211)
	Cents	Cents
Basic loss per share	(0.60)	(0.36)
Diluted loss per share	(0.60)	(0.36)
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	1,340,805,895	1,224,549,739
Adjustment for calculation of diluted earnings per share		
Options over ordinary shares	52,804,558	85,996,804
Performance rights vested but not exercised	13,500,000	6,003,950
Performance rights not vested	1,000,000	27,000,000
	1,408,110,452	1,343,550,493

MEDADVISOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2019

Note 4: Issued Capital

a. Fully paid ordinary shares

	Jun-19 Shares	Jun-18 Shares	Jun-19 $	Jun-18 $
Ordinary shares fully paid	1,371,912,422	1,317,927,982	28,136,013	25,979,898

Movements in ordinary share capital

	Date	# of shares	Issue price		$
Balance	30-Jun-17	945,381,426			16,184,549
EIP Options Exercised	05-Sep-17	66,666	$	0.0270	1,800
Read Rights Exercised	05-Sep-17	7,000,000	$	0.0300	210,000
New Share Issue (as Consideration)	05-Sep-17	612,500	$	0.0300	18,375
Founder Performance Shares Issued	05-Sep-17	195,000,000			-
New Share Issue(EBOS)	24-Oct-17	165,217,390	$	0.0575	9,500,000
EIP Options Exercised	12-Apr-18	2,500,000	$	0.0400	100,000
EIP Options Exercised	12-Apr-18	900,000	$	0.0270	24,300
EIP Options Exercised	12-Apr-18	250,000	$	0.0460	11,500
Peloton Options Exercised	12-Apr-18	1,000,000	$	0.0300	30,000
Share issue transaction costs, net of tax					(100,626)
Balance	30-06-18	1,317,927,982			25,979,898
EIP Options Exercised	23-Aug-18	5,200,000	$	0.041	212,650
Exercise of Bennetto Options	12-Nov-18	10,000,000	$	0.042	418,085
Exercise of Lead Manager Options	08-Feb-19	22,500,000	$	0.044	985,000
EIP Options Exercised	08-Feb-19	4,886,664			176,543
EIP Options Exercised	28-Mar-19	2,250,000	$	0.039	87,750
Issue for services	28-Mar-19	194,445	$	0.045	8,750
EIP Options Exercised	22-May-19	2,653,332	$	0.036	94,367
Read Rights Exercised	22-May-19	5,000,000	$	0.030	150,000
EIP Options Exercised	17-Jun-19	1,299,999	$	0.030	39,317
Share issue transaction costs, net of tax for the year			$	-	(16,347)
Balance	30-06-19	1,371,912,422			28,136,013

b. Performance shares

		Issued #
Balance	01-Jul-17	250,000,000
Conversion of founder performance shares to ordinary shares[1]	05-Sep-17	(170,000,000)
Conversion of Peloton Capital Pty Ltd performance shares to ordinary shares	05-Sep-17	(25,000,000)
Balance	30-Jun-18	55,000,000
MMG performance shares expired	12-Nov-18	(55,000,000)
Balance	30-Jun-19	-

Note 4: Issued Capital – continued

[1] Founder performance shares converted to ordinary shares in October 2017 upon the satisfaction of both of the following milestones:

50% of the founder performance shares shall convert upon the "MedAdvisor Platform" being activated at 2,500 pharmacies within a period of 2 years from the issue of the founder performance shares; and

50% of the founder performance shares shall convert upon the Company receiving annualised revenue from the MedAdvisor business (calculated over two consecutive calendar quarters) of no less than $5,000,000, within a period of 3 years from the issue of the founder performance shares.

[2] Peloton Capital Pty Ltd performance converted to ordinary shares upon in October 2017 upon the satisfaction of both of the following milestones:

50% of the Peloton performance shares shall convert upon the "MedAdvisor Platform" being activated at 2,500 pharmacies within a period of 2 years from the issue of the Peloton performance shares; and

50% of the Peloton performance shares shall convert upon the Company receiving annualised revenue from the MedAdvisor business (calculated over two consecutive calendar quarters) of no less than $5,000,000, within a period of 3 years from the issue of the Peloton performance shares.

Macmillan Gold Pty Ltd (MMG) performance shares lapsed in November 2018, MMG did not achieve the performance milestones within 3 years of their issue as required.

c. Read rights

	Date	Issued #	Vested #	Expired #	Balance #
Balance	01-Jul-17	42,500,000	7,000,000	-	35,500,000
Employment rights	30-Aug-17	-	5,000,000	-	30,500,000
Employment rights	10-Apr-18	-	2,500,000	-	28,000,000
Performance rights	30-Jun-18	-	1,000,000	-	27,000,000
Balance	01-Jul-18	42,500,000	15,500,000	-	27,000,000
Employment rights	24-Aug-19	-	10,000,000	-	17,000,000
Performance rights	30-Nov-18	-	-	15,000,000	2,000,000
Performance rights	30-Jun-19	-	1,000,000	-	1,000,000
Balance	30-Jun-19	42,500,000	26,500,000	15,000,000	1,000,000

1 million of Mr Read's Employment Rights are due to vest on 30 June 2020 on the condition that Mr Read is employed by the Company at the vesting date.

d. Options over unissued shares

	Date	Issued #
Balance	01-Jul-17	85,203,333
Employee incentive options	27-Oct-17	12,550,000
Employee incentive options	19-Dec-17	310,000
Employee incentive options	12-Apr-18	1,130,000
Read rights vested[2]	30-Aug-17	5,000,000
Read rights vested[2]	10-Apr-18	2,500,000

Note 4: Issued Capital – continued

d. Options over unissued shares - continued

	Date	Issued #
Employee incentive options exercised	05-Sep-17	(66,666)
Employee incentive options exercised	12-Apr-18	(3,650,000)
Read rights vested[2]	05-Sep-17	(7,000,000)
Peloton options exercised[1]	12-Apr-18	(1,000,000)
Read rights vested[2]	30-Jun-18	1,000,000
Employee incentive options expired	30-Jun-18	(1,243,335)
Balance	01-Jul-18	94,733,332
Employee incentive options exercised	23-Aug-18	(5,200,000)
Employee incentive options	24-Aug-18	1,750,000
Employee incentive options	24-Sep-18	8,480,000
Bennetto Options Exercised[3]	12-Nov-18	(10,000,000)
Lead Manager Options Expired[1]	01-Dec-18	(1,500,000)
Employee incentive options	10-Jan-19	2,850,000
Employee incentive options exercised	08-Feb-19	(4,886,664)
Lead Manager Options Exercised[1]	08-Feb-19	(22,500,000)
Employee incentive options	15-Mar-19	7,250,000
Employee incentive options exercised	28-Mar-19	(2,250,000)
Employee incentive options exercised	22-May-19	(2,653,332)
Read Rights exercised[2]	22-May-19	(5,000,000)
Employee incentive options exercised	17-Jun-19	(1,299,997)
Read rights vested[2]	30-Jun-19	1,000,000
Read rights vested[2]	24-Aug-19	10,000,000
Employee incentive options expired	30-Jun-19	(4,876,669)
Balance	30-Jun-19	65,896,670

[1] Lead manager (Peloton) unlisted options are exercisable at $0.03 with an expiry date of 17 December 2018

[2] Read unquoted employment rights are exercisable at no cost and have vested and are exercisable immediately

[3] Bennetto unlisted options exercisable at $.0.03 with an expiry date of 12 November 2018

Employee Incentive Options

Employee incentive plan options are unquoted and will vest in accordance with the rules of the plan. Cancellation of unvested employee incentive options occurs on termination of employment.

Note 4: Issued Capital - continued

Issue Date	Expiry Date	Issued #	Cancelled #	Exercised #	Balance #	Vested Not Exercised	Unvested
14-Apr-16	14-Apr-31	9,050,000	966,669	4,066,666	4,016,665	4,016,665	-
15-Dec-16	14-Dec-31	15,510,000	953,334	5,799,998	8,756,668	2,356,664	6,400,004
23-Oct-17	23-Oct-32	12,550,000	4,996,666	2,083,331	5,470,003	1,553,330	3,916,673
14-Nov-17	14-Nov-32	310,000	-	20,000	290,000	83,333	206,667
12-Apr-18	12-Apr-33	1,130,000	-	250,000	880,000	293,333	586,667
24-Aug-18	24-Apr-33	1,750,000	-	1,750,000	-	-	-
24-Sep-18	24-Sep-33	8,480,000	60,000	1,536,666	6,883,334	2,773,331	4,110,003
10-Jan-19	10-Jan-34	2,850,000	-	2,750,000	100,000	-	100,000
15-Mar-19	15-Mar-34	7,250,000	-	2,250,000	5,000,000	-	5,000,000
		58,880,000	6,976,669	20,506,661	31,396,670	11,076,656	20,320,014

e. Capital management

Management's objective is to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management adjusts the capital structure to the extent possible to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company is not subject to any externally imposed capital requirements, nor does it focus on obtaining debt as a key capital management tool.

Note 5: Reserves

Share options reserve

		$
Balance	01-Jul-17	1,259,273
Value of Hook options	30-Jun-18	304,758
Value of Chamberlain rights	30-Jun-18	273,565
Value of Employee Incentive options	30-Jun-18	242,309
Value of Read rights exercised	30-Jun-18	(210,000)
Value of Employee Incentive options exercised	30-Jun-18	(137,600)
Balance	01-Jul-18	1,732,305
Value of Chamberlain rights	30-Jun-19	88,492
Value of Employee Incentive options	30-Jun-19	550,268
Value of Read rights	30-Jun-19	10,705
Value of Kovalev rights	30-Jun-19	11,785
Read Rights exercised	30-Jun-19	(150,000)
Value of Lead Manager Options	30-Jun-19	(310,000)
Value of Bennetto Options	30-Jun-19	(118,086)
Value of Employee Incentive options exercised	30-Jun-19	(610,626)
Balance	30-Jun-19	1,204,843

Note 5: Reserves - continued

Foreign currency translation reserve

		$
Balance	01-Jul-18	-
Foreign currency translation loss on consolidation	30-Jun-19	(50,908)
		(50,908)

Note 6: Controlled entity

Name of controlled entity:	Health Enterprises 2 Pty Ltd (ACN: 141 345 904)
Date on which controlled gained	31 October 2016
Additional information	The comparative figures in this financial report include the activities of Health Enterprises 2 Pty Ltd since the date of the acquisition, 1 November 2016.
Name of controlled entity:	MedAdvisor Welam UK Ltd.
Date on which controlled gained	5 April 2018
Additional information	The entity was formed to conduct operations in the United Kingdom. From the date of incorporation to the end of the financial year the entity did not enter into any financial transactions.
Name of controlled entity:	MedAdvisor Welam USA Inc.
Date on which controlled gained	9 April 2018
Additional information	The entity was formed to conduct operations in the United States of America. The figures for year ended 30 June 2019 include the activities of MedAdvisor Welam USA Inc. From the date of incorporation to the end of the previous financial year the entity did not enter into any financial transactions.
Name of controlled entity:	ZP MedAdvisor Pte. Ltd.
Date on which controlled gained	21 February 2019
Additional information	The entity was formed to conduct operations in the Asian Region. From the date of incorporation to the end of the financial year the entity did not enter into any financial transactions.

Note 7: Operating segments

The Board has determined that the Company presently has two reporting segments. The first being the business activities of the MedAdvisor medication management and adherence platform (MedAdvisor Platform) and the second being the corporate function associated with being an ASX listed company. The Board monitors the Company based on actual versus budgeted revenue and expenditure incurred. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Company and its ongoing activities.

Note 7: Operating segments – continued

	2019			
	MedAdvisor Platform	Corporate	USA	Total
	$	$	$	$
Segment revenues	9,193,114	-	-	9,193,114
Segment operating loss	(5,162,034)	(290,616)	(2,699,643)	(8,152,293)
Segment assets	11,487,739	36,090	251,022	11,774,852
Total assets	11,487,739	36,090	251,022	11,774,852
Segment liabilities	3,044,310	9,722	75,999	3,130,031
Total liabilities	3,044,310	9,722	75,999	3,130,031
Net assets	8,443,429	26,368	175,024	8,644,822

	2018			
	MedAdvisor Platform	Corporate	USA	Total
	$	$	$	$
Segment revenues	7,394,590	-	-	7,394,590
Segment operating loss	(4,027,378)	(426,833)	-	(4,454,211)
Segment assets	17,325,119	37,285	-	17,362,404
Total assets	17,325,119	37,285	-	17,362,404
Segment liabilities	2,173,953	37,285	-	2,211,239
Total liabilities	2,173,953	37,285	-	2,211,239
Net assets	15,151,166	17,296	-	15,168,462

Note 8: Revenues

	Consolidated	
	Jun-19	Jun-18
	$	$
Disaggregation of revenue		
a. From continuing operations		
Revenue from contracts with customers		
Fixed revenues from sale of services	4,618,510	4,186,201
Variable revenues from sale of services	3,623,483	2,418,561
	8,241,993	6,604,762

	Consolidated	
	Jun-19	Jun-18
	$	$
Note 8: Revenues - continued		
b. Other Revenue		
Interest received	134,518	155,561
Sundry income - Government Grants	67,057	-
Sundry income - R&D Tax Concession	749,545	634,268
	951,121	789,829
Total revenues	9,193,114	7,394,591
Timing of revenue recognition		
Services transferred over time	3,623,483	2,418,561

Note 9: Expenses

Profit (loss) before income tax from continuing operation includes the following specific expenses:

	Jun-19 $	Jun-18 $
a. Direct costs		
Direct transaction costs	33,912	49,642
Direct costs of sms services	467,592	449,412
Managed services costs for the MedAdvisor Platform	512,518	322,579
	1,014,022	821,634
b. Employee Benefits Expenses:		
Development	4,788,190	2,768,719
Marketing	2,847,566	1,947,069
Administration	971,360	751,732
Share based employee remuneration	661,251	820,632
	9,268,366	6,288,151
Governance - Directors fees	187,245	181,131
	9,455,611	6,469,282

	Consolidated Jun-19 $	Consolidated Jun-18 $
Note 9: Expenses – continued		
c. Depreciation & Amortization		
Depreciation		
Leasehold improvements	30,902	7,013
Office equipment	45,506	21,762
Office furniture	21,433	12,445
Total depreciation	97,841	41,220
Amortization		
Software	148,693	146,775
Copyrights	12,780	9,000
Total amortization	161,473	155,775
	259,314	196,995
d. Finance costs		
Interest and finance charges paid/payable	17	342
Other bank charges	16,311	11,962
Other listing costs	-	-
	16,328	12,304
e. Rental expenses on operating leases		
Minimum lease payments	455,270	245,061
f. Superannuation expense		
Defined contribution superannuation expense	690,962	469,292

Note 10: Income tax expense

a. Tax expense/(income) comprises:		
Current tax	-	-
Deferred tax	-	-
	-	-
b. The prima facie tax on profit / (loss) before income tax is reconciled to the income tax as follows:		
Profit / (loss) from continuing operations	(8,152,293)	(4,454,211)

Note 10: Income tax expense - continued

	Consolidated	
	Jun-19	Jun-18
	$	$
Prima facie tax payable on profit / (loss) from ordinary activities before income tax at 27.5% (2018: 27.5%)	(2,227,881)	(1,224,908)
Less:		
Tax effect of:		
- deferred tax assets not brought to account	2,227,881	1,224,908
Income tax expense / (benefit) attributable to entity	-	-
The applicable weighted average tax rates are as follows:	0%	0%
The value of tax losses which have not been recognised in the statement of financial position	4,113,851	2,789,288

Note 11: Auditors remuneration

During the year the following fees were paid or payable for services provided by the auditor.

Audit and review of financial report	72,148	72,000
Other Services	-	250
	72,148	72,250

Note 12: Cash and cash equivalents

Cash on hand	303	303
Cash at bank	4,400,416	10,474,474
	4,400,719	10,474,777

Note 13: Trade and other receivables

Trade debtors	1,129,752	890,879
	1,129,752	890,879

Note 13: Trade and other receivables - continued

Allowance or expected credit losses

The consolidated entity has recognised a loss of ($35,000) (30 June 2018: ($57443) in the profit or (loss) in respect of the expected credit losses for the year ended 30 June 2019.

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

	Expected credit loss rate		Carrying amount		Expected credit losses allowance	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	%	%	$	$	$	$
Not overdue	0%	0%	859,716	543,006	237	-
0 to 3 months overdue	1%	0%	183,401	220,746	2,150	-
3 to 6 months overdue	18%	15%	23,831	131,287	4,234	20,202
Over 6 months overdue	66%	70%	43,274	53,283	28,379	37,242
			1,110,222	948,322	35,000	57,443

	Consolidated	
	Jun-19	Jun-18
	$	$
Movements in the allowance for expected credit losses are as follows:		
Balance	57,443	32,166
Additional provision recognised	36,277	25,277
Receivables written off during the year as uncollectable	(58,720)	-
Balance	35,000	57,443

Note 14: Other assets

Currrent		
Security bonds - cash on deposit with banks	127,022	115,757
Prepayments	280,249	188,155
	407,270	303,912
Non Currrent		
Other receivables	250,000	-
	250,000	-

Note 15: Property, plant and equipment

Office equipment at cost	243,776	139,778
Less: Accumulated depreciation	(82,063)	(36,557)
	161,713	103,221
Leasehold improvements at cost	217,539	199,081
Less: Accumulated depreciation	(37,915)	(7,013)
	179,624	192,068
Office furniture at cost	108,785	97,981
Less: Accumulated depreciation	(44,827)	(23,394)
	63,957	74,587
Total property, plant and equipment	405,295	369,876

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

	Office Equipment $	Leasehold Improvements $	Office Furniture $	Total $
Balance at 1 July 2017	44,346	115,606	29,565	189,517
Additions	80,637	199,081	57,467	337,185
Write-off on lease termination	-	(115,606)	-	(115,606)
Depreciation	(21,762)	(7,013)	(12,445)	(41,220)
Balance 30 June 2018	103,221	192,068	74,587	369,876
Additions	103,998	18,459	10,804	133,260
Depreciation	(45,506)	(30,902)	(21,433)	(97,841)
Balance 30 June 2019	161,713	179,624	63,957	405,295

Note16: Intangible assets

	Consolidated Jun-19 $	Consolidated Jun-18 $
Intellectual property at cost	131,219	128,189
Less: Accumulated amortization	(57,780)	(45,000)
	73,439	83,189
Software at cost	1,481,656	1,481,656
Less: Accumulated amortization	(387,148)	(238,455)
	1,094,509	1,243,202
Goodwill at cost	4,013,868	4,013,868
Total intangible assets	5,181,815	5,340,259

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

	Copyright $	Trademarks $	Software $	Goodwill $	Total $
Balance at 1 July 2017	54,000	23,260	1,372,011	4,013,868	5,463,139
Additions	-	14,917	17,975	-	32,892
Depreciation	(9,000)	-	(146,773)	-	(155,773)
Balance 30 June 2018	45,000	38,177	1,243,213	4,013,868	5,340,258
Additions	-	3,030	-	-	3,030
Amortization	(12,780)	-	(148,693)	-	(161,473)
Balance 30 June 2019	32,220	41,207	1,094,520	4,013,868	5,181,815

Note 17: Trade and other payables

	Consolidated Jun-19 $	Consolidated Jun-18 $
Trade creditors	746,615	417,224
Other creditors & accruals	1,103,478	830,290
	1,850,094	1,247,514

	Consolidated	
	Jun-19	Jun-18
	$	$

Note 18: Income in advance

Gross pharmacy subscriptions in advance	369,815	315,057
Patient engagement program (PEP) fees in advance	105,163	74,383
Total income in advance	474,977	389,440

Note 19: Employee benefits

Current		
Provision for employee leave	751,957	440,954
Non-Current		
Provision for employee leave	53,004	133,333

Note 20: Accumulated losses

Accumulated losses at the beginning of the year	(12,543,741)	(8,089,529)
Net profit / (loss)	(8,101,385)	(4,454,211)
Accumulated losses at the end of the year	(20,645,126)	(12,543,741)

Note 21: Financial risk management

The company's financial instruments consist mainly of deposits with banks, trade receivable and trade payables.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets		
Cash and equivalents	4,400,719	10,474,777
Trade and other receivables	1,129,752	890,879
	5,530,471	11,365,655
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	1,850,094	1,247,513
	1,850,094	1,247,513

Note 21: Financial risk management – continued

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse 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.
Specific Financial Risk Exposures and Management

The main risks the Entity is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk.

a. Interest Rate Risk
Exposure to interest risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments

b. Liquidity Risk
Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Entity manages this risk through the following mechanisms:

Preparing forward looking cash flow analysis in relation to its operational, investing and financing activities.

	Within 1 Year 30-06-19 $	Within 1 Year 30-06-18 $
Financial liabilities due for payment		
Trade and other payables	1,850,094	1,247,513
	1,850,094	1,247,513
Financial assets - cash flows realisable		
Cash and equivalents	4,400,719	10,474,777
Trade and other receivables	1,129,752	890,879
	5,530,471	11,365,655
Net (outflow)/inflow on financial instruments	3,680,378	10,118,142

c. Credit Risk
Exposure to credit risk relating to financial assets arises from the potential non–performance by counter parties of contract obligations that could lead to a financial loss to the Entity.

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 Entity's strict credit policies may only purchase in cash or only use recognised credit cards.

Note 21: Financial risk management – continued

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 13.

d. Foreign currency risk

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

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

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

	Assets		Liabilities	
	2019	2018	2019	2018
	$	$	$	$
Consolidated				
US dollars	154,263	-	32,824	-
	154,263	-	32,824	-

The consolidated entity had net assets denominated in foreign currencies of $121,439 (assets of $154,263 less liabilities of $32,824) as at 30 June 2019 (2018: Nil)). Based on this exposure, had the Australian dollar weakened by 5% (2018: not applicable) against these foreign currencies with all other variables held constant, the consolidated entity's loss before tax for the year would have been $7,007 lower (2018: not applicable) and equity would have been $7,007 lower (2018: not applicable). 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 actual foreign exchange gain for the year ended 30 June 2019 was $33,063 (2018: Nil).

Fair value estimation

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

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted, and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Note 21: Financial risk management – continued

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.

	Jun-19	
	Net Carrying Value $	Net Fair Value $
Financial Assets		
Cash and equivalents	4,400,719	4,400,719
Trade and other receivables	1,129,752	1,129,752
	5,530,471	5,530,471
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	1,850,094	1,850,094
	1,850,094	1,850,094

	Jun-18	
	Net Carrying Value $	Net Fair Value $
Financial Assets		
Cash and equivalents	10,474,777	10,474,777
Trade and other receivables	890,879	890,879
	11,365,655	11,365,655
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	1,247,513	1,247,513
	1,247,513	1,247,513

	Consolidated	
	Jun-19	Jun-18
	$	$

Note 22: Reconciliation of profit/(loss) after tax to net cash flow from operations

(a) Reconciliation of cash to the statement of cash flows:		
Cash assets - Note 12	4,400,719	10,474,777
(b) Reconciliation of profit from ordinary activities to net cash used in operating activities		
Profit after income tax	(8,101,385)	(4,454,211)
Add: non cash items		
- Other non cash expenses	(142,377)	-
- Depreciation and amortisation	259,314	173,711
- Doubtful debts	36,065	65,037
- Non cash share based payments	661,251	820,632
- Non cash loss on termination of lease	-	138,889
	814,253	1,198,268
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
- (Increase) decrease in receivables	(234,734)	(468,632)
- (Increase) decrease in other assets	(342,094)	19,054
- Increase (decrease) in payables / creditors	918,793	437,603
	341,965	(11,974)
Net cash flows used in operating activities	(6,945,168)	(3,267,919)

Note 23: Contingencies

There were no contingent liabilities or contingent assets at the date of this report to affect the financial statements.

Note 24: Capital and leasing commitments

On 21 July 2015 the Company entered into a non-cancellable operating lease for new offices. On the 26 April 2018 the Company assigned this operating lease to an unrelated third party. The assignment of the lease transferred all of the Company's obligation under the operating lease to the third party while at the same time transferring the rights of ownership of the leasehold improvements made by the Company. The effect of this transaction was that the Company has brought to account a loss of $115,607 from the write-off of the leasehold improvements.

On 28 December 2017 the Company entered into a non-cancellable operating lease for replacement offices commencing on 1 January 2018 for a term of 7 years. The lease has provided for an initial rent-free period of 12 months together with a cash contribution from the landlord of $68,900 to over make good costs from the previous tenant.

Note 24: Capital and leasing commitments - continued

	Consolidated	
	Jun-19	Jun-18
	$	$
Operating lease commitments		
- not later than one year	476,154	331,092
- later than one year and not later than five years	2,077,207	2,006,963
- later than 5 years	277,898	824,296
	2,831,258	3,162,351

Note 25: Events subsequent to the reporting date

There have been no matters or circumstances which have arisen since the end of the financial period that significantly affected, or may significantly affect the operations of the Entity, the results of those operations or the state of affairs of the Entity, in future years.

Note 26: Other related party transactions

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

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

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

	2019	2018
	$	$
Total value of consulting , data and marketing services	140,825	120,345
Amounts due and payable to NostraData Pty Ltd at the end of the financial year included in trade and other payables	26,061	11,625

SwinTech Pty Ltd is an associated entity of the Company which has entered into the following related party transaction with the Company during the financial year.

Note 26: Other related party transactions – continued

	2019 $	2018 $
Total value of property consulting services	-	23,647
Amounts due and payable to SwinTech at the end of the financial year included in trade and other payables	-	-

Note 27: Parent entity information

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

	Parent	
	2019 $	2018 $
Statement of profit or loss and other comprehensive income		
Loss after income tax	(892,333)	(1,074,411)
Total comprehensive income	(892,333)	(1,074,411)
Statement of financial position		
Total current assets	36,090	55,359
Total assets	24,750,511	24,037,998
Total current liabilities	9,722	33,530
Total Liabilities	9,722	33,530
Net assets	24,740,788	24,004,467
Equity		
Issued capital	26,705,989	24,549,872
Share options reserve	1,204,843	1,732,305
Accumulated losses	(3,170,044)	(2,277,710)
Total equity	24,740,788	24,004,467

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Capital commitments – property plant & equipment

The parent entity had no capital commitments for property plant & equipment as at 30 June 2019 and 30 June 2018.

Significant accounting policies

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

Note 28: Key management personnel disclosures

Compensation

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

	Consolidated Jun-19 $	Consolidated Jun-18 $
Short-term employee benefits	1,013,690	957,522
Share based entitlements	67,657	273,035
Total compensation	1,081,347	1,230,557

MEDADVISOR LIMITED

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 25 to 62, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards which as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

   (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Company;

2. the Director's have declared that:

   (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

   (c) the financial statements and notes for the financial year give a true and fair view; and

3. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Peter Bennetto
Chairman
29 August 2019
Camberwell, VIC.

RSM Australia Partners
Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007
T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199
www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
To the Members of MedAdvisor Limited

Opinion

We have audited the financial report of MedAdvisor Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

I. giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

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

Basis for Opinion

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

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

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

Key Audit Matters

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

Key Audit Matters (Continued.)

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Recognition of Revenue
Refer to Note 8 in the financial statements</td></tr>
<tr><td>Revenue recognition was considered a key audit matter. MedAdvisor receives revenue from two core income streams, and the accounting for each of these differs.

While subscription revenues are not complex and do not involve significant management judgements, the recognition of revenue generated from Patient Education Programs ("PEP") involves management estimates around the timing of delivery of services.</td><td>Our audit procedures in relation to the recognition of revenue included:
Assessing whether the Group's revenue recognition policies were in compliance with AASB 15 Revenue from Contracts with Customers;
Evaluating the operating effectiveness of management's controls related to revenue recognition;
Performing substantive analytical review procedures on subscription revenues;
Performing detailed testing on a sample of PEP revenues recognised and assessing the allocation of revenue to various elements in the contracts with customers; and
Reviewing sales transactions before and after year-end to ensure that revenue is recognised in the correct period.</td></tr>
<tr><td colspan="2">Impairment of Goodwill
Refer to Note 16 in the financial statements</td></tr>
<tr><td>The consolidated entity has goodwill of $4,013,868 as at 30 June 2019.

We identified this area as a key audit matter due to the size of the goodwill balance and because the directors' assessment of the 'value in use' of the cash generating unit ("CGU") containing this Goodwill involves judgements about the future underlying cash flows of the business and the discount rate applied to them.

Management performed an impairment assessment over the balance of intangible assets by calculating the value in use for the individual CGU identified using a discounted cash flow model and comparing the resulting value in use of the CGU to its carrying value.

Management also performed a sensitivity analysis over the value in use calculations by varying the assumptions used (growth rates, terminal growth rate and WACC) to assess the impact on the valuations.</td><td>Our audit procedures in relation to management's impairment assessment included:
Assessing management's determination that the Goodwill should be allocated to a single CGU based on the nature of the Group's business and the manner in which results are monitored and reported;
Assessing the overall valuation methodology used to determine the value in use;
Challenging the reasonableness of key assumptions, including the cash flow projections, revenue growth rates, discount rates, and sensitivities used;
Checking the mathematical accuracy of the cash flow model, and reconciling input data to supporting evidence such as approved budgets, and considering the reasonableness of these budgets; and
Reviewing the accuracy of disclosures of critical estimates and assumptions in the financial statements in relation to the valuation methodologies.</td></tr>
</table>

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 2019 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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.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 2019.

In our opinion, the Remuneration Report of MedAdvisor Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

RSM

RSM AUSTRALIA PARTNERS

Philip A Ransom

P A RANSOM
Partner

Dated: 29 August 2019
Melbourne, Victoria

MEDADVISOR LIMITED
SHAREHOLDER INFORMATION
30 JUNE 2019

The shareholder information set out below was applicable as at 26 August 2019.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	
	#	%
1 to 1,000	36	0.00%
1,001 to 5,000	8	0.00%
5,001 to 10,000	78	0.06%
10,001 to 100,000	683	2.40%
100,001 and over	458	97.55%
	1263	100.00%
Holding less than a marketable parcel	156	0.09%

Equity security holders

Twenty largest quoted security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary Shares	
	Number held	% of total shares issued
Ebos Ph Pty Ltd	185,217,391	13.49%
Wavey Industries Pty Ltd <Josh Swinnerton Family A/C>	175,062,602	12.75%
Kojent Pty Ltd <Kojent A/C>	143,786,062	10.47%
Romida Enterprises Pty Ltd <Romida Family A/C>	95,857,374	6.98%
J P Morgan Nominees Australia Pty Limited	58,117,474	4.23%
Hsbc Custody Nominees (Australia) Limited	56,244,121	4.10%
Sigma Company Limited	41,666,667	3.03%
CS Third Nominees Pty Limited <HSBC Cust Nom Au Ltd 13 A/C>	37,382,665	2.72%
UBS Nominees Pty Ltd	36,182,664	2.63%
Ethan Allen Investments Pty Ltd <Ethan Allen Invest Unit A/C>	25,423,080	1.85%
Provare Pty Ltd <Provare Investment A/C>	23,439,794	1.71%

The names of the twenty largest security holders of quoted equity securities are listed below: - *continued*

	Ordinary Shares	
	Number held	% of total shares issued
Mishra Enterprises Pty Ltd <Mishra Family A/C>	20,263,163	1.48%
Gread Management Pty Limited <The A G & R R Family A/C>	18,160,000	1.32%
Capital Concerns Pty Limited <Logue Family Super Fund A/C>	12,987,408	0.95%
McCorkell Properties Pty Ltd	12,000,000	0.87%
Canonbar Investments Pty Ltd	10,982,754	0.80%
Dr Christopher Harold Benton	10,458,035	0.76%
Mr Gary Gascoigne	8,797,963	0.64%
Marissa Falting	8,684,212	0.63%
Mr Hamish John Hepburn	8,500,000	0.62%
	989,213,429	**72.03%**

Unquoted equity securities
Options over ordinary shares issued

	Number in issue	Nunber of holders
Options over ordinary shares issued	51,396,670	69
Rights over ordinary shares issued	1,000,000	1

Substantial shareholders
Substantial shareholders in the company are set out below:

	Ordinary Shares	
	Number held	% of total shares issued
Romida Enterprises Pty Ltd <Romida Family A/C>	95,857,374	6.98%
Kojent Pty Ltd <Kojent A/C>	143,786,062	10.47%
Wavey Industries Pty Ltd <Josh Swinnerton Family A/C>	175,062,602	12.75%
Ebos Ph Pty Ltd	185,217,391	13.49%