

## ASX ANNOUNCEMENT

16 January 2017

### Quarterly Activities Report and Appendix 4C

#### Highlights

- Record operating cash receipts for the quarter, totalling **\$1.32 million**, an increase of 77% on the September quarter (\$0.75 million)
- Strong operational performance across all key metrics
  - Over **600,000 users** on the MedAdvisor platform as at 31 December 2016, an increase of over 160% since September 2016
  - **Over 45% of Australian pharmacies** connected to the platform (30% in September quarter 2016)
  - Patient Engagement Programs (PEPs) experienced rapid traction, closing the quarter with 18 medications using the platform across **9 of Australia's largest pharmaceutical companies** including Pfizer, GSK, AstraZeneca, Novartis & Bristol-Myers Squibb
  - Increased the number of General Practitioners (GPs) benefiting from the platform to nearly **4,000 GPs**
  - Tap-to-Refill script ordering function processing an average of **\$2.5 million in script refill value per week**
- Completion of \$8 million oversubscribed capital raising receiving strong participation from leading Australian financial institutions and pharmacy groups
- Completion of Healthnotes acquisition, significantly enhancing the MedAdvisor offering and expanding market share
- Key partnership agreements with Asthma Australia and Osteoporosis Australia, plus extended existing relationship with Bupa into certain Healthscope Hospitals

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 December 2016 and is pleased to provide a review of the progress during the period.

#### Financial & Corporate

During the quarter, the Company reported total operating cash receipts of \$1.32 million, a 77% increase on the previous September quarter (\$0.75 million). The increase was driven by significant growth across all key metrics in the platform, including the number of pharmacies, the number of patients using the platform and a rapid increase in collections from Patient Engagement Programs (PEPs).

Net operating cash outflows for the quarter totalled \$0.77 million, compared to the previous September quarter which reported net operating cash outflows of \$0.71 million.

The Company closed the quarter with \$5.93 million in cash.

## **Operational**

Over 600,000 patients are using the platform as at 31 December 2016. This is an increase of over 160% from September 2016. The increase is due to the Healthnotes acquisition plus MedAdvisor reaching more patients through its increased promotional efforts.

Over 45% of Australian pharmacies are now connected to the platform (30% in September quarter 2016).

Following the acquisition of Healthnotes, the Company increased the number of General Practitioners (GPs) connected to the platform to nearly 4,000 GPs. Post the end of the period the acquisition of OzDocsOnline was also announced to further strengthen the GP strategy.

## **Rapid Growth of Patient Engagement Programs**

Consistent with MedAdvisor's strategy to drive awareness and deliver value for pharmaceutical companies, the Company's Patient Engagement Programs (PEPs) have grown rapidly during the December quarter, with 18 medications leveraging educational programs on the platform, up from 8 medications 12 months ago.

MedAdvisor's PEP's are being utilised by 9 of Australia's largest pharmaceutical companies including, Novartis, Bristol-Myers Squibb, GSK, AstraZeneca and now Pfizer.

## **Patient Engagement Continues to Grow**

The platform's Tap-to-Refill function is growing faster than patient numbers and is now processing over \$2.5 million worth of script refills by medication value each week and a further ~\$1.5 million of scripts ordered via GP Connect. The Company does not receive revenue on these orders.

New patient engagement features such as the Diabetes Ordering and Over the Counter (OTC) medicines management modules have also been launched to enhance MedAdvisor's utility.

## **Expansion of market share and offering through acquisitions**

During the quarter, MedAdvisor successfully raised \$8 million via an institutional Placement.

Strong interest was received from existing and new investors, with a number of new and leading Australian institutions joining the shareholder register. Key pharmacy groups also participated in the Placement, providing industry recognition and positive validation of MedAdvisor's offering.

The funds raised have been used for the cash component of the consideration including transaction costs for the acquisition of Healthnotes and the balance will be used to fuel further growth initiatives, both domestically and internationally.

The acquisition of Healthnotes brings together the two leaders in medication adherence

management, strengthening MedAdvisor's strategic position, increasing its market share and accelerating its path to profitability.

Post the quarter, the Company announced the acquisition of OzDocsOnline for a total consideration of \$150,000. A highly strategic and complementary acquisition, OzDocsOnline will add new services to MedAdvisor's offering including online consultations, appointment bookings and communication of test results. It also brings relationships with over 100 new clinics and +300 General Practitioners and introduces MedAdvisor to a patient network of +100,000.

### **Strengthening of management team**

The Company further strengthened its management team during the period with the addition of Mr Simon Chamberlain in the newly created role of General Manager - Product & Strategy. His role is to maximise the awareness of the MedAdvisor platform among all stakeholders including patients, pharmacies, industry bodies, GPs and Government.

### **Robert Read, CEO of MedAdvisor commented:**

"This has been a terrific quarter for the Company. The integration of Healthnotes is progressing well and we look forward to launching an even better pharmacy product this year. Patient engagement programs have proven to be incredibly popular among manufacturers and patients and this will increasingly be an important driver of our future cash flows."

"With the launch of GP Link, this year we are focused on growing the platform and our acquisition of OzDocsOnline has provided us with a strong network of clinics and GPs to leverage. Our focus remains on reaching more people with the MedAdvisor platform domestically, building a solid foundation for our business in the longer term."

**-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 600,000 registered 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-December-2016

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date ( 6 months) \$A'000
<b>1. Cash flows related to operating activities</b>		
1.1 Receipts from customers	1,319	2,066
1.2 Payments for :		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(398)	(708)
(d) leased assets	-	-
(e.1) staff costs - R&D	(285)	(481)
(e.2) staff costs - other	(635)	(1,199)
(f) administration and corporate costs	(788)	(1,190)
1.3 Dividends received	-	-
1.4 Interest received	22	36
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(4)	(4)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(769)</b>	<b>(1,480)</b>

+See chapter 19 for defined terms.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date ( 6 months) \$A'000
<b>2. Cash flows related to investing activities</b>			
2.1 Payment to acquire:			
(a) property, plant & equipment	(9)	(12)	
(b) businesses (item 10)	(2,940)	(2,940)	
(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)	-	-	
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(2,949)</b>	<b>(2,952)</b>	
<b>3. Cash flows from financing activities</b>			
3.1 Proceeds from issues of shares	8,000	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)	(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)	-	-	
<b>3.10 Net cash from / (used in) financing activities</b>	<b>7,470</b>	<b>7,470</b>	

+See chapter 19 for defined terms.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date ( 6 months) \$A'000
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>			
4.1 Cash and cash equivalents at beginning of quarter/year to date		2,175	2,889
4.2 Net cash from / (used in) operating activities (item 1.9 above)		(769)	(1,480)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		(2,949)	(2,952)
4.4 Net cash from / (used in) financing activities (item 3.10 above)		7,470	7,470
4.5 Effect of movement in exchange rates on cash held		-	-
<b>4.6 Cash and cash equivalents at end of quarter</b>		<b>5,927</b>	<b>5,927</b>

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		5,873	2,121
5.2 Call deposits		54	54
5.3 Bank overdrafts		-	-
5.4 Other (provide details)			-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>		<b>5,927</b>	<b>2,175</b>

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		143
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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
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 <sup>A</sup>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	529
9.4 Leased assets	-
9.5 Staff costs	1,288
9.6 Administration and corporate costs	449
9.7 Other (provide details if material) - Acquisition of Ozdocsonline business announced 9 Jan 16	150
9.8 Total estimated cash outflows	2,416

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Health Enterprises 2 Pty Ltd	
10.2 Place of incorporation or registration	Victoria	
10.3 Consideration for acquisition or disposal	5,500,000	
10.4 Total net assets	175,405	
10.5 Nature of business	Health Enterprises 2 Pty Ltd is a healthcare technology business that manages patient messaging and medication adherence across multiple demographics. Its core platform known as Healthnotes, promotes medication adherence, along with pharmacy loyalty by offering prescription management services to a pharmacies patients.	

<sup>A</sup>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: 16-Jan-17

(Company secretary)

Print name: Carlo Campiciano

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

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#### 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.