

ASX RELEASE (ASX: MDR)**MedAdvisor 4Q and FY operating revenue continue to grow strongly*****June 2022 quarterly activities report***

Melbourne, Australia, 18 July 2022 - World-class medication management platform, MedAdvisor Limited (**MedAdvisor** or the **Company**) is pleased to provide this quarterly activities report outlining progress achieved over the June 2022 quarter (4Q FY22), alongside the Company's Appendix 4C Quarterly cashflow report.

4Q FY22 highlights (vs 4Q FY21):

- Rick Ratliff appointed MedAdvisor's new CEO & Managing Director. Based in the US, Rick commences his role on 18 July 2022
 - With significant experience in health and pharmacy software in the US and Australia, Rick is well placed to support MedAdvisor's US growth opportunities
- 4Q FY22 operating revenue **up 34.1% to \$17.8 million**
 - **Australian revenue up 40.0%** to \$3.6 million underpinned by increased network and transaction volumes
 - **US revenue up 32.6%** to \$14.2 million driven by execution of a COVID awareness program and recommencement of the Company's largest pharmaceutical client program
- 4Q FY22 receipts from operations up 7.2% to \$15.4 million
- FY22 operating revenue **up 74.8% to \$67.8 million** (on FY21); up **18.6% on a like-for-like (LFL) basis** (FY21 LFL operating revenue: \$57.1 million)
- Cash at 30 June 2022 grown to \$7.6 million
- Annualised Australian SaaS Revenue of \$8.2 million, up 24.2% on pcp
- Post-quarter end, Walmart executed the first digital program (July 2022) for a clinical trial recruitment program, with further programs expected to go live through IQ FY23.

Business activity update**Group**

- Rick Ratliff appointed MedAdvisor's new CEO & MD based in the US, commencing 18 July 2022. With over 30 years' experience, Rick has tremendous experience and a strong track record of growth in healthcare, specifically in the pharmacy technology sector in both the US and Australia, and is a hands-on leader and collaborator.

He has direct experience in the markets and segments in which MedAdvisor is operating, and his broad and deep relationships across the industry include many organisations that are existing and potential Adheris customers, as well as US-based health technology investors.

USA

- 4Q FY22 operating revenue of US\$10.1 million (A\$14.2 million), up 23.4% on constant currency pcp (4Q FY21: US\$8.2 million) driven by execution of a digital COVID vaccination awareness program and recommencement of the Company's largest pharmaceutical client program.
- Pausing of the regular program for MedAdvisor's largest single product impacted revenue by US\$5.3 million during six months of FY22, with the program recommencing in 4Q contracted at similar levels.
- FY22 operating revenue of US\$39.0 million (A\$53.6 million), up 10.2% on a constant currency like-for-like basis (FY21 LFL operating revenue: US\$35.3 million).
- Successful launch of a new program in the Medicare Advantage market, known as eHealth, generated US\$6 million of revenue in FY22.
- Significant efforts have been made to diversify the customer mix over the course of the last 12 months with a net 12 new brands running programs compared to the same time last year.
- As at 30 June 2022, 13 digital programs (31 March 2022: 12) were live through the pharmacy network already activated for digital programs.
- Four THRiV programs have launched to date, and 29% of the active pipeline is composed of THRiV proposals.
- John Ciccio, who has led MedAdvisor's US Adheris business since its acquisition from Syneos Health has resigned, effective 15 July 2022. John will work with MedAdvisor's new US-based CEO and Managing Director, Rick Ratliff, on transition of responsibilities over July. John successfully separated Adheris from Syneos and created a refreshed vision based on a new revenue model, THRiV and the Company wishes him well for his future endeavours. Adheris co-founders Lucas Merrow (Non-Executive Director) and Jim Rotsart (EVP Client Services) will continue to drive the US operations.
- Walmart has executed the first digital program in July 2022 for a clinical trial recruitment program, with further programs expected to go live through 1Q FY23.

Australia and Rest of World

- 4Q FY22 saw a continuation of the strong performance delivered throughout FY22, with revenue up 40.0% to \$3.6 million (4Q FY21: \$2.6 million) underpinned by increased network capacity and transactional revenue, historically low churn and a new pricing structure.
- FY22 operating revenue was up 43.7% to \$14.1 million (FY21 operating revenue: \$9.8 million) reflecting investment in new products, business development initiatives, lower churn and investment in sales infrastructure. Specifically, this growth was attributable to:
 - **Transaction fees:** COVID-19 and flu vaccination campaigns, booking reminders, confirmation and promo SMS, along with increased usage from newly installed API (Australia) and Green Cross Health (New Zealand) pharmacies
 - **SaaS fees:** Organic growth and onboarding of new pharmacy groups including API and Green Cross Health to the platform, as well as a new premium pricing model introduced in July 2021.
- Annualised Australian SaaS Revenue was up 24.2% on pcp to \$8.2 million.
- The Australian pharmacy network has shown strong growth since March and now stands at over 4,300, up 4% in 4Q FY22.
- The New Zealand roll out is progressing to plan with 204 pharmacies (58% of the Green Cross Health network) migrated to date, representing 25% of the NZ market. Pharmacy churn has reduced to 1.3% annualised.
- Transaction revenue continued to perform strongly, with the COVID-19 booster program and Rapid Antigen Test messaging. To date, more than 5 million COVID-19 vaccinations have been administered through pharmacies in the MedAdvisor network. COVID-19 vaccinations utilise the MedAdvisor PlusOne booking functionality, which contributes to transaction revenue and provides an important source of patient sign ups.
- Patient numbers at 30 June 2022 were 2.9 million (30 June 2021: 2.0 million). Feedback from customers continues to be overwhelmingly positive since MedAdvisor upgraded to its new V6 platform during 2022.
- Patient Orders are up over 50% year on year, with in-app payments up 87%, showing increasing patient engagement.
- Gross margin was 83.3% for FY22, reflecting an improvement of 23 basis points on FY21 due to a lower cost to serve post re-platforming, with cost reduction and efficiencies being realised in FY22.

- Reflecting the Board’s focus on growing shareholder value, and in light of the multiple attractive growth opportunities in the US, Australia and New Zealand, the Board has determined to undertake a strategic review of the Company’s UK operations to identify the best path forward for that business.

Financial update

- FY22 operating revenue of \$67.8 million, was up 74.8% on pcp; up 18.6% on a LFL basis (FY21 LFL operating revenue: \$57.1 million)
 - This was slightly lower than previous guidance of \$72 million to \$74 million revenue due to the pausing of the Company’s largest product in the US for 6 months, impacting sales by \$7.3 million (US\$5.3 million). This program recommenced in Q4 contracted at similar levels for CY22.
- Net operating cash outflow in 4Q FY22 was \$(4.0) million adjusted for lease payments, and \$(1.7) million for FY22, with cash receipts of \$15.4 million for the quarter and \$75.9 million for FY22
 - Cash receipts in 4Q FY22 totaled \$10.1 million for US and \$5.3 million for Australia and the rest of world – a decrease on 3Q FY22 representing timing of receipts and payments only.
 - Statutory net operating cash outflow from operations was \$(0.2) million for FY22, a substantial turnaround from the \$(12.5) million net operating cash outflow in FY21.

Operating cash flow	Q4 FY22			FY22		
	MedAdvisor US	MedAdvisor ROW	Total	MedAdvisor US	MedAdvisor ROW	Total
Receipts from customers	10.1	5.3	15.4	60.7	15.2	75.9
Payments to suppliers and employees	(12.5)	(6.5)	(19.0)	(55.7)	(20.4)	(76.1)
Net cash flow from operations	(2.4)	(1.2)	(3.6)	5.0	(5.2)	(0.2)
Lease payments classified as financing activities	(0.3)	(0.1)	(0.4)	(1.2)	(0.4)	(1.5)
Net cash flow from operations inc. lease payments	(2.7)	(1.3)	(4.0)	3.8	(5.5)	(1.7)

- Cash at 30 June 2022 was \$7.6 million (30 June 2021: \$7.2 million).

Related party transactions

During 4Q FY22, the Company made the following payments to related parties:

- \$35,836 to a related party that provides data services to the Company in the ordinary course of business; and
- \$193,851 in fees and executive remuneration paid to Directors.

- ENDS -

This document has been authorised for release by Robert Read, Chief Executive Officer & Managing Director.

For more information please contact:

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About MedAdvisor

MedAdvisor is a world-class medication management platform that empowers patients to more simply manage their medication and improve adherence. MedAdvisor's highly automated and intuitive software system connects patients to tools and education materials from their preferred pharmacy. MedAdvisor works with 25,000 pharmacies in the US to deliver programs to help patients take their medication safely and effectively. In Australia, MedAdvisor has connected over 2.6 million patients through more than 70% of Australian pharmacies. MedAdvisor has partnered with Cotiviti in the US and is 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. Visit: mymedadvisor.com/investors

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

MEDADVISOR LIMITED (ASX: MDR)

ABN

17 145 327 617

Quarter ended ("current quarter")

30 Jun 2022

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows related to operating activities		
1.1 Receipts from customers	15,406	75,923
1.2 Payments for:		
(a) research and development	-	-
(b) product manufacturing and operating costs	(7,995)	(32,991)
(c) advertising and marketing	(431)	(2,056)
(d) leased assets	-	-
(e) staff costs	(8,903)	(34,643)
(f) administration and corporate costs	(1,418)	(5,603)
1.3 Dividends received	-	-
1.4 Interest received	0.4	2
1.5 Interest and other costs of finance paid	(278)	(832)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(3,618)	(199)

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows related to investing activities		
2.1	Payment to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant & equipment	(149)	(312)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant & equipment	-	21
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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	(149)	(291)

		Current quarter \$A'000	Year to date (12 months) \$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(53)
3.5	Proceeds from borrowings	3,731	3,731
3.6	Repayment of borrowings	-	(300)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liabilities)	(375)	(1,516)
3.10	Net cash from / (used in) financing activities	3,356	1,863

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of the period	8,813	7,151
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,618)	(199)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(149)	(291)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,356	1,863
4.5	Effect of movement in exchange rates on cash held	(823)	(945)
4.6	Cash and cash equivalents at end of the period	7,579	7,579

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	7,579	8,813
5.2	Call deposits	-	-
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)	7,579	8,813

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1
 6.2 Aggregate amount of cash flow from loans to these parties included in item 2

Current quarter \$A'000
230
-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Payments to related parties of the entity and their associates include: 1) fees paid to NostraData Pty Ltd, an associated party, which provided data services to the Company during the quarter in the ordinary course of operations, and 2) payments made to Executive and Non-Executive Directors of the Company.

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
7	Financing facilities available		
7.1	Loan facilities	13,064	11,322
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	13,064	11,322

7.5 Unused financing facilities available at quarter end

1,742

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

*Term loan: US\$5m (secured), Partners for Growth VI L.P., 10.25% IR for 3 years maturing 28 May 2024.
Revolving credit facility: US\$4m (secured) of which US\$2.8m is drawn, Partners for Growth VI L.P. 10.25% IR*

8. Estimated cash available for future operations

- 8.1 Net cash from / (used in) operating activities (Item 1.9)
- 8.2 Cash and cash equivalents at quarter end (Item 4.6)
- 8.3 Unused finance facilities available at quarter end (Item 7.5)
- 8.4 Total available funding (Item 8.2 + Item 8.3)
- 8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)

\$A'000

(3,618)
7,579
1,742
9,321
2.6

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: not applicable

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: not applicable

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: not applicable

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.

Authorised by: Board of Directors - MedAdvisor Limited

Date: 18/07/2022

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

If this quarterly cash flow 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 cash flow 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.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.