

23 October 2017

MedAdvisor receives \$9.5m strategic investment from EBOS Group

- MedAdvisor receives \$9.5 million strategic investment from EBOS Group Limited (NZX/ ASX: EBO) a NZ\$2.6B diversified healthcare business
- Shares issued to EBOS via a placement for \$0.0575 a share, a 44% premium to the last capital raise in October 2016 to fund the Healthnotes acquisition at \$0.04 per share
- Following completion of the placement and an off-market purchase, EBOS will hold ~14.1% of the share capital of MedAdvisor
- MedAdvisor has entered into three year strategic agreements with some of EBOS' businesses
- Investment and agreements will accelerate MedAdvisor's customer acquisition strategy and increase the pace of international expansion efforts.

Strategic Investment

MedAdvisor Limited (ASX: MDR, "MedAdvisor"), Australia's leading digital medication management company, is pleased to announce a strategic investment by one of Australasia's leading healthcare companies, EBOS Group Limited ("EBOS" or "EBOS Group").

The investment of \$9.5 million is through a placement of approximately 165m ordinary shares in MedAdvisor at A\$0.0575c a share, representing a 44% premium to the last capital raising price of \$0.04 in October 2016. In addition, EBOS has also purchased an additional 20 million shares in an off-market transaction.

Once both of these transactions are completed, EBOS will be a significant shareholder in MedAdvisor with a holding of just over 14%, alongside a number of other pharmacists and pharmacy groups who invested into MedAdvisor in prior capital raisings.

The investment will be used to accelerate MedAdvisor's customer acquisition strategy through the hospital and GP channels, to broaden the health services made available to pharmacies and their customers via MedAdvisor's software, to increase the pace of international business development efforts in the UK and US and to extend those efforts to the Asia Pacific region, including New Zealand.

EBOS Group Profile

EBOS is a leading marketer, wholesaler and distributor of healthcare, medical and pharmaceutical products. The Group is dual listed on the New Zealand Securities Exchange (NZX) and the Australian Securities Exchange (ASX), with a market capitalisation of more than NZ\$2.6 billion and annual revenue of over NZ\$7 billion.

For MedAdvisor, EBOS' diverse interests include both current and prospective customers and partners.

- Through its Community Pharmacy division, EBOS has interests in or operates some of Australia's largest pharmacy chains and brands including TerryWhite Chemmart, Pharmacy Choice, Good Price Pharmacy Warehouse and healthSAVE Pharmacy, and also provides a range of software and services solutions into community pharmacy.
- Through its Institutional Healthcare division, EBOS owns businesses providing products and services to many public and private hospitals in Australia and more than 6,000 GPs. Group businesses include HPS, Australia's largest provider of outsourced pharmacy services to hospitals, and Zest, a leading healthcare communications business that focuses on patient support programs, training and digital engagement with doctors and patients.

Strategic Agreements to accelerate core business

MedAdvisor and certain EBOS businesses have entered into strategic agreements, which include 3 year commercial terms. These agreements cement MedAdvisor's position as the preferred provider to the TerryWhite Chemmart pharmacy brand, the digital distribution channel for the delivery of digital health programs through pharmacy and in addition, open the hospital channel as a key pathway to MedAdvisor's ongoing customer acquisition.

To formalise the relationship, the parties have initially concluded in principal commercial agreements that expand the relationship with TerryWhite Chemmart and form a new relationship with each of HPS and Zest from EBOS' Institutional Healthcare division. MedAdvisor estimates that over 3 years, these arrangements will generate ~\$4m of revenue.

TerryWhite Chemmart Heads of Agreement

MedAdvisor is pleased to announce its appointment by Terry White Group Limited ("TerryWhite Chemmart") as the provider of a TerryWhite Chemmart health app which will provide medication and health services management to TerryWhite Chemmart's pharmacies and their customers. The agreement will result in a rollout of a customised version of MedAdvisor's App and PlusOne software to TerryWhite Chemmart pharmacies nationwide. Many TerryWhite Chemmart franchisees are existing customers of MedAdvisor and this will enhance MedAdvisor's offering to the broader TerryWhite Chemmart network and their customers.

Memorandum of Understanding ("MOU") with EBOS Institutional Healthcare's HPS and Zest businesses

As part of this strategic deal, MedAdvisor also is announcing the execution of an MOU with EBOS Institutional Healthcare's HPS and Zest businesses that relates to the provision of services over a 3 year term. The parties will work towards executing binding agreements by 31 December 2017.

As part of the services contemplated by that MOU, MedAdvisor will:

- Work with HPS regarding the provision of services to HPS that will result in simplification and improvement of hospital admission and discharge processes in HPS supported hospitals. MedAdvisor estimates that the services will result in more than 5,000 patients a week being invited to sign up to MedAdvisor to help them provide accurate medication information through the admission process and following their hospital stay, to better transition from hospital to home through an enhanced discharge process; and
- Work with Zest to provide Zest a digital distribution channel for its pharmaceutical manufacturer programs through MedAdvisor's health services marketplace. MedAdvisor's health services marketplace connects over 6 million patients from a network of 50% of Australian pharmacies; and
- Work with Zest to provide ongoing connected care to recently discharged hospital patients by distributing digital programs through the MedAdvisor consumer app and health care practitioners to try to improve patient outcomes and reduce hospital readmissions.

Robert Read, CEO of MedAdvisor commented: "I am delighted that EBOS Group has recognised the potential of MedAdvisor to provide value to the healthcare industry in Australia and beyond. In EBOS, MedAdvisor finds a major investor and a motivated commercial partner that values our agnostic position in the marketplace, can accelerate our plans to grow customer acquisition channels to include hospitals and GPs and understands the opportunity to bring services to consumers that creates value for all, both in Australia and internationally."

Patrick Davies, CEO of EBOS said, "MedAdvisor has achieved rapid growth and an important position as an independent partner to a wide range of healthcare businesses. EBOS recognises the strength of that independence and we look forward to working collaboratively with MedAdvisor to unlock value across our diverse businesses to help improve health outcomes for patients via improved medication management."

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For more information

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About MedAdvisor

MedAdvisor is a world-class medication management platform focused on addressing the gap and burden of medication adherence. Founded with a desire to simplify medication management, the highly automated and intuitive Australian software system connects over 925,000 patients to their local pharmacy or GP, providing them with real time visibility and access to their personal medication records. Its smart reminders, skip the queue and pre-ordering capabilities have seen high engagement from users and a 20% increase in medication adherence.