

ASX ANNOUNCEMENT

29 July 2016

Quarterly Activities Report and Appendix 4C

Highlights

- Strong operational performance with an increase across all key revenue drivers
 - Over 180,000 patients using the platform as at 30 June 2016, a 132% increase on the prior corresponding period
 - Expansion of pharmacy network by 33% on the prior corresponding period to over 1,600 pharmacies, encompassing over 30% of all Australian community pharmacies
 - Key partnerships with pharmaceutical manufacturers for Patient Engagement Programs (PEP)
- Cash receipts for the quarter totalled \$292k, an increase of 7% on the previous March 2016 quarter
- Tap-To-Refill script ordering function continues to perform, becoming a key driver of patient engagement, with 40% of the user base currently utilising the function
- MedAdvisor continues to expand its pharmacy network and increase the number of patients on the platform, driving transactional and subscription revenue

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

Corporate

During the quarter the Company reported total cash receipts of \$292,000, a 7% increase on the previous March 2016 quarter (\$271,000). The increase was driven by an increased number of pharmacies on the platform.

Cash outflows for the quarter totalled \$996,000 an increase on the previous March quarter (\$759,000) driven by increases in marketing spend, which was in line with the Company's expectations. The Company closed the quarter with a \$2.89 million in cash.

Operational

Strong Platform Growth

The Company is pleased to report solid patient and pharmacy growth during the quarter. Patients using its medication adherence platform accelerated by 132% to 184,051 on the prior corresponding period (June 2015: 79,259) reflecting an average monthly growth rate of ~7% per month.

Its pharmacy network grew by 33% compared to the previous corresponding period (June 2015: 1,208) to over 1,600 in the June 2016 quarter, reflecting a continued increase on the market penetration. MedAdvisor now boasts platform connections with over 30% of Australia's community pharmacies.

The Company has also begun to increase the number of patients per pharmacy (35% increase since January 2016 and 92% since June 15), which represents the success of its sales initiatives and validates its sales channel partnerships in place.

For personal use only

Also during the quarter, the Company moved into a Beta testing phase of the new GP Link function that allows patients to connect with their local GP and request repeat scripts. This is the first time in Australia that a patient can connect seamlessly with their nominated pharmacy and their GP on the one platform. The Company is planning a national launch and subsequent roll out at the Royal Australian College of General Practitioners conference in September 2016.

Continued Growth in Patient Engagement via Tap-To-Refill

The platform's Tap-to-Refill function is now supporting over \$1.1 million worth of script refills by medication value each week and this figure continues to grow as the Company's user base expands. Currently ~40% of MedAdvisor's user base is utilising the Tap-to-Refill function each month. As at 30 June 2016, there had been over \$60 million in medication value ordered through Tap-to-Refill since the launch of the feature.

Growth of Pharmaceutical Manufacturer Partner Network

During the quarter, the Company signed a 12-month agreement with Novartis Pharmaceuticals Australia, a leading pharmaceuticals manufacturer, continuing the growth of its pharmaceutical industry partner network.

The agreement is to deliver a patient engagement and educational program (PEP) via its MedAdvisor platform. The program commenced in June 2016 with an initial two products and will run for 12 months.

The Company was also pleased to report that global pharmaceutical company GlaxoSmithKline extended its services agreement with MedAdvisor for a further 12 months, providing the ongoing revenue stream from its PEP.

Post the June quarter, MedAdvisor announced a collaboration with global biopharmaceutical company, Bristol-Myers Squibb Company, for a further PEP that will generate additional PEP revenue for the Company in the coming quarters.

Expansion of Sales Channels

In June, MedAdvisor entered into a strategic agreement with Arrow Pharmaceuticals, one of Australia's largest generic pharmaceutical manufacturers. This partnership has strengthened the Company's sales channels, with Arrow Pharmaceuticals' 35 strong sales team promoting the MedAdvisor platform to its network of over 1,100 pharmacies where it is the preferred generic supplier.

The agreement is in addition to MedAdvisor's existing partnership with Apotex, signed in September 2015, which brings it access to a sales team of over 60 professionals targeting over 3,000 pharmacies nationwide.

Outlook

The Company continues to grow its pharmacy network through both its own sales team and partnerships with Apotex and Arrow Pharmaceuticals. MedAdvisor is confident that the growth achieved across its pharmaceutical network will continue to drive patient user numbers. This, coupled with its additional pharmaceutical manufacturer partners, will lead to increased revenues through the Company's core pharmacy subscription and PEP revenue streams.

Robert Read, CEO of MedAdvisor commented:

For personal use only

"This quarter we have made significant progress building our pharmaceutical manufacturer partnerships, signing an agreement with Novartis, extending our partnership with GSK and post the quarter, partnering with Bristol-Myers Squibb. This validation of the effectiveness of the platform to provide highly relevant content to patients will be an important revenue opportunity as patient numbers increase. Additionally, growth in our pharmacy network to over 30% of community pharmacies has already led to increased patient numbers and we're confident this momentum will continue.

"We remain focused on our strategy to drive user numbers and engagement, along with continuing to build both our pharmacy network and manufacturer partnerships."

-ENDS-

For more information

Robert Read, CEO
MedAdvisor
Tel: +61 3 9095 3036
robertr@medadvisor.com.au

Matthew Wu
Media and Capital Partners
Tel: +61 433 634 706
matthew.wu@mcpartners.com.au

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 late 2013, MedAdvisor has over 180,000 registered users and is connected with a third of pharmacies across Australia. With the recent GP software integration enabling patients to order script renewals remotely from their doctor; MedAdvisor continues to lead the way in delivering innovative patient centred health solutions.

For personal use only

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

MEDADVISOR LIMITED

ABN

17 145 327 617

Quarter ended ("current quarter")

30-June-2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers (1)	292	1,606
1.2 Payments for :		
(a) staff costs - R&D	(211)	(704)
(b) staff costs - other	(490)	(1,372)
(c) advertising and marketing	(195)	(614)
(d) research and development	-	(9)
(e) leased assets	-	-
(f) other working capital	(414)	(1,509)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	22	30
1.5 Interest and other costs of finance paid	-	25
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(996)	(2,547)

(1) Includes \$281K from R&D Tax Concession received in the Dec-15 quarter

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
1.8	Net operating cash flows (carried forward)	(996)	(2,547)
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	(2)	(2)
	(d) physical non-current assets	(6)	(200)
	(e) other non-current assets	-	-
1.1	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	(8)	(202)
1.14	Total operating and investing cash flows	(1,004)	(2,749)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	-	5,100
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	597
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.2	Other (provide details if material)	-	(655)
	Net financing cash flows	-	5,042
	Net increase (decrease) in cash held	(1,004)	2,293
1.21 (a)	Cash at beginning of quarter/year to date	3,892	571
1.21 (b)	Cash acquired on reverse takeover of parent	-	24
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	2,888	2,888

+See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	153
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount Used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	2,834	3,838
4.2	Deposits at call	54	54
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		2,888	3,892

+See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Date: 29-Jul-16

(Company secretary)

Print name: Carlo Campiciano

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report
- 3 **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+See chapter 19 for defined terms.