

ASX ANNOUNCEMENT

30 April 2019

March 2019 Quarterly Report and 4C

Key Highlights of the Quarter

- March quarter cash receipts have exceeded \$2m for the first time, growing 32.0% on the December quarter
- Net operating cash outflows for the quarter decreased 24.7% on the prior December quarter
- \$3m spend on international expansion activities including software build and business development continues on plan and budget
- MedAdvisor signed an initial Digital Partnership Agreement with Adheris Health, the leading provider of patient adherence and engagement solutions to US pharmaceutical customers opening up an avenue to 197m customers through 26,000 pharmacies.
- MedAdvisor and Zuellig Pharma have now established the Singapore based 50:50 joint venture vehicle; ZP MedAdvisor Pte Ltd ("ZPM") and are in the process of finalising formal agreements.

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 2019 and an overview of progress during the period.

International Expansion

USA

MedAdvisor has partnered with Adheris Health, one of the leading providers of patient adherence and engagement solutions to US pharmaceutical customers. The initial 12-month partnership agreement will enable Adheris Health and MedAdvisor to jointly promote and sell MedAdvisor powered digital adherence programs in the US to existing Adheris Health pharmaceutical clients as an extension to its suite of patient performance solutions.

With an addressable patient pool of 197 million and network of +26,000 pharmacies, this partnership can be transformational for the business.

The Company's investment in globalising its product platform and expertise in digital programs aimed at improving medication adherence in target patient pools, has

enabled this partnership and the capability to support the sophisticated requirements of US-centric medication adherence and engagement programs.

Asia

MedAdvisor has completed the formation of its 50:50 joint venture vehicle 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 parties (MedAdvisor, Zuellig Pharma and ZPM) are in the process of finalising formal agreements.

The Singapore based Joint Venture called ZP MedAdvisor Pte. Ltd. ("ZPM"), aims to commercialise MedAdvisor's medication management platform across Asia. The Joint Venture will initially provide SMS based Digital Adherence Programmes in two initial markets (Philippines and Malaysia), leveraging on MedAdvisor's approach in the US. ZPM will market MedAdvisor's pharmacy and patient software in the region.

Australia

Financial Update

The company reported \$2.05m in revenue for the March quarter. Cash receipts for the quarter were \$2.35m versus \$1.77m in the December quarter and \$1.61m in the prior corresponding March 2018 quarter.

Net operating cash outflow for the quarter totalled (\$1.63m) versus (\$2.17m) for the prior December 2018 quarter and (\$1.11m) for the corresponding prior March 2018 quarter. The current cash outflow is in line with expectations as the Company continues to build capabilities in both the international and domestic markets.

MedAdvisor closed the quarter with \$5.80 million in cash and is funded to drive growth initiatives. The underlying Australian business continues to be cash positive, as illustrated in the table below:

Operating Cash Flow Breakdown of the March 2019 Quarter

	AUS \$k	INT \$k	Total \$k
Total Cash inflows	\$2,354	\$-	\$2,354
BAU Cash outflows	\$1,332	\$-	\$1,332
Net BAU Cash	\$1,022	\$-	\$1,022
Growth Cash Outflows	\$1,917	\$769	\$2,686
Net Cash	\$(895)	\$(769)	\$(1,664)

The Company has received \$750k from the R&D Tax Incentive in April 2019.

MedAdvisor has continued to partner with new program funders in the quarter including one funder with multiple HSH programs; the first program is scheduled to go live during Q4 FY19.

MedAdvisor has also commenced programs with a global Clinical Research Organisation to drive recruitment of eligible patients to local clinical trials.

The Company closed the quarter with 1.2m connected users and an average number of ~393 patients per pharmacy. Average patients per pharmacy grew slightly as new MDR pharmacies added over the last two quarters begin to establish and grow their user bases.

In the last quarter we saw a slight reduction in the number of Patient Engagement Programs. It is typical for programs to cease following patent expiry and their promotional spend is reduced or removed. We expect to add new programs over the coming quarters from existing and new clients.

	December 2018 Quarter	March 2019 Quarter
Total Patients Connected in MDR Network¹	1.1M	1.2M
Average Number of Patients per network pharmacy	392	393
Number of contracted Patient Engagement Programs (PEPs)	32	28

We continue to see strong growth in a number of professional services delivered via the PlusOne platform. There was a +38% YoY quarterly growth in the number of services delivered across the MDR network of pharmacies. In the quarter MedAdvisor was approved by the Australian Government to integrate with their AIR (Australian Immunisation Register) interface. This integration will help pharmacies deliver vital services to their customers by reducing manual administration of reporting.

Robert Read, CEO of MedAdvisor commented: "Our partnership with Adheris Health in the US and the joint venture with Zuellig Pharma in Asia; which are both companies of formidable size, reach and reputation, will be transformational for MedAdvisor and deliver strong value for our shareholders over the medium to long term."

"With a potential addressable patient population of ~350m people and established relationships with the Top 20 Pharmaceutical companies in these regions, MedAdvisor is ideally placed to maximise the opportunities these agreements provide. The next quarter will see MedAdvisor and our partners, engage with companies in two new large regions, with an expectation that programs will be live thereafter."

¹ Numbers are rounded to nearest 100,000 and include patients connected on the MDR network including OzDocsOnline, but excluding patients that are addressable via the Health Services Hub which approximate a further +7m through this network

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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-developed software system connects patients to medication related tools and education materials from their community pharmacy. Available free of charge on mobile and internet devices, the platform also incorporates a variety of valuable and convenient features including reminders, pre-ordering of medications and medicines information, which together improves adherence to chronic medications by over 20%.

Since launching in 2013, MedAdvisor has connected over one million users through ~55% of Australian pharmacies and a network of thousands of GPs across Australia and in 2018, was recognised in the AFR Fast 100.

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-2019

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows related to operating activities		
1.1 Receipts from customers	2,315	5,939
1.2 Payments for :		
(a) research and development		-
(b) product manufacturing and operating costs		-
(c) advertising and marketing	(179)	(901)
(d) leased assets		-
(e.1) staff costs - R&D	(886)	(2,568)
(e.2) staff costs - other	(1,876)	(5,003)
(f) administration and corporate costs	(1,077)	(3,281)
1.3 Dividends received		-
1.4 Interest received	29	110
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives ⁽¹⁾	40	40
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,634)	(5,664)

⁽¹⁾ EMDG Grant

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2. Cash flows related to investing activities			
2.1 Payment to acquire:			
(a) property, plant & equipment	(5)	(99)	
(b) businesses (item 10)	-	-	
(c) investments	-	-	
(d) intellectual property	-	-	
(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	(5)	(99)	
3. Cash flows from financing activities			
3.1 Proceeds from issues of shares	-	-	
3.2 Proceeds from issues of convertible notes	-	-	
3.3 Proceeds from exercise of share options	-	975	
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-	
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)	(50)	-	
3.10 Net cash from / (used in) financing activities	(50)	975	

+See chapter 19 for defined terms.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$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		7,492	10,591
4.2 Net cash from / (used in) operating activities (item 1.9 above)		(1,634)	(5,664)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		(5)	(99)
4.4 Net cash from / (used in) financing activities (item 3.10 above)		(50)	975
4.5 Effect of movement in exchange rates on cash held		-	-
4.6 Cash and cash equivalents at end of quarter		5,803	5,803

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 \$A'000	Previous quarter \$A'000
5.1 Bank balances		5,803	7,492
5.2 Call deposits		-	-
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)		5,803	7,492

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		186
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		39
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		

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

8. Financing facilities available

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

- 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

- 9.1 Research and development
- 9.2 Product manufacturing and operating costs
- 9.3 Advertising and marketing
- 9.4 Leased assets
- 9.5 Staff costs
- 9.6 Administration and corporate costs
- 9.7 Other (provide details if material)
- 9.8 Total estimated cash outflows

\$A'000

-

-

546

-

2,543

968

-

4,057

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)

- 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

Acquisitions

Disposals

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:

30-Apr-19

^ASee 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.

+See chapter 19 for defined terms.