

March 2018 Quarterly Report & 4C

Highlights

- Quarterly cash receipts increased to \$1.61m (+4% vs Q3 FY17)
- Quarterly revenue (unaudited) increased to \$1.67m (+31% vs Q3 FY17)
- For the financial year to date, total revenue (unaudited) increased to \$4.9m, already exceeding FY17 full year revenue
- 1m connected patient milestone announced post Q3 FY18 quarter end
- \$10.9m in cash to continue growth initiatives domestically and abroad

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 2018 and is pleased to provide an update of the progress during the period.

Financial Update

For the quarter, the company reported \$1.67m revenue a 31% increase on the corresponding March 2017 revenue of \$1.27m.

Cash of \$1.61m was received for the period, versus \$1.55m in the prior corresponding March 2017 quarter.

Revenue generated in the March quarter brings total unaudited operating revenue for the nine months of FY18 to \$4.9m, already exceeding the operating revenue result for the full year FY17 of \$4.24m.

Net operating cash outflow for the quarter totalled \$1.1m and operating expenses of \$2.7m were in line with the prior December quarter and management's expectations. MedAdvisor closed the quarter with \$10.9m million in cash and is well funded to drive growth initiatives, including work to progress new patient acquisition channels and advancing potential partnership opportunities in the US and UK. In addition to this, MedAdvisor aims to further enhance its platform technologies, to further build on its strong market position supporting over 50% of all Australian pharmacies.

Operational Update

EBOS Partnership Progression

In the quarter, the Company continued to work closely with EBOS subsidiaries HPS, TerryWhite Chemmart ('TWCM') and Zest to finalise commercial frameworks and agreements resulting from the Heads of Agreements signed late last year.

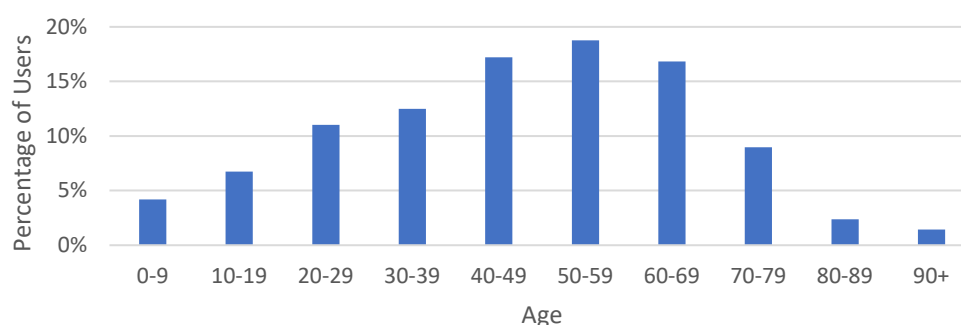
MedAdvisor is working with HPS on the frameworks for initial hospital pilots to ensure the best

insights are gained. We are confident that the proposition will be well received by patients, hospitals and the payors, whilst driving significant commercial opportunities for the business. We are working closely with Zest and have implemented a pilot pharmacy and patient engagement program as a forerunner to finalising our commercial agreement. Discussions with TWCM are well advanced and we expect to finalise the commercial agreement shortly.

Key Metrics Growth

The number of connected patients grew to over 995,000 in the March Quarter and as part of a separate announcement exceeded the one million connected patients post the end of the quarter. 'Connected patients' refers to users connected to the MedAdvisor service via App, Web and/or via SMS.

The MedAdvisor platform is applicable to all age demographics but is most highly represented by the 40-70-year-old population. This is consistent with the medicines requirements with over 50% of Australian having some form of chronic illness and 40% over 45 and 67% over 65, having multiple chronic diseases¹. Carer Mode™ allows patients who may otherwise not be able to access the platform derive the benefits of better medication management.



Importantly, the average number of patient users per pharmacy continues to increase, demonstrating support from the pharmacy network and the impact of new capabilities made available to pharmacies within PlusOne.

	December 2017 Quarter	March 2018 Quarter
Total Patients Connected in MDR Network	960,000	995,000
Average Number of Patients per network pharmacy	~360	~367
Number of contracted Patient Engagement Programs (PEPs)	26	24

Consistent with prior years, the seasonal impact of December script ordering surges resulted in Tap to Refill orders in the March quarter of >\$260m in annualised script value, relatively consistent with the December quarter. The month of December typically has higher Tap to Refills due to people stocking up ahead of the holiday period and/or meeting safety net requirements.

The number contracted PEP products have decreased slightly during the quarter as 4 products rolled off and 2 were added. Clients may not continue to support a product

¹<https://www.aihw.gov.au/reports/australias-health/australias-health-2016/contents/chapter-1-an-overview-of-australias-health>

when product patents expire and/or marketing support is reduced or redirected to other products. The pipeline is strong and we continue to receive strong feedback about this product from clients.

PlusOne – Driving Pharmacy Engagement

MedAdvisor's PlusOne is the leading patient engagement software for Australian pharmacies. Installed at over 50% of Australian pharmacies, PlusOne enables patients to digitally connect to their pharmacy via App, web, SMS and land line (IVR) for medication ordering and management and to access health services related to their medication.

Globally, pharmacists are finding ways to participate more actively in driving improved community health. One of the ways this is being achieved is via the offering of health services, that also provide an important new revenue stream. For example, pharmacies are an important complement to other providers in the provision of flu vaccinations, helping to increase the rate of vaccination across the community, which last year was 1 in 5 people aged between 18-64.

PlusOne integrates a health services marketplace that simply connects pharmacy patients to these types of health services. It identifies relevant health services for each patient, makes it simple for pharmacies to invite and enrol their patients and simplifies the recording process needed to claim the service fees.

Funders of health services programs can include government, pharmaceutical manufacturers and other healthcare providers and funders or in some cases, the patient themselves. For example, the Australian Government funds \$1.26b worth of services for pharmacies to deliver to their patients via the 6th Community Pharmacy Agreement. Historically, the complexity and hassle associated with providing these services has resulted in many eligible patients missing out. By making the provision of these services simpler, MedAdvisor enables pharmacies to increase the level of service provision improving community health and improving their revenues at the same time.

MedAdvisor now includes non-government health services programs. From May, eligible patients can be offered any one of 40 programs at participating pharmacies, including flu vaccinations, MedsChecks and programs relating to quality use of medicines.

MedAdvisor network pharmacies are responding positively to the new capabilities. Over the period since July 2017 MedAdvisor has seen growth of 24% per month in pharmacies using PlusOne and the volume of services delivered over PlusOne grow by 43% per month.

Robert Read, CEO of MedAdvisor commented: "This quarter we have seen a great response from Australian pharmacies in relation to our PlusOne platform and the take up of health services programs including flu shots, MedsChecks and a range of other programs. MedAdvisor's software has been further improved to deliver even more value to our pharmacy partners which is helping increase our pharmacy network and driving further revenue for MedAdvisor."

-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 one million users through its connections with ~50% 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-2018

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	1,608	4,676
1.2 Payments for :		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(230)	(1,020)
(d) leased assets	-	-
(e.1) staff costs - R&D	(604)	(1,563)
(e.2) staff costs - other	(981)	(2,337)
(f) administration and corporate costs	(947)	(2,934)
1.3 Dividends received	-	-
1.4 Interest received	53	106
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives ⁽¹⁾	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,101)	(3,072)

(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 \$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	(207)	(207)	
(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	(207)	(207)	
3. Cash flows from financing activities			
3.1 Proceeds from issues of shares	-	9,500	
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	-	(71)	
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	-	9,429	

+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		12,292	4,834
4.2 Net cash from / (used in) operating activities (item 1.9 above)		(1,101)	(3,072)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		(207)	(207)
4.4 Net cash from / (used in) financing activities (item 3.10 above)		-	9,429
4.5 Effect of movement in exchange rates on cash held		-	-
4.6 Cash and cash equivalents at end of quarter		10,984	10,984

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		8,959	10,105
5.2 Call deposits		2,025	2,186
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)		10,984	12,291

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		

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

-

-

534

-

1,750

744

-

3,028

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

^ASee 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: 30-Apr-18

(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.