

ASX ANNOUNCEMENT

11 April 2017

Another Record Quarter for MedAdvisor

Highlights

- Operating cash receipts for the quarter increased by 17% on December 2016 and 472% on pcp to **\$1.55 million**, with total cash receipts totalling \$2.04 million which included a \$493k R&D tax refund
- **Revenue of \$1.27 million** recognised during the quarter, an **increase of 21%** on the December 2016 quarter
- Revenue growth driven by increasing **user-based revenue, up 41%** on December 2016 quarter and accounting for ~50% of revenue base vs 50% in subscription revenue in the quarter
- Operational performance across key metrics remained strong
 - Now over **700,000 users** on the MedAdvisor platform, an increase of 12% on the prior quarter
- Completion of OzDocsOnline delivered new services to MedAdvisor's offering and bought relationships with +100 new clinics and +300 GPs
- The company is fully funded and closed the quarter with **\$5.75 million cash at bank** to continue to invest in its growth initiatives focused on driving user and revenue growth

MedAdvisor Limited (ASX: **MDR**, the **Company**), Australia's leading digital medication management company, has today released its Appendix 4C Report for the three-month period to 31 March 2017 and is pleased to provide a review of the progress during the period.

Financial & Corporate

During the quarter, the Company reported total cash receipts of \$2.04 million (that included \$493k in an R&D tax refund), a 58% increase on the previous December 2016 quarter (\$1.3 million) and a 643% increase on the prior corresponding period (\$271k).

Operating cash receipts totalled \$1.55 million, 17% ahead of the previous December 2016 quarter and revenue recognised during the quarter totalled \$1.27 million, up 21% on the previous quarter.

Revenue growth was driven by growth in all key revenue streams including user-based revenue from Patient Engagement Programs (PEPs) and SMS that have grown as patients have increased and as new products are being sold for PEPs.

Net cash receipts for the quarter totalled \$10k vs (\$0.77m) in the December 2016 quarter. The completion of the OzDocsOnline acquisition required a total investment of \$150k during plus transaction costs. MedAdvisor closed the quarter with \$5.75 million cash at bank, compared to \$5.9 million in the previous quarter representing a decline of ~\$150k.

MedAdvisor continues to grow revenue and head towards a cash flow breakeven position in H2 CY2018. As such the company is fully funded.

The focus of the Company in the coming quarters will be on accelerating both patient and revenue growth. Technical integration of the Healthnotes and OzDocsOnline platforms is progressing well and should be finalised by July and August respectively.

Operational

Key Metrics Continue to Grow

MedAdvisor continued to grow its patient user base, reaching over 700,000 and representing a 12% increase on the previous December quarter.

~2,500 pharmacies are now subscribed to the MedAdvisor platform. At the end of the quarter, approximately 280 patients per pharmacy were using the platform. Within MedAdvisor's existing pharmacy network there are ~5.3 million chronic disease patients who are not yet engaged, representing a significant user acquisition opportunity.

	Dec 2016 Qtr	March 2017 Qtr
Total Patients¹	630,000	710,000
Average Number of Patients per pharmacy	~250	~285
Number of contracted Patient Engagement Programs (PEPs)	18	20

Tap to Refill for the MedAdvisor app continues to grow with March being the highest on record. The total number of scripts ordered through the platform including Healthnotes and GP Connect now total over \$3m per week vs. ~\$2.5m December 2016. Approximately half of these orders are patient initiated and half generated by pharmacists for both patients and nursing homes.

New services added and enhanced

Through the acquisition of OzDocsOnline, completed on 20 February 2017, MedAdvisor acquired additional services including the ability to include specialist referrals, pathology results, secure messaging services, eConsultations and online bookings. The Company is now in the process of integrating OzDocsOnline technology with its GP Link and GP Connect systems. The new services have opened up a significant opportunity within the GP community and through the acquisition MedAdvisor gained relationships with over 100 new clinics and +300 GPs.

Launch of PlusOne

During the quarter MedAdvisor completed the roll out of its new pharmacy software to facilitate the provision of additional in-pharmacy services. MedAdvisor now controls the entire technical and transactional process on its platform.

¹ Patients include, SMS, APP, Web, Carer, OzDocsOnline patients who have engaged with MedAdvisor

The new pharmacy software, to be rebranded as PlusOne in June, includes a GP collaboration module to streamline workflow for both pharmacies and GPs and a new Professional Services capability to help pharmacies identify and deliver important health services to eligible patients in store. This will open up new revenue streams for the business.

Marketing and Growth Initiatives

During the quarter, MedAdvisor continued to expand its partnerships with not-for-profit and disease state groups with the addition of the *Stroke Foundation*, *Parkinson's Australia* and *Epilepsy Action Australia*. These groups attempt to impact the lives of the 6.5 million Australians who are living with those diseases.

The Company will also shortly be launching a national marketing program aimed at further raising the profile of the MedAdvisor app and growing the user-base, which is directly linked to increasing user-based revenue, that is a key growth target for MedAdvisor.

Robert Read, CEO of MedAdvisor commented:

"This has been another strong quarter for the Company, with the revenue growth remaining strong and our key metrics continuing to grow. I am delighted that the increased operational cash inflows, together with the R&D tax refund has resulted in MedAdvisor having positive cash receipts for the quarter. The coming quarter will see us invest in the growth of the business as we focus on driving the user-based revenue stream and launch a number of marketing and growth initiatives to achieve this target."

-ENDS-

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 patients to their local pharmacy, providing them with real time access to their personal medication records. Available free on mobile and internet devices, the platform also incorporates a variety of valuable and convenient features including reminders and pre-ordering of medications, which together improves adherence by approximately 20%.

Since launching in 2013, MedAdvisor has welcomed over 700,000 users through its connections with over 45% of pharmacies across Australia

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

MEDADVISOR LIMITED

ABN

17 145 327 617

Quarter ended ("current quarter")

31-March-2017

Consolidated statement of cash flows

	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
1. Cash flows related to operating activities		
1.1 Receipts from customers	1,549	3,615
1.2 Payments for :		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(365)	(1,073)
(d) leased assets	-	-
(e.1) staff costs - R&D	(318)	(799)
(e.2) staff costs - other	(773)	(1,972)
(f) administration and corporate costs	(607)	(1,797)
1.3 Dividends received	-	-
1.4 Interest received	32	68
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	(4)
1.7 Government grants and tax incentives ⁽¹⁾	493	493
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	10	(1,470)

(1) \$493K from R&D Tax Concession received in the current quarter

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
2. Cash flows related to investing activities		
2.1 Payment to acquire:		
(a) property, plant & equipment	(25)	(37)
(b) businesses (item 10)	(150)	(3,090)
(c) investments	-	-
(d) intellectual property	(12)	(12)
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:	-	-
(a) property, plant & equipment	-	-
(b) businesses (item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(187)	(3,139)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	8,000
3.2 Proceeds from issues of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(530)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	7,470

+See chapter 19 for defined terms.

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	5,927	2,889
4.2	Net cash from / (used in) operating activities (item 1.9 above)	10	(1,470)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(187)	(3,139)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	7,470
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	5,750	5,750

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter	Previous quarter
		\$A'000	\$A'000
5.1	Bank balances	1,678	5,873
5.2	Call deposits	4,072	54
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,750	5,927

6. Payments to directors of the entity and associates of the directors		Current quarter
		\$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	179
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates		Current quarter
		\$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

+See chapter 19 for defined terms.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8. Financing facilities available		
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter ^A	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	699
9.4 Leased assets	-
9.5 Staff costs	1,379
9.6 Administration and corporate costs	454
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	2,532

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	OzDocsOnline	
10.2 Place of incorporation or registration	NSW	
10.3 Consideration for acquisition or disposal	150	
10.4 Total net assets	150	
10.5 Nature of business	OzDocsOnline is an online platform that enables doctors and patients to interact online. This includes the capability to request repeat prescriptions, access test results, book consultations and appointments and carry out online consultations. This transaction involved only the acquisition of the assets of the OzDocsOnline business.	

+See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 11-Apr-17

(Company secretary)

Print name: Carlo Campiciano

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2 If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Other Information.

A. Estimated cash outflows for next quarter

The estimated cash outflows for next quarter include the estimated operating costs associated with the Healthnotes business on the assumption that the transaction is completed. These costs do not include the anticipated transaction costs of \$700K based on a total capital raise of \$8 million.