

MedAdvisor scales to capture global med-tech opportunities with wins across the US, UK, South East Asia and Australia

Surpasses 1.5 million patients digitally connected in Australia

Key Highlights:

- Second US agreement with a top 10 global pharmaceutical company is well-advanced for go-live
- New customer wins achieved across 4 countries including three new pharmaceutical companies in Malaysia and the Philippines and two new Health Program clients in Australia
- UK's National Pharmacy Association (NPA) endorsed MedAdvisor as the digital medication management solution of choice for its members, representing 8 out of 10 independent community pharmacies, exceeding the entire Australian Pharmacy market
- Strong growth in patient numbers, now ~1.5m patients digitally connected in Australia
- Launch of home delivery and telehealth services in Australia, with the platform now facilitating end-to-end remote medical consultation, pharmacy engagement and medication delivery
- Total revenue of \$2.2m (+5.5% vs Q3 FY19 \$2.1m) and cash receipts of \$2.1m (-10.8% vs Q3 FY19 \$2.4m). The marginal decline, related to the timing of cash receipts, has flowed post Q3
- Receipts from customers YTD Q3 \$6.9m (up from \$6.0m YTD Q319, 15.4%)
- Well capitalised to execute on expansion activities with AU\$13.7m cash at bank

Melbourne, Australia, April 29, 2020 - MedAdvisor Limited (ASX: MDR, the Company), Australia's leading digital medication management company, continues to scale to capture global med-tech opportunities with wins across the US, UK, South East Asia and Australia.

Today releasing its Appendix 4C Report for the three months to 31 March 2020, MedAdvisor CEO and MD, Robert Read said, "Q3 FY20 was a breakthrough quarter for MedAdvisor. We scaled our operations to innovate at a breakneck pace, leveraging strong global market conditions. This is the result of many months of work, hiring several new subject experts to lead business units including marketing, product, communications and sales, as well as shipping features like on-demand delivery and telehealth."

Read continued: "COVID-19 has radically accelerated the shift to digital health, advancing a cultural change that may have taken 5 years or more. MedAdvisor is extremely well placed to capitalise on this cultural shift as we provide an end-to-end solution that improves medication adherence and patient engagement in their medication management."

Financial Update

The Company reported \$2.2m in quarterly revenue, an uplift of 5.5% from Q3 FY19 (\$2.1m), with annualised recurring revenue growing 9.3% on Q3 FY19. This brings the total operating Revenue for March YTD to \$6.6m, up 11.2% year-on-year.

“As with many businesses, our clients experienced challenges during the period. Pleasingly, these did not relate to any losses of engagements or contracts but rather to their implementation and the timing of cash receipts. We are now seeing improved conditions and expect to see these engagements and implementations executed during Q4 and beyond,” Read said.

Operating Cash Flow Breakdown of the March 2020 Quarter

	Australia	International	Total
Total Operating Cash Outflows	2,139	-	2,139
BAU Cashflows	(1,340)	-	(1,340)
Net BAU Cashflows	799	-	799
Growth Cash Inflows	-	-	-
Growth Cash Outflows	(2,125)	(1,341)	(3,467)
Net Growth Cash Flows	(2,125)	(1,341)	(3,467)
Total Cash Flows	(1,326)	(1,341)	(2,668)

The company reported operating cash receipts of \$2.1m in Q3 FY20, down 10.8% on Q3 FY19 (Q3 FY19: \$2.4m), and down 16.5% on Q2 FY20 (Q2 FY20: \$2.5m). MedAdvisor closed the quarter with \$13.7m in cash.

Business Update

Australia powers ahead with more than 1.5m patients connected to the platform

COVID-19 has expanded digital health demand, resulting in strong patient pool growth. Over the quarter, MedAdvisor added approximately 200,000 patients to bring its total connected patients to 1.5 million Australians. PlusOne pharmacy software has been rolled out at Chemist Warehouse. MedAdvisor also launched the Amcal, DDS and Guardian branded apps.

MedAdvisor has responded to the COVID-19 pandemic by broadening its services to include telehealth and fast-tracking the rollout of its on-demand home delivery services which is now live in Sydney, Melbourne and Brisbane.

Since launching delivery last month, nearly 1000 pharmacies are now offering the functionality to MedAdvisor app patients. Already more than 3000 delivery requests have been made by patients, with 9000+ items ordered. MedAdvisor has also seen significant growth in pharmacies offering Pay in Advance, a method of contactless payment for its customers. It has grown from ~11% of the MedAdvisor pharmacy network to ~80%.

Driving revenue domestically, MedAdvisor continues to expand its Health Programs, adding two new pharma companies in the quarter. Both will run programs via the MedAdvisor platform which leverages a client base of 60% of Australian pharmacies to deliver Health Programs on behalf of pharma companies. GP Link and Telehealth went live, with the platform now facilitating end-to-end remote medical consultation, pharmacy engagement and medication delivery. During the quarter, MedAdvisor saw an upswing in demand for GP Link. MedAdvisor makes fees off each consultation. Telehealth will be made available, at a small scale to match MedAdvisor's existing GP network, but with increasing demand, MedAdvisor will provide more capacity to facilitate a faster rollout.

US Health Program with top tier pharma company approaches go-live

The Company's second US agreement with a top 10 global pharmaceutical company is well-advanced towards go-live. Through its partnership with Adheris, MedAdvisor is enabling pharmaceutical companies to reach patients with its health interventions nationwide, these Health Programs are expected to run for ~9 months

Asia launches three pilot programs

Three pharmaceutical companies in Malaysia and the Philippines agreed to pilot Digital Adherence Programs through MedAdvisor's JV with ZuelligPharma (ZP MedAdvisor Pte Ltd.). Following set up, it is expected that revenue from these programs will commence from Q1FY21.

UK on schedule to rollout Day Lewis deal

MedAdvisor is on track to deliver a UK pharmacy product and app through the previously announced Day Lewis deal. The highly-automated and user-friendly solution will be fully integrated and leverage existing NHS electronic systems to link patients with both their GP and pharmacy.

The UK's National Pharmacy Association (NPA) also endorsed MedAdvisor as the digital medication management solution of choice for its members, representing 8 out of 10 independent community pharmacies, exceeding the entire Australian Pharmacy market.

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For more information:

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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 nearly 60% of Australian pharmacies and a network of thousands of GPs. MedAdvisor has recently partnered with Adheris 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:

Carlo Campiciano - Company Secretary
MedAdvisor Limited
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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-2020

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
	\$A'000	\$A'000
1. Cash flows related to operating activities		
1.1 Receipts from customers	2,100	6,900
1.2 Payments for :		
(a) research and development	(332)	(941)
(b) product manufacturing and operating costs	(417)	(1,323)
(c) advertising and marketing	(182)	(515)
(d) leased assets	-	-
(e.1) staff costs - R&D	(1,041)	(2,950)
(e.2) staff costs - other	(1,956)	(5,542)
(f) administration and corporate costs	(877)	(3,463)
1.3 Dividends received	-	-
1.4 Interest received	39	66
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	(2,668)	(7,770)

⁽¹⁾ EMDG Grant

+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	Year to date (9 months)
	\$A'000	\$A'000
2. Cash flows related to investing activities		
2.1 Payment to acquire:		
(a) property, plant & equipment	(23)	(132)
(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	(23)	(132)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	17,613
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	(17)	(546)
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	(17)	17,067

+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	16,388	4,515
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,668)	(7,770)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(23)	(132)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(17)	17,067
4.5 Effect of movement in exchange rates on cash held	93	93
4.6 Cash and cash equivalents at end of quarter	13,773	13,773

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	13,724	16,414
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	49	(26)
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	13,773	16,388

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	217
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	39
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
8. Financing facilities available		
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 ^A	\$A'000
9.1 Research and development	321
9.2 Product manufacturing and operating costs	1,156
9.3 Advertising and marketing	1,130
9.4 Leased assets	-
9.5 Staff costs	2,355
9.6 Administration and corporate costs	692
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	5,654

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	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

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Print name: Carlo Campiciano

Date: 29-Apr-20

^ASee 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.

+See chapter 19 for defined terms.