

## June 2018 Quarterly Report & 4C

### Highlights

- June quarter operating cash receipts of \$1.78m (+27% vs Q4 FY17 \$1.4m). Total cash receipts for Q4 of \$2.41m including R&D tax concession of \$0.63m.
- June quarter operating revenue (unaudited) of \$1.68m (+17% vs Q4 FY17 \$1.43m)
- Full year operating revenue (unaudited) for FY18 of \$6.6m (+56% vs FY17 \$4.24m)
- Full year total revenue (unaudited) for FY18 of \$7.39m (+51% vs FY17 \$4.9m)
- Commenced US market entry by signing Co-Marketing & Licence Agreement with PDX a leading US dispense software provider
- Formalised agreements with EBOS subsidiaries; TerryWhite Chemmart and Zest – expanding patient acquisition channels and revenue opportunities
- Ended June quarter with \$10.59m in cash

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

### Financial Update

The company reported \$1.68m in revenue, a 17% increase on the prior corresponding June 2017 quarter. The performance this quarter brings the total (unaudited) revenue for FY18 to \$7.39m, 51% ahead of FY17 total revenue. Revenue from operating activities increased from \$4.24m FY17 to \$6.6m in FY18, an increase of 56% YoY.

The Company reported operating cash receipts of \$1.78m, versus \$1.4m in the prior corresponding June 2017 quarter and \$1.6m in Q3 FY18. Total cash receipts for the quarter were \$2.41m which includes \$0.63m from R&D tax concession.

Net operating cash outflow for the quarter totalled (\$0.14m) versus (\$1.1m) in Q3 FY18. The improvement in the net operating cash flow position was a result of increased cash receipts and the R&D tax concession. MedAdvisor closed the quarter with \$10.59 million in cash.

Operating expenses totalled \$3.15m and were in line with management's expectations. As previously advised, MedAdvisor expects to increase operating expenses over the coming quarter as it advances its international expansion and progresses domestic market expansion.

## Operational Update

### **International expansion progressing**

MedAdvisor made significant progress of its international expansion initiative by the signing of a Co-marketing and Licence agreement with a US market leading provider of clinical software and pharmacy solutions – PDX Inc.

Under the agreement, MedAdvisor will integrate its software with PDX's dispense system, which is currently used by over 10,000 pharmacies in the US to order and manage the supply and delivery of medications. Once integrated into PDX's system, PDX will support MedAdvisor in marketing its proposition to drive customer acquisition in the region.

Integration with a major dispensary is the first key step towards international expansion and securing a position in the US market. The integration is planned to commence in H1 FY19 and the Company's operational cost base is expected to increase (as guided above).

Extensive market evaluation has identified a significant gap in the market for a holistic pharmacy and patient solution that improves customer engagement, medication adherence and revenue opportunities for pharmacies and MedAdvisor is confident that now is the optimum time to progress entry into this market which is approximately ten times larger than Australia.

Evaluation in the UK market continues and a number of potential opportunities have arisen with pharmacy chains that MedAdvisor will continue to explore over the coming months.

### **Signed agreements with EBOS subsidiaries**

MedAdvisor formalised its agreement with TerryWhite Group Limited, owner and operator of TerryWhite Chemmart (TWCM) pharmacies. As part of the agreement, a customised version of the MedAdvisor app has now been developed and is being offered to all TWCM stores nationwide. The agreement adds further customer acquisition channels via TWCM's pharmacy network, which is one of Australia's largest.

The Company also formalised its agreement with EBOS subsidiary Zest. Under the agreement, MedAdvisor is providing a digital communication channel for Zest's healthcare programs. MedAdvisor will earn fees for the delivery of programs and both companies are already working together on client opportunities.

### **Addressable Audience**

MedAdvisor closed the quarter with ~50% of pharmacies representing approximately 7.6m patients. MedAdvisor has successfully connected ~1m via app, web and SMS. Additionally, through PlusOne, MedAdvisor is supporting pharmacies to promote and deliver relevant health services to their 7.6m patients.

The Company closed the quarter with over 1m users and an average number of 393 patients per pharmacy, representing a 7% increase on the prior quarter and continuing to demonstrate the engagement within pharmacy and support of pharmacy customers. There are an estimated 4,500 patients in total per pharmacy. Approximately 50% of all Australians have a chronic disease, meaning an average of ~2250 per pharmacy.

## Key Metrics Growth

	March 2018 Quarter	June 2018 Quarter
Total Patients Connected in MDR Network	995,000	1,050,000
Average Number of Patients per network pharmacy	~367	~393
Number of contracted Patient Engagement Programs (PEPs)	24	27

Tap to refill (TTR) orders in the June 2018 quarter exceeded \$260m in annualised prescription value, which was broadly in line with the prior March quarter.

MedAdvisor pharmacies are processing approximately 70% of all Australia's prescriptions. Patients on MedAdvisor are more loyal and more adherent to their medications than those not on MedAdvisor and the automation of PlusOne makes a pharmacy more efficient which is why many of the largest and most progressive pharmacy chains have elected to use MedAdvisor.

The Company added new PEP programs during the quarter which added to the continuing delivery of the 24 programs already in market.

**Robert Read**, CEO of MedAdvisor commented: "The business continues to improve the breadth of the PlusOne offering for Pharmacy and we are seeing strong growth in services recorded by MedAdvisor Network Pharmacies. Boosting engagement for pharmacies and patients will be a key focus during FY19 as it provides fertile ground for new services and revenue."

"Furthermore, the opportunity in the US & UK markets has the potential to deliver significant growth beyond Australia. The pharmacy market in the US is ten times larger than Australia's and our first agreement in this market will help facilitate access to 15% of that market."

**-ENDS-**

### For more information

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## About MedAdvisor

MedAdvisor is a world class digital 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 community 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 to chronic medications by approximately 20%.

Since launching in 2013, MedAdvisor has welcomed over one million users through its connections with ~50% of pharmacies and a network of GPs 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")

30-June-2018

## Consolidated statement of cash flows

	Current quarter	Year to date ( 12 months)
	\$A'000	\$A'000
<b>1. Cash flows related to operating activities</b>		
1.1 Receipts from customers	1,776	6,452
1.2 Payments for :	-	-
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(243)	(1,263)
(d) leased assets	-	-
(e.1) staff costs - R&D	(588)	(2,151)
(e.2) staff costs - other	(845)	(3,182)
(f) administration and corporate costs	(918)	(3,852)
1.3 Dividends received	-	-
1.4 Interest received	47	153
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives <sup>(1)</sup>	634	634
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(137)</b>	<b>(3,209)</b>

(1) From R&amp;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	Year to date ( 12 months)
	\$A'000	\$A'000
<b>2. Cash flows related to investing activities</b>		
2.1 Payment to acquire:		
(a) property, plant & equipment	(256)	(463)
(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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(256)</b>	<b>(463)</b>
<b>3. Cash flows from financing activities</b>		
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>9,429</b>

+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
<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	10,984	4,834
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(137)	(3,209)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(256)	(463)
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	-	-
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>10,591</b>	<b>10,591</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	Previous quarter
	\$A'000	\$A'000
5.1 Bank balances	9,585	8,959
5.2 Call deposits	1,006	2,025
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>10,591</b>	<b>10,984</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	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	

+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
<b>8. Financing facilities available</b>		
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.

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<b>9. Estimated cash outflows for next quarter <sup>A</sup></b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	384
9.4 Leased assets	-
9.5 Staff costs	2,117
9.6 Administration and corporate costs	703
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	3,204

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	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: 25-Jul-18

<sup>A</sup>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.**