

Quarterly Activities Report

June 2020

MedAdvisor posts record quarter, primed for global growth

Key Highlights:

- **Q4 FY20 total operating revenue of \$3.0m** (+31.4% vs Q4 FY19 \$2.3m) (+40.8% vs Q3 FY20 \$2.2m)
- **Q4 FY20 Total revenue of \$4.4m** (+41.0% v Q4 FY19 \$3.1m) & (+99.8% vs Q3 FY20 \$2.2m)
- **Achieved 20.8% y-o-y growth**, with international green shoots from initial revenues in US
- **Closed a Strategic Alliance deal** with NASDAQ-listed HMS to accelerate US growth, opening a new marketplace for existing technology
- **First US health program went live** through the Adheris partnership late in Q4
- **Q4 cash receipts of \$3.7m** (+30.9% vs Q4 FY19 \$2.9m) (75.0% vs Q3 FY20 \$2.1m) including government grants and R&D tax incentives
- **Receipts from customers at Q4 \$2.4m** (+17.1% vs Q4 FY19 \$2.1m) (+14.8% vs Q3 F20 \$2.1m)
- **FY20 Total Revenue of \$11.1m** (+20.8% v FY19 \$9.2m)
- **FY20 Operating revenue of \$9.6m** (+17.0% v FY19 \$8.2m)
- **With A\$12.5m cash at bank** MDR is well capitalised to execute on expansion activities
- **Approaching 1.7 million digitally connected patients**

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 2020 and is pleased to provide an update on the progress during the period.

MedAdvisor CEO and Managing Director Robert Read said: "MedAdvisor has delivered another record revenue quarter as we continue to deliver on our strategic priorities. In Australia and around the world, pharmacists are at the coalface of the COVID-19 fight – we are making their lives simpler with easy-to-use digital tools that streamline their workflows and improve customer experience and loyalty."

Financial update

As foreshadowed in Q3, MedAdvisor experienced high levels of commercial activity in Q4. The Company reported \$3.0m in quarterly operating revenue, an uplift of 31.4% from Q4 FY19 (\$2.3m), with annualised recurring revenue (ARR) growing 15.3% on Q4 FY19 to \$6.3m. FY20 Q4 revenue was supported by strong quarter for health programs. This brings the total operating revenue for FY20 YTD to \$9.6m, up 17.0% v FY19.

Operating Cash Flow Breakdown of the June 2020 Quarter

Cash flow associated with business activities	June Qtr 2020
Cash receipts from customers	2,421
Cash receipts from Government grants and tax incentives	1,323
Cash payments made in ordinary course of business	(1,154)
Cash payments associated with growth activities	(3,685)
Net Cash Outflow from Operating Activities	(1,095)

The Company reported operating cash receipts of \$2.4m in Q4 FY20, up 17.1% on Q4 FY19 (Q4 FY19: \$2.1m), and up 14.8% on Q3 FY20 (Q3 FY20: \$2.1m). The June quarter results were driven by a recovery in health programs after an initial impact from COVID-19, as well as commencement of US health programs. MedAdvisor closed the quarter with \$12.5m in cash.

Business activity update

MedAdvisor continues to align its activities with its core strategic priorities which include uplifting our technology to make innovative solutions, investing in a global sales organisation, establishing a performance culture where talented people do meaningful work, building a world-class marketing organisation and executing on global expansion. Payments made in relation to uplifting the technology platform and executing on global expansion were \$2.5m and \$1.2m respectively for the Q4 FY20.

Australia sees patient numbers continue to climb

Our home market continues to grow from strength-to-strength with patient numbers climbing again this quarter, growing patient numbers by ~13% to approach 1.7 million.

As pharma companies recognise the impact of educating patients digitally, to be adherent to their medications and facing the prospect of their salesforce not able to spend face-to-face time with prescribers, digital is an even more compelling option. MedAdvisor also signed its largest health program deal to date during the quarter. This deal is a 1-year deal with another Top 10 global pharma company but will not in itself be material for FY21.

The extended pharmacy platform is amplifying the benefits for pharmacists in the face of COVID-19 as it now includes contactless Pay in Advance and a new home delivery management solution, allowing pharmacists to coordinate and sequence deliveries for patients. Pay in Advance adoption rose with MedAdvisor charging merchant service fees on these orders.

Launching on-demand home delivery at the end of last quarter, MedAdvisor has now processed more than 12,000 delivery requests and had 34,000+ items ordered on the platform.

ePrescribing is one of the largest and most significant changes the pharmacy industry has experienced since the computerisation of pharmacies. There are many benefits of ePrescriptions, including no more loss of paper scripts and an improved customer experience. MedAdvisor is well positioned to leverage this digital transformation of Australia's pharmacy sector to attract more patients to its network.

US brimming with potential, HMS strategic alliance expands addressable market

The highlight of Q4 in the US was the strategic alliance deal with NASDAQ-listed HMS which will expand our addressable market to include insurers, pharmaceutical companies, pharmacies, patients and GPs. MedAdvisor will integrate with HMS' health engagement platform opening a new channel for up to 100 million insured lives. This partnership leverages the secure digital technology that MedAdvisor has already built, extending into a new marketplace.

The HMS Eliza business has sent more than 865 million unique patient outreaches since 2016. MedAdvisor will receive a revenue share for each of the secure digital messages that are sent. The new integration is expected to go live towards the end of Q2 FY21.

Additionally, MedAdvisor's first set of US health programs commenced with one of the top 10 global pharmaceutical companies in the quarter successfully going live.

Asia on track to deliver revenue next quarter

Asia remains on track to deliver revenue in Q1FY21 with pilot health programs developed as part of the Company's joint venture with ZuelligPharma (ZP MedAdvisor Pte Ltd.) progressing on schedule. MedAdvisor has provided the MedExpress Pharmacy App for initial testing in the Philippines and expects this to go live in Q1.

UK to deliver Day Lewis solution in Q1

MedAdvisor continues to work towards delivering a UK pharmacy product and app through the previously announced Day Lewis deal. MedAdvisor has also progressed initial marketing with the National Pharmacy Association (NPA) for their pharmacy app which will go live in Q2.

Related party transactions

During the quarter, the Company entered into the following related party transactions:

- \$39,756 paid to a related party which provides data services to the Company in the ordinary course of business
- \$217,070 in fees and executive remuneration paid to the directors.

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ASX ANNOUNCEMENT

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About MedAdvisor

MedAdvisor is a world-class medication management platform that empowers users to more simply manage their medication and improve adherence. MedAdvisor's highly automated and intuitive software system connects users to tools and education materials from their local/preferred pharmacy. In Australia, MedAdvisor has connected over one million users through 60% of Australian pharmacies and a network of thousands of GPs. MedAdvisor has partnered with Adheris & HMS in the US, Zuellig Pharma in Asia and launched into the UK on track to become one of the largest players in the global digital adherence market. In 2018 and 2020, MedAdvisor was recognised in the AFR Fast 100.

Authorised by:

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