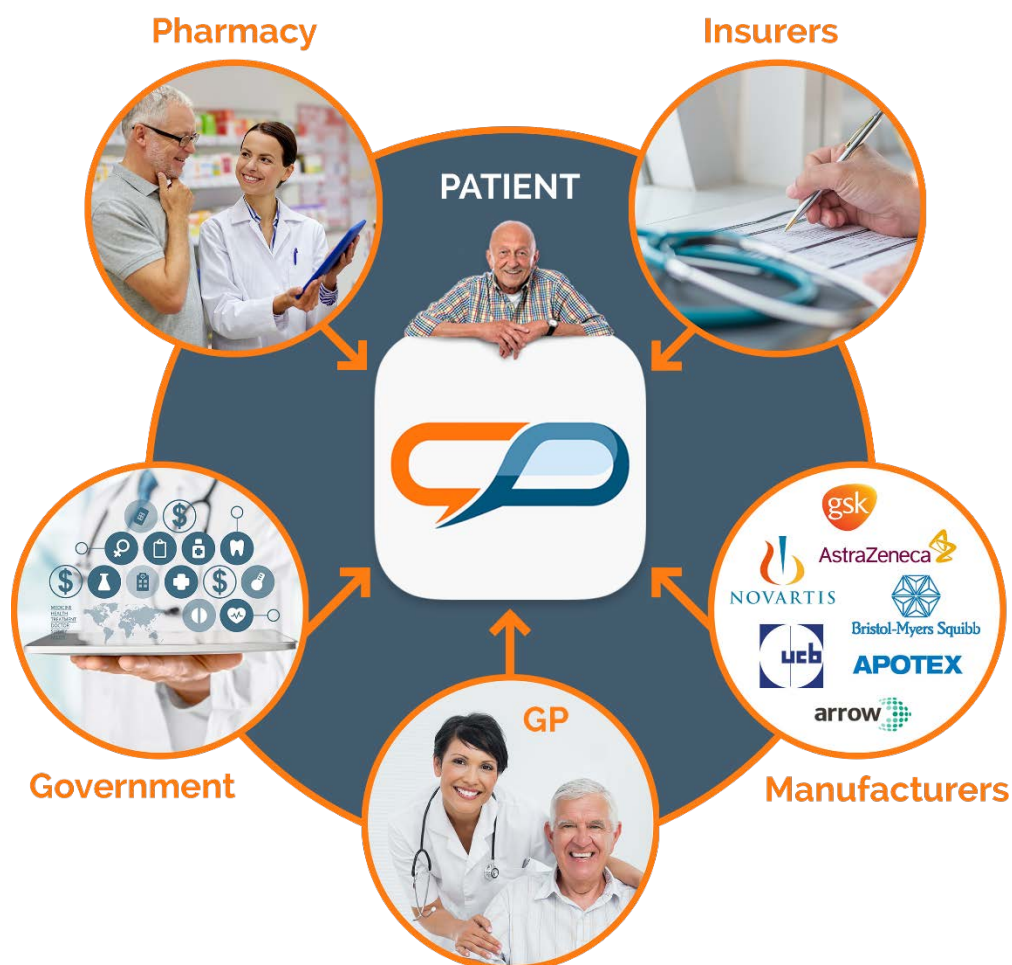

MEDADVISOR LIMITED

ABN 17 145 327 617



CONDENSED FINANCIAL REPORT FOR HALF YEAR ENDED 31 DECEMBER 2016

CONDENSED FINANCIAL REPORT
FOR HALF YEAR ENDED 31 DECEMBER 2016

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The Condensed financial report is presented in Australian currency.

Its registered office and principal place of business is:

The registered office is:

MedAdvisor Limited
Level 4
969 Burke Road
CAMBERWELL VIC 3124

The principal place of business is:

MedAdvisor Limited
Level 4
969 Burke Road
CAMBERWELL VIC 3124

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

The financial statements were authorised for issue in accordance with a resolution of directors on 16 February, 2017

Directors' Report

The names of the company's directors who held office during or since the end of the financial half-year are:

Mr Peter Bennetto
Mr Robert Read
Mr Joshua Swinnerton
Mr Jim Xenos
Ms Sandra Hook

Principal Activities

The principal activities of the Entity continue to be the enhancement and growth 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.

Review of Operations

During the current period the business has achieved the following important milestones:

1. In October 2016, MedAdvisor launched GP Link into the market which allows patients to request a repeat script from their GP without the need to physically attend a consultation. This is a major step forward in innovation in the convenience of the healthcare system.
2. In addition MedAdvisor also completed the acquisition of Healthnotes which provided additional scale and patient numbers to help drive the business forward. The business now boasts new technology assets and increased market share from which it can grow revenue.
3. The company raised \$8m in a successful capital raising that was oversubscribed, leaving the business with ~\$6m cash at the end of the period.
4. The business had the first ever quarter with over \$1m in cash receipts from ordinary activities (\$1.3m) in Q2FY17 indicating the revenue that is building.
5. The company exceeded 630,000 patients connected to MedAdvisor. This is a major piece of connective tissue that Pharmaceutical companies can now leverage to ensure their messages about the quality use of medicines can accurately find their way to patients who are using their products.

Revenue Drivers

- MedAdvisor now has over **630,000 patients** connected to the platform. These patients can receive reminders and order their medications at their favourite pharmacies. SMS reminders generate revenue and margin.
- Growth of Patient Engagement Programs (PEPs); with a total of 18 medications now live across the platform. MedAdvisor is now being utilised by 9 of Australia's largest pharmaceutical companies, including, Novartis, Bristol-Myers Squibb, GSK, AstraZeneca and Pfizer.
- Renewal of PEP's from the initial clients at higher financial commitments than their first contracts.
- User based revenue is now 32% of total revenue, up from 9% on the corresponding period last year.

- Revenue growth of [127%] is increasing faster than cost growth [75%] and fixed cost growth has stabilised post acquisition of Healthnotes.
- Acquisition of Healthnotes added 800 pharmacies to the MedAdvisor network. The Company now boasts over **2,450 connected pharmacies** to its pharmacy base, a more than 65% increase on the corresponding period last year.

Sales and Marketing Progress

- Significant growth in the number of top tier Pharmaceutical companies running PEPs and the number of products
- Expansion of health association relationships now provides a marketing reach of over 5 million patients with a chronic disease, the Company's key target audience. These relationships are also important from a credibility perspective with large pharma and other potential clients including Insurers and Governments.
- Health association relationships include:
 - Asthma Australia, Australia's peak body supporting the 2.4 million Australians living with asthma;
 - Osteoporosis Australia, the national not-for-profit health association helping an estimated 4.7 million Australians living with osteoporosis or poor bone health;
 - Diabetes Australia that supports 1.2 million people with diabetes.

MedAdvisor also extended its existing relationship with Bupa into certain Healthscope Hospitals, via the "Always Events" agreement. The MedAdvisor platform is now being offered to Bupa patients as they are discharged from certain Healthscope Hospitals to help manage their medications as they return home, providing the Company with another patient recruitment stream.

Technology Development

Launch of new consumer features including new patient engagement features such as Over the Counter (OTC) and Diabetes (NDSS) Ordering. Both features will enhance user experience and provide potential revenue streams into the future.

Launch of GP Link to introduce the opportunity for new transactional revenue streams driven by users requesting repeat scripts without attending a clinic.

Significant Changes in State of Affairs

On 26 October 2016, the Company completed a capital raising of \$8,000,000 through the issue of 200,000,000 shares at \$0.04c. Part of the proceeds of the issue were used to fund the cash component of the Healthnotes acquisition and the balance is to be utilized to fund working capital and future expansion of the business.

On 28 October, 2016 the Company completed the acquisition of 100% of the issued capital of Health Enterprises 2 Pty Ltd (Healthnotes) for a total consideration of \$5,045,595 part of which was paid by the issue of 57,894,738 shares in the Company at \$0.38c (\$2,200,000) and the balance in cash.

Future Developments

The company has developed leading-edge technology and IP that puts the patient at the heart of the solution, delivering to users the ability to manage and simply access health services in their hands. The connectivity that delivers this is the widest pharmacy network in Australia and links with thousands of GPs.

MedAdvisor is focused on enhancing the GP offering during 2017 beginning with leveraging the technology and GP networks acquired through its Healthnotes and OzDocsOnline acquisitions.

The first stage of technical integration with Healthnotes was completed in February 2017. This will see new pharmacy applications installed in MedAdvisor pharmacies to facilitate the roll out of additional services and functionality. The new functionality will officially be launched in March 2017 with further enhancements to the combined platform to continue during FY17.

The Company has surrendered its interests in the two mining tenements in New South Wales, which it held and has applied for a refund of the associated Exploration Bonds, one of which has been received during the period.

Events Occurring after the Reporting Period

Post the reporting period, MedAdvisor completed the first stage of the technical integration with Healthnotes which means new pharmacy applications will be installed in MedAdvisor pharmacies to facilitate the provision of additional services.

Prior to the Healthnotes acquisition, MedAdvisor utilised Guildlink's pharmacy product GuildCare to enable and host the MedAdvisor application. As such the Guildlink Services Agreement came to an end on February 10, 2017 and MedAdvisor has no further dependency on the GuildCare Platform for its service.

The Company also announced the acquisition of OzDocsOnline for a total consideration of \$150,000. A highly strategic and complementary acquisition, OzDocsOnline has added new services to MedAdvisor's offering including online consultations, appointment bookings and communication of test results. It also brings relationships with over 100 new clinics and +300 General Practitioners and introduces MedAdvisor to a patient network of +100,000.

There are no other matters or circumstances that have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on the following page.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'R. Read', enclosed within a faint rectangular border.

Robert Read
Director
Camberwell, Victoria

Dated: 16 February, 2017

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of MedAdvisor Limited for the half year ended 31 December 2016, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

R S M

RSM AUSTRALIA PARTNERSA handwritten signature in blue ink, appearing to read "P W Fraser".

P W FRASER
Partner

Melbourne, VIC
16 February 2017

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AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 36 965 185 036

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MEDADVISOR LIMITED
ABN 17 145 327 617

**CONDENSED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

		Consolidated	
		2016	2015
	Notes	31-Dec-16	31-Dec-15
		\$	\$
Revenues from continuing operations	7	1,548,138	679,741
Other revenue	7	64,664	289,192
Direct expenses	8	(259,452)	(269,956)
Development costs		(67,516)	(47,082)
Employee benefits expenses	8	(1,841,359)	(892,084)
Marketing expense		(625,178)	(352,936)
Depreciation and amortisation expenses		(68,711)	(7,438)
Directors fees	8	(95,802)	(43,685)
Other expenses		(653,161)	(277,227)
Finance costs	8	(44,261)	(185,638)
Profit / (loss) before income tax		(2,042,639)	(1,107,113)
Income tax (expense) / income		-	-
Profit / (loss) for the year		(2,042,639)	(1,107,112)
Other comprehensive income		-	-
Total comprehensive income (loss) for the period		(2,042,639)	(1,107,112)
Loss per Share			
Basic loss per share	4	\$ (0.0026)	\$ (0.0026)
Diluted loss per Share	4	\$ (0.0026)	\$ (0.0026)

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

Comparative figures are for the half year ended 31 December 2015

MEDADVISOR LIMITED
ABN 17 145 327 617

CONDENSED STATEMENT OF FINANCIAL POSITION

		Consolidated	
		2016	2016
		31-Dec-16	30-Jun-16
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and Cash Equivalents	9	5,927,087	2,888,990
Trade and Other Receivables	10	652,284	309,008
Other Assets	11	248,726	208,114
Total Current Assets		6,828,097	3,406,112
Non-Current Assets			
Other Assets	11	22,285	-
Fixed Assets	12	186,837	167,536
Intangible Assets	13	5,331,508	72,140
Total Non-Current Assets		5,540,630	239,676
Total Assets		12,368,727	3,645,788
LIABILITIES			
Current Liabilities			
Trade and Other Payables	14	996,894	724,540
Income in Advance	15	670,167	296,666
Employee Benefits	16	327,109	140,427
Total Current Liabilities		1,994,170	1,161,633
Non-Current Liabilities			
Employee Benefits	16	38,890	19,727
Total Non-Current Liabilities		38,890	19,727
Total Liabilities		2,033,060	1,181,360
Net Assets		10,335,667	2,464,428
EQUITY			
Contributed Equity		16,171,049	6,508,117
Reserves		866,860	615,914
Retained Profits / (Losses)		(6,702,242)	(4,659,603)
Total Equity		10,335,667	2,464,428

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

Comparative figures are as at 30 June 2016

MEDADVISOR LIMITED
ABN 17 145 327 617

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Notes	Contributed Equity \$	Share Options Reserve \$	Retained Earnings \$	Total Equity \$
Consolidated					
Balance 1 July 2016		6,508,117	615,914	(4,659,603)	2,464,428
Transactions with owners in their capacity as owners:					
Ordinary Shares Issued		10,200,000			10,200,000
Capital Raising Costs (net of GST)		(537,068)			(537,068)
Share Options Issued			250,946		250,946
Total comprehensive income for the half-year				(2,042,639)	(2,042,639)
Balance 31 December 2016		16,171,049	866,860	(6,702,242)	10,335,667
Consolidated					
Balance 1 July 2015		1,622,436	-	(1,588,541)	33,895
Transactions with owners in their capacity as owners:					
Ordinary Shares Issued		6,137,871			6,137,871
Capital Raising Costs (net of GST)		(1,252,191)			(1,252,191)
Share Options Issued			466,552		466,552
Total comprehensive income for the half-year				(1,107,112)	(1,107,112)
Balance 31 December 2015		6,508,117	466,552	(2,695,653)	4,279,016

MEDADVISOR LIMITED
ABN 17 145 327 617

CONDENSED STATEMENT OF CASH FLOWS

		Consolidated	
		2016	2015
		31-Dec-16	31-Dec-15
	Notes	\$	\$
Cash Flows From Operating Activities			
Receipts from customers (inclusive of GST)		2,066,022	1,043,001
Payments to suppliers and employees (inclusive of GST)		(3,596,706)	(1,842,562)
Interest received		36,009	7,840
Interest paid		(924)	-
Income tax paid		(3,924)	-
Net cash inflow (outflow) from operating activities		(1,499,523)	(791,721)
Cash Flows From Investing Activities			
Cash acquired on reverse takeover of parent		-	24,537
Payments for property, plant and equipment		(11,110)	(164,862)
Payments for acquisition of Health Enterprises 2 Pty Ltd, net of cash acquired	18	(2,819,797)	-
Net cash outflow from investing activities		(2,830,907)	(140,325)
Cash Flows From Financing Activities			
Proceeds from new share issue		8,000,000	5,100,000
Capital Raising Costs (net of GST)		(537,068)	(655,840)
Payments to related parties		(94,405)	
Proceeds from borrowings		-	597,000
Net cash (outflow) inflow from financing activities		7,368,527	5,041,160
Net increase/(decrease) in cash held		3,038,097	4,109,114
Cash and cash equivalents at the beginning of the year		2,888,990	571,366
Cash and cash equivalents at the end of the year	9	5,927,087	4,680,479

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

Comparative figures are for the half year ended 31 December 2015

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. General

These financial statements represent those of MedAdvisor Limited ('MedAdvisor' or the 'Company') and the entities it controls for the half-year ended 31 December 2016.

2. Basis of preparation

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2016 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

3. Critical accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

4. 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 six (6) month period to 31 December 2016.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	6 months to 31-Dec-16	6 months to 31-Dec-15
Weighted average number of shares used in basic earnings per share	780,252,730	433,852,167
Weighted average number of shares used in diluted earnings per share	836,669,366	441,879,563

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – cont'd

	31-12-16	31-12-16
	#	\$
5. Issued Capital		
Shares		
Balance at 30 June, 2016	686,986,688	6,508,117
New shares issued by MedAdvisor Limited for cash	200,000,000	8,000,000
New shares issued as consideration for Healthnotes 2 Pty Ltd	57,894,738	2,200,000
Share issue transaction costs, net of tax	-	(537,068)
Balance at end of reporting period	944,881,426	16,171,049
Options		
Balance at 30 June, 2016	35,000,000	
MedAdvisor Zero Cost Options under Employee Incentive Plan	24,110,000	
MedAdvisor 4c Options issued to S Chamberlain	5,000,000	
MedAdvisor 8c Options issued to S Hook & S Chamberlain	15,000,000	
R Read Performance Rights vested	2,000,000	
Balance at end of reporting period	81,110,000	

6. 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, including the operations of the newly acquired Health Enterprises 2 Pty Ltd, 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.

	MedAdvisor	Corporate	Total
	\$	\$	\$
2016			
Revenues	1,612,489	312	1,612,801
Net Loss before Tax	1,665,504	377,135	2,042,639
Segment Assets	12,228,320	140,407	12,368,727
Total Assets			12,368,727
Segment Liabilities	2,029,599	3,461	2,033,060
Total Liabilities			2,033,060

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – cont'd

6. Operating segments – cont'd

	MedAdvisor	Corporate	Total
2015			
Revenues	968,877	56	968,933
Net Loss before Tax	856,161	250,951 ¹	1,107,112
Segment Assets	4,920,692	219,292	5,139,984
Total Assets			5,139,984
Segment Liabilities	792,155	68,813	860,968
Total Liabilities			860,968

¹ The Net Loss of \$250,951 attributed to Corporate in the half year ended 31 December 2015 includes a charge of \$180,772 that is a non-cash expense which is classified as a Listing Cost and has resulted from the application of AASB 2 'Share-based payments'.

	6 months to 31-Dec-16 \$	6 months to 31-Dec-15 \$
7. Revenue		
From continuing operations		
Sale of services	1,548,138	679,741
	1,548,138	679,741
Other Revenue		
Interest received	36,278	7,978
Sundry income - R&D Tax Concession	28,386	281,214
	64,664	289,192

8. Expenses

Profit before income tax includes the following specific expenses:

Direct Costs:

Distributions costs under previous GuildLink Agreement	-	186,129
Distributions costs under current GuildLink Agreement	-	50,613
Platform access fees	210,857	-

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – cont'd

	6 months to 31-Dec-16 \$	6 months to 31-Dec-15 \$
8. Expenses – cont'd		
Direct transaction costs	3,231	5,144
Managed services costs for the MedAdvisor Platform	45,363	28,070
	<u>259,452</u>	<u>269,956</u>
Employee Benefits Expenses:		
Development	661,906	407,633
Marketing	600,876	190,465
Business development - international	28,925	-
Administration	298,706	255,520
Governance	95,802	43,685
Share based payments	250,946	38,466
	<u>1,937,161</u>	<u>935,769</u>
Finance costs:		
AASB 2 Listing cost	-	180,772
Financing costs	41,827	-
Other bank charges	1,754	4,866
Interest expense	680	-
	<u>44,261</u>	<u>185,638</u>
	as at 31-Dec-16 \$	as at 30-Jun-16 \$
9. Cash and Cash Equivalents		
Cash on Hand	522	303
Cash at Bank	5,872,093	2,834,215
Term Deposit	54,472	54,472
	<u>5,927,087</u>	<u>2,888,990</u>
10. Trade and Other Receivables		
Trade Debtors	650,606	307,111
Other Debtors	1,678	1,897
	<u>652,284</u>	<u>309,008</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – cont'd

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – cont'd

	as at 31-Dec-16 \$	as at 30-Jun-16 \$
11. Other Assets		
Current		
Prepayments	150,923	173,328
Work in progress	52,193	14,786
Security Deposits	25,610	-
Exploration Bonds	20,000	20,000
	<u>248,726</u>	<u>208,114</u>
Non Current		
Prepayments	22,285	-
	<u>22,285</u>	<u>-</u>
12. Property, Plant and Equipment		
Leasehold Improvements		
Cost	151,184	124,848
Accumulated Depreciation	(27,224)	(16,123)
Written Down Value	<u>123,960</u>	<u>108,725</u>
Office Furniture & Equipment		
Cost	79,996	68,320
Accumulated Depreciation	(17,119)	(9,509)
Written Down Value	<u>62,877</u>	<u>58,811</u>
Total Written Down Value	<u>186,837</u>	<u>167,536</u>
13. Intangible Assets		
Goodwill		
Cost	<u>4,013,868</u>	<u>-</u>
Intellectual property		
Cost	99,140	99,140
Accumulated Amortization	(31,500)	(27,000)
Written Down Value	<u>67,640</u>	<u>72,140</u>
Software		
Cost	1,300,000	-
Accumulated Depreciation	(50,000)	-
Written Down Value	<u>1,250,000</u>	<u>-</u>
Total Written Down Value	<u>5,331,508</u>	<u>72,140</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – cont'd

	as at 31-Dec-16 \$	as at 30-Jun-16 \$
14. Trade and Other Payables		
Trade Creditors	389,720	254,930
Other Creditors & Accruals	607,174	469,610
	<u>996,894</u>	<u>724,540</u>
15. Net Income in Advance		
Gross Pharmacy Subscriptions in Advance	249,134	138,707
Discounts	-	(5,791)
	<u>249,134</u>	<u>132,916</u>
Patient Engagement Programs	421,032	163,750
	<u>421,032</u>	<u>163,750</u>
	<u>670,167</u>	<u>296,666</u>
16. Employee Entitlements		
Current		
Accrued Annual Leave	290,554	140,427
Accrued Long Service Leave	36,555	-
	<u>327,109</u>	<u>140,427</u>
Non Current		
Accrued Long Service Leave	38,890	19,727
	<u>38,890</u>	<u>19,727</u>
Total Employee Entitlements	<u>365,999</u>	<u>160,154</u>

17. Acquisition of Health Enterprises 2 Pty Ltd

On 28 October 2016 the company completed the acquisition of Health Enterprises 2 Pty Ltd. The final consideration for the acquisition was as follows:

	\$
Purchase price - cash free / debt free	5,500,000
Working capital adjustment at settlement	(454,405)
Net purchase price	<u>5,045,595</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS – cont'd

17. Acquisition of Health Enterprises 2 Pty Ltd – cont'd

	\$
Purchase price allocation:	
Cash at Bank	25,798
Trade Debtors	323,548
Security Deposits	25,610
Software	1,300,000
Trade Creditors	(288,461)
Other Creditors & Accruals	(207,914)
Employee Entitlements	(146,853)
Goodwill	4,013,868
	<u>5,045,595</u>
 Composition of net purchase price	
Cash	2,845,595
Shares	2,200,000
	<u>5,045,595</u>
 Due diligence and legal fees relating to the acquisition	<u>111,269</u>

18. Contingent Liabilities

There have been no changes to contingent liabilities or contingent assets since the last annual reporting date.

19. Events after the Reporting Date

On 9 January, 2017 the Company announced the acquisition of OzDocsOnline for a total consideration of \$150,000. The acquisition is considered to be highly strategic and complementary to MedAdvisor's current offering.

Post the reporting period, MedAdvisor completed the first stage of the technical integration with Healthnotes which means new pharmacy applications will be installed in MedAdvisor pharmacies to facilitate the provision of additional services.

Prior to the Healthnotes acquisition, MedAdvisor utilised Guildlink's pharmacy product GuildCare to enable and host the MedAdvisor application. As such the Guildlink Services Agreement came to an end on 10 February, 2017 and MedAdvisor has no further dependency on the GuildCare Platform for its service.

There are no other matters or circumstances that have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

End of Notes

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on page 6 to 16, are in accordance with the Corporations Act 2001 and:
 - i. comply with Accounting Standards; and
 - ii. give a true and fair view of the financial position as at 31 December 2016 and of the performance for the 6 months on that date of the company.
2. 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.



Robert Read
Director
Camberwell, Victoria

Dated: 16 February, 2017

RSM Australia Partners

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
MEDADVISOR LIMITED

We have reviewed the accompanying half-year financial report of MedAdvisor Limited which comprises the condensed statement of financial position as at 31 December 2016, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of MedAdvisor Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations act 2001*, which has been given to the directors of MedAdvisor Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of MedAdvisor Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

R S M

RSM AUSTRALIA PARTNERS



P W FRASER
Partner

Melbourne, VIC
16 February 2017