

ASX ANNOUNCEMENT

17 July 2017

June 2017 Quarterly Report

Highlights

- Q4 operating cash inflow was **\$1.4m** up 481% on same quarter prior year
- Revenue of \$1.43 million, an increase of 12% on the March 2017 quarter (\$1.27m) and 367% ahead of the June 2016 quarter
- FY17 total operating cash inflow was **\$5.02m** (\$5.5m including R&D Rebate) and FY17 Operating revenue totalled **\$4.24m** (excludes R&D Rebate), 210% higher than FY16
- Positive operational performance and growth across key metrics:
 - Over 830,000 users on the MedAdvisor platform, an increase of 17% on the March 2017 quarter
 - Expanded the MedAdvisor Pharmacy Network, to over 2,600+, with MedAdvisor now providing its platform to all of Discount Drug Stores (DDS) nationwide
- Dr David Chatterton (ex Aconex Ltd CTO – ASX:ACX) appointed Chief Technology Officer ahead of next phase of growth
- New pharmacy software platform developed “PlusOne” that will provide additional pharmacy services and expand revenue opportunities for MedAdvisor and network pharmacy customers

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 30 June 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 \$1.4 million. Revenue recognised during the June 2017 quarter totalled \$1.43 million, a 12% increase on the previous March 2017 quarter (\$1.27 million) and a 481% increase on the prior corresponding period (June 2016 quarter revenue: \$0.3 million).

Total revenue for the quarter was equal to the revenue for the full year, FY16. Revenue for FY17 to total \$4.24 million, up 290% on FY16.

Net operating cash flow for the quarter totalled (\$916k) vs \$(483k) adjusted for the R&D refund in the March 2017 quarter. In the June 2017 quarter, Admin and Corporate expenditure increased due to costs associated with the acquisition of OzDocsOnline, timing differences and activities relating to the Company’s international expansion plan.

MedAdvisor closed the quarter with \$4.83 million cash and expects to be cash flow breakeven in 2H CY2018. Following its acquisitions in FY17 of Healthnotes and OzDocsOnline, the Company will focus on completing the consolidation of all its platforms to provide patients, pharmacies, and GPs with one integrated platform with increased connectivity and further opportunities to drive revenue.



Tap to Refill for the MedAdvisor app continues to grow with June being the highest on record. The total number of scripts ordered through the platform including Healthnotes and GP Connect now total over \$4m per week vs. ~\$3m December 2016. Approximately 55% of these orders are patient initiated and the balance generated by pharmacists for both patients and nursing homes.

Integration of Acquisitions (Healthnotes and OzDocsOnline)

Healthnotes and OzDocsOnline acquisitions were predicated on helping deliver scale and market reach. Through Healthnotes, MedAdvisor added ~300,000 patients receiving medication management programs via ~800 pharmacies. MedAdvisor Network Pharmacies now represent a market share approaching 50% of the total pharmacy and connected patients above 840,000, which is still less than 15% of patients with a chronic disease at these same pharmacies. The Healthnotes team, including the founders, made an immediate positive impact in breadth and capability and we have successfully integrated the Healthnotes platform fully with MedAdvisor.

OzDocsOnline was also an important market reach play, helping reach 100's of GPs and GP Practices with technology that enables patients to book GP Appointments online, reorder repeat prescriptions, request specialist referrals, conduct eConsultations, and request pathology test results all through secure messaging services..

The technical breadth of the offering has widened both through the acquisitions and further technology investment we have made. MedAdvisor can leverage its technology to accelerate the user experience and automation for both the pharmacy and GP products. Network Pharmacies can now link in with over 1400 GPs via the GP Connect Portal (& over 5,500 total using eFax & Print) to electronically bulk order scripts for nursing home clients. PlusOne will help pharmacies drive professional services which is an important and growing revenue stream for pharmacies; and increase the automation of their SMS and App patient communications platforms.

MedAdvisor will continue to grow new revenue streams in part by growing the revenue of the pharmacy through offering professional programs that can be delivered in store, creating shared value through PlusOne. These programs will also increase pharmacists' connection with their patients as they leverage new tools that boost convenience for patients. PlusOne is being rolled out to all MedAdvisor Network Pharmacies.

Collaborations

During the quarter MedAdvisor announced that it will integrate iHealth's mobile healthcare solutions and apps. iHealth is a leading provider of mobile health devices and apps that enable patients to accurately measure and track a range of important health metrics including blood pressure, weight, blood glucose and others along with their medications.

The integration of iHealth will also allow pharmacies to order iHealth devices through the MedAdvisor app creating a new incremental revenue stream for both MedAdvisor and additional revenue opportunities for MedAdvisor's pharmacy customers..

PlusOne will also allow MedAdvisor to bring new manufacturer driven programs into Network Pharmacies to complement the existing PEP digital programs.

Operational – Key Metrics Growth

The patient user base grew 17% in the June 2017 quarter, reaching over 830,000 and ahead of expectations.

MedAdvisor expanded its pharmacy network in Australia and is now servicing over 2,600 pharmacies, with an average of ~315 patients per pharmacy. The addition of new pharmacies has also increased the user acquisition opportunity.

| | March 2017 Quarter | June 2017 Quarter |
|--|--------------------|-------------------|
| Total Patients | 710,000 | 830,000 |
| Average Number of Patients per pharmacy | ~285 | ~315 |
| Number of contracted Patient Engagement Programs (PEPs) | 20 | 22 |

MedAdvisor processed an average of over \$4 million in total script value per week in the current quarter vs \$3 million in the March 2017 quarter. This includes scripts ordered via its Tap to Refill patient function and scripts ordered through pharmacists, GPs and nursing homes.

Whilst new Patient engagement programs did not increase substantially during this quarter, we continue to have significant engagement with a number of new clients and existing clients looking to replicate their existing activities with other products.

Management Changes

Dr David Chatterton was appointed and commenced in the role of Chief Technology Officer, bringing extensive experience leading global software development operations both domestically and overseas. He joins from ASX listed Aconex (ASX:ACX), a leading collaboration platform with projects in over 70 countries. Dr Chatterton will lead the ongoing enhancement of MedAdvisor’s innovative health management platform ahead of its next phase of growth and as it prepares to enter new markets.

Mr Josh Swinnerton took up the role of Chief Product Officer, a key strength and passion of his. He will continue to play a key role in the Company’s growth initiatives, both domestically and internationally as An Executive Director of MedAdvisor.

MedAdvisor CEO, Robert Read commented on this quarter’s performance: “We have continued our growing revenue profile for another consecutive quarter, demonstrating the ongoing growth of the business and the demand from our customers for the MedAdvisor platform. With PlusOne, we have now built a fully integrated platform that delivers our pharmacy customers the tools required to manage and enhance the services they provide to their patients. I am excited about the coming quarters and we will continue to invest in efforts to drive awareness and look to expand into new markets.”

-ENDS-

For more information

Robert Read, CEO
MedAdvisor
Tel: +61 3 9095 3036
robertr@medadvisor.com.au

Daniel Poproth
Media and Capital Partners
Tel: +61 421 858 982
daniel.poproth@mcpartners.com.au

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 visibility and access to their personal medication records, sending smart reminders and training based on individual profiles and allowing patients to skip the queue and pre-order has seen high engagement with MedAdvisor from users and a 20% increase in medication adherence.

Available free on mobile and internet devices, the platform improves convenience and access to healthcare through MedAdvisor also owns OzDocsOnline which means both pharmacies and patients can communicate electronically with their GPs to order scripts and other services.

Since launching in 2013, MedAdvisor has welcomed over 830,000 users through its connections with over 45% of Australia's pharmacies and a growing GP network.

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")

30-June-2017

Consolidated statement of cash flows

| | Current quarter | Year to date (12 months) |
|---|-----------------|---------------------------|
| | \$A'000 | \$A'000 |
| 1. Cash flows related to operating activities | | |
| 1.1 Receipts from customers | 1,404 | 5,019 |
| 1.2 Payments for : | - | - |
| (a) research and development | - | - |
| (b) product manufacturing and operating costs | - | - |
| (c) advertising and marketing | (447) | (1,520) |
| (d) leased assets | - | - |
| (e.1) staff costs - R&D | (355) | (1,154) |
| (e.2) staff costs - other | (601) | (2,573) |
| (f) administration and corporate costs | (941) | (2,738) |
| 1.3 Dividends received | - | - |
| 1.4 Interest received | 24 | 92 |
| 1.5 Interest and other costs of finance paid | - | (1) |
| 1.6 Income taxes paid | - | (4) |
| 1.7 Government grants and tax incentives ⁽¹⁾ | - | 493 |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (916) | (2,386) |

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

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

| Consolidated statement of cash flows | Current quarter | Year to date (12 months) |
|---|-----------------|---------------------------|
| | \$A'000 | \$A'000 |
| 2. Cash flows related to investing activities | | |
| 2.1 Payment to acquire: | | |
| (a) property, plant & equipment | - | (37) |
| (b) businesses (item 10) | - | (3,090) |
| (c) investments | - | - |
| (d) intellectual property | - | (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 | - | (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.

Quarterly report for entities subject to Listing Rule 4.7B

| Consolidated statement of cash flows | | Current quarter | Year to date (12 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 | 5,750 | 2,889 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (916) | (2,386) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | (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 | 4,834 | 4,834 |

| 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 | 743 | 1,678 |
| 5.2 | Call deposits | 4,091 | 4,072 |
| 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) | 4,834 | 5,750 |

| 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 | 122 |
| 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.

| |
|--|
| |
|--|

| 9. Estimated cash outflows for next quarter ^A | \$A'000 |
|---|---------|
| 9.1 Research and development | - |
| 9.2 Product manufacturing and operating costs | 437 |
| 9.3 Advertising and marketing | 677 |
| 9.4 Leased assets | - |
| 9.5 Staff costs | 1,241 |
| 9.6 Administration and corporate costs | 379 |
| 9.7 Other (provide details if material) | |
| 9.8 Total estimated cash outflows | 2,734 |

| 10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above) | Acquisitions | Disposals |
|--|--------------|-----------|
| 10.1 Name of entity | | |
| 10.2 Place of incorporation or registration | | |
| 10.3 Consideration for acquisition or disposal | | |
| 10.4 Total net assets | | |
| 10.5 Nature of business | | |

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:



(Company secretary)

Print name: Carlo Campiciano

Date: 17-Jul-17

+See chapter 19 for defined terms.

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.