

# Quarterly update

For the quarter to 31 December 2017

## Record revenue quarter, +87% on prior corresponding quarter, across all four revenue streams

### Highlights:

- Revenue of \$911k up 87% on the prior corresponding quarter
- New site acquisition and client upsell drove growth in subscription-based contracted Monthly Recurring Revenue (MRR), which increased 56% on the prior corresponding quarter
- Usage fee revenue up 131% on the prior corresponding quarter
- Successfully executed first large-scale advertising agreement

**1st Group Limited (ASX: 1ST)**, the Australian online health, media and technology group, today announced record quarterly revenue, continued growth in subscription-based MRR and usage fees, as well as the successful implementation of our inaugural large-scale advertising agreement.

The second quarter of the financial year again delivered record revenue for 1st Group across all four revenue streams: 1: Subscription Fees, 2: Usage Fees, 3: Advertising and 4: Set Up Fees.

The Company's focus in the quarter was to activate existing customers as well as ensure the successful launch of the advertising agreement.

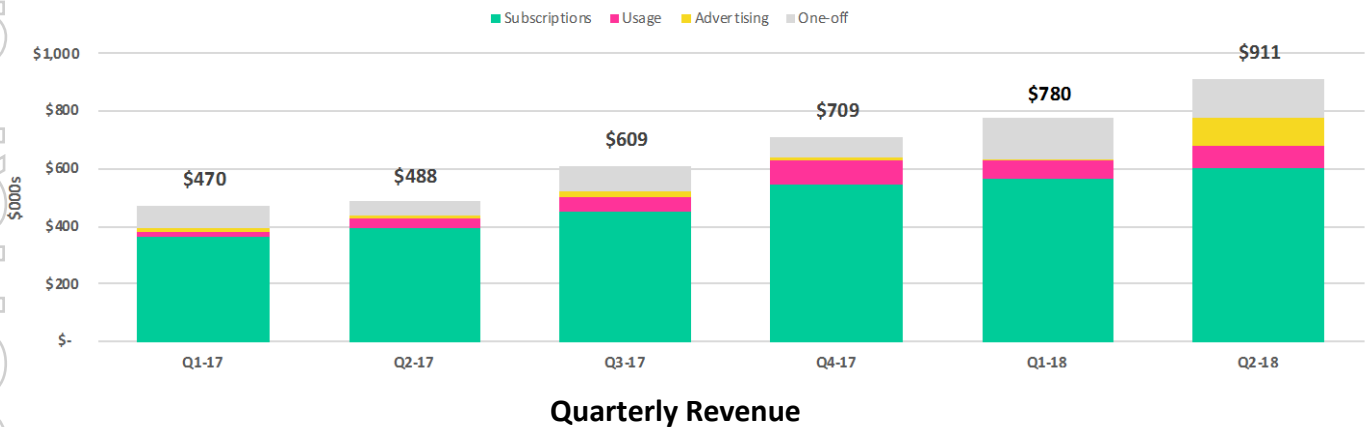
Half year results will be released on or around the 26th February.

## Executing Strategic Priorities

1st Group continues to make solid progress in executing its clear strategic priorities:

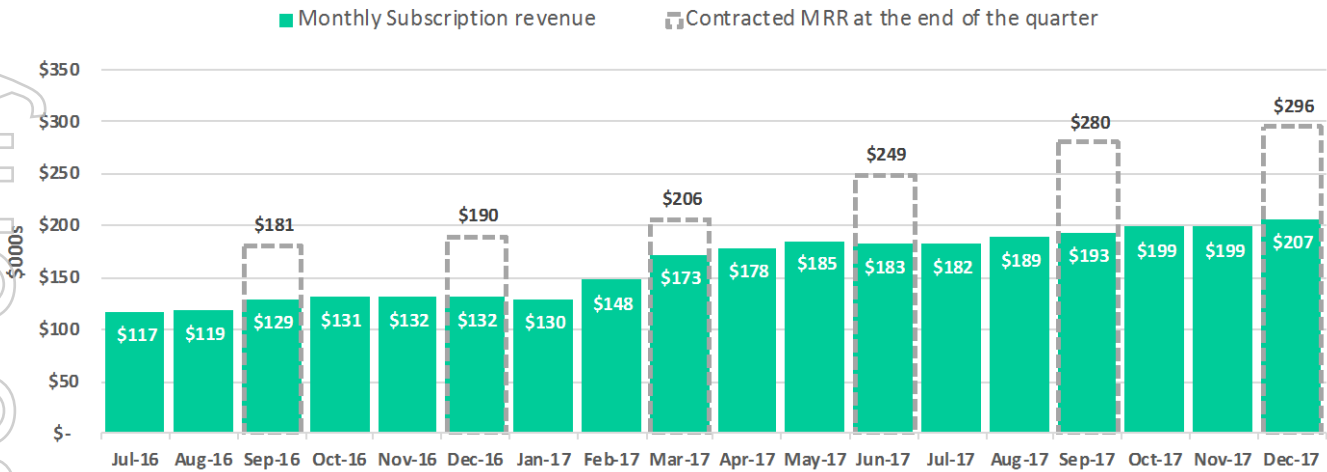
1. Accelerate further growth in markets we dominate
2. Upsell existing customers to new products and services
3. Improve new customer on-boarding to reduce time to revenue
4. Expand into New Zealand
5. Identify new advertising opportunities that leverage 1stGroup’s unique market positions, technology and approach to high value advertising

## Quarterly Revenue



Quarterly revenue was up 87% on the prior corresponding quarter to \$911k, and up 17% on the previous quarter.

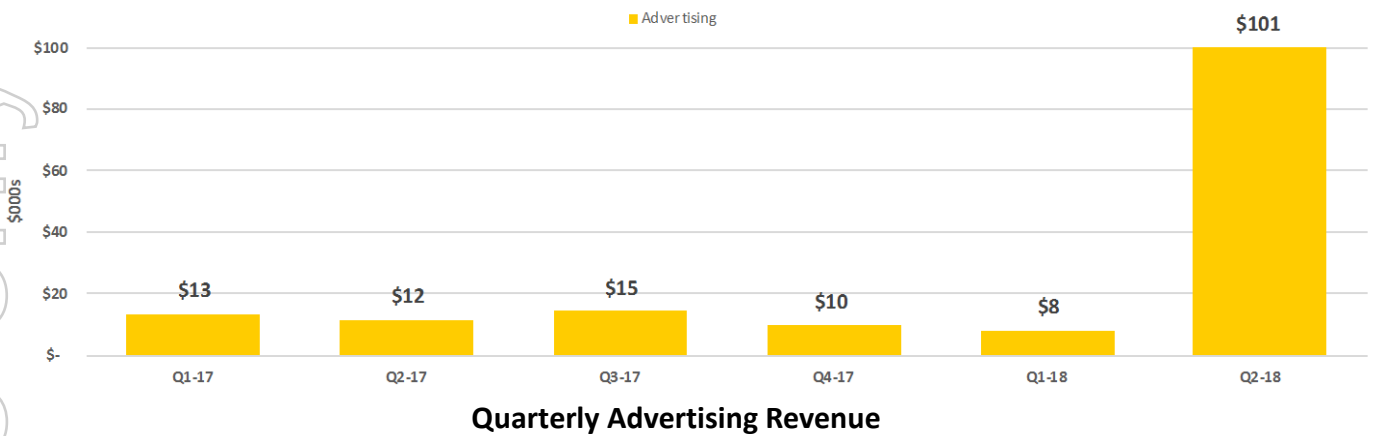
## Monthly Subscription Revenue & Contracted MRR



### Monthly Subscription Revenue & Contracted MRR at the end of each quarter

Subscription revenues increased 53% on the prior corresponding quarter to \$605k. Subscription contracted MRR (Monthly Recurring Revenue), a forward indicator of future potential subscription-based revenues, increased during the quarter by \$16k as a result of site growth and upsell of new products, up 78% on the prior corresponding quarter. If December contracted subscription MRR of \$296k were fully on-boarded (assuming no cancellations), then quarterly subscription revenue would likely increase from \$605k to \$888k. Please note that large corporate deals often require customised development and therefore can take several months from the time of sale to be on-boarded and hence to become revenue producing.

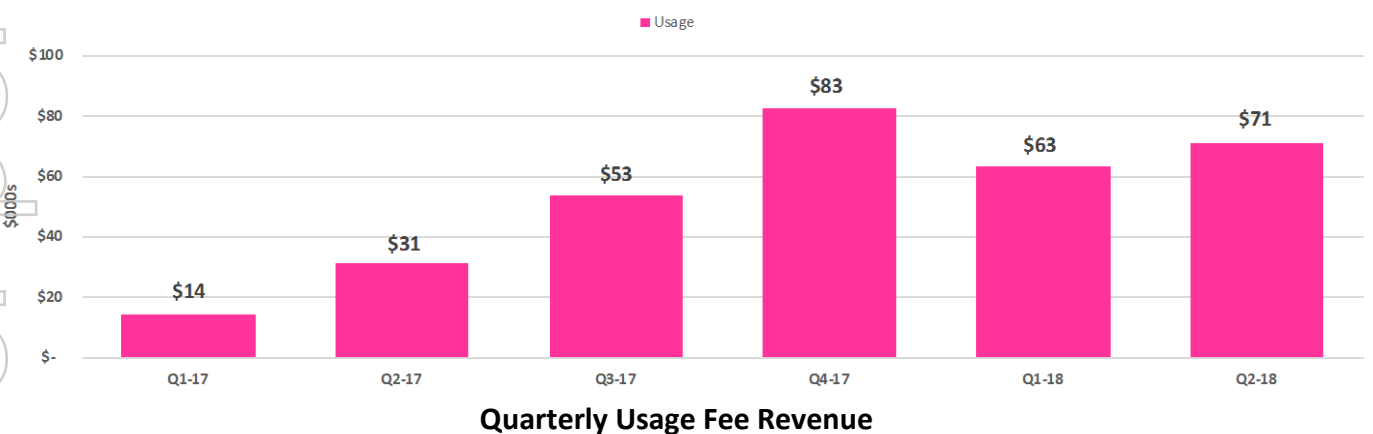
## Advertising Revenue



Advertising revenues were up 752% on the prior corresponding quarter delivering \$101k of revenue during the quarter. As announced during Q1, the Group signed a significant advertising contract which sought to leverage MyHealth1st's unique position in the independent Optometry market. The launch of this agreement drove the increase in advertising revenue in the period.

Other advertising revenues were consistent quarter on quarter. 1st Group's approach to high value advertising has sparked interest from other advertisers resulting in a growing pipeline of new opportunities.

## Usage Fee Revenue



Usage Fee Revenue was up 131% on the prior corresponding quarter and increased 12% quarter on quarter as result of upsell of existing clients. Our larger dental and skin cancer customers experienced seasonal changes in bookings and usage volumes, which can affect quarter on quarter revenue.

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### Corporate & Cash flow

Cash receipts in the quarter were \$883k, with a closing cash balance of \$1.145m. The standby \$2m convertible debt facility remains undrawn.

The group received its expected R&D tax offset in the period of \$160k.

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### Further information

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### About 1ST Group Limited

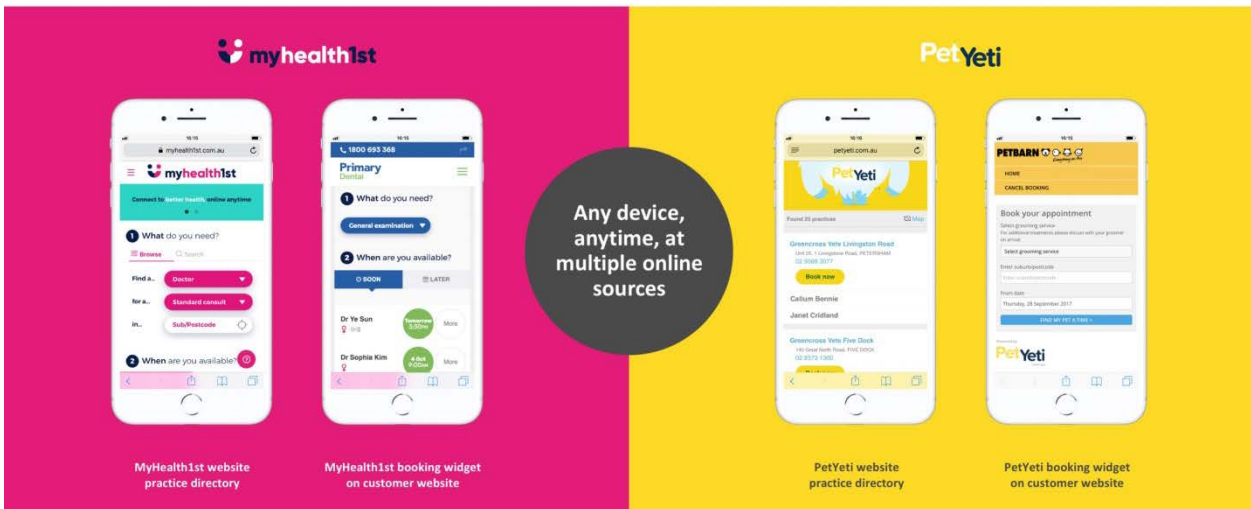
1st Group is an ASX listed health, media and technology company building Australia's leading health services portal, MyHealth1st.com.au, Australia's online pet service portal PetYeti.com.au and corporate and government solutions platform GoBookings.com. These integrated platforms provide an easy to use online search and appointment booking service and offer a range of value added apps and services that facilitate digital patient and customer engagement. We improve lives by connecting consumers to a variety of healthcare services and information anytime, anywhere, so they can get well sooner and stay well longer.

To find out more visit [1stGrp.com](http://1stGrp.com), [MyHealth1st.com.au](http://MyHealth1st.com.au), [PetYeti.com.au](http://PetYeti.com.au) and [GoBookings.com](http://GoBookings.com).

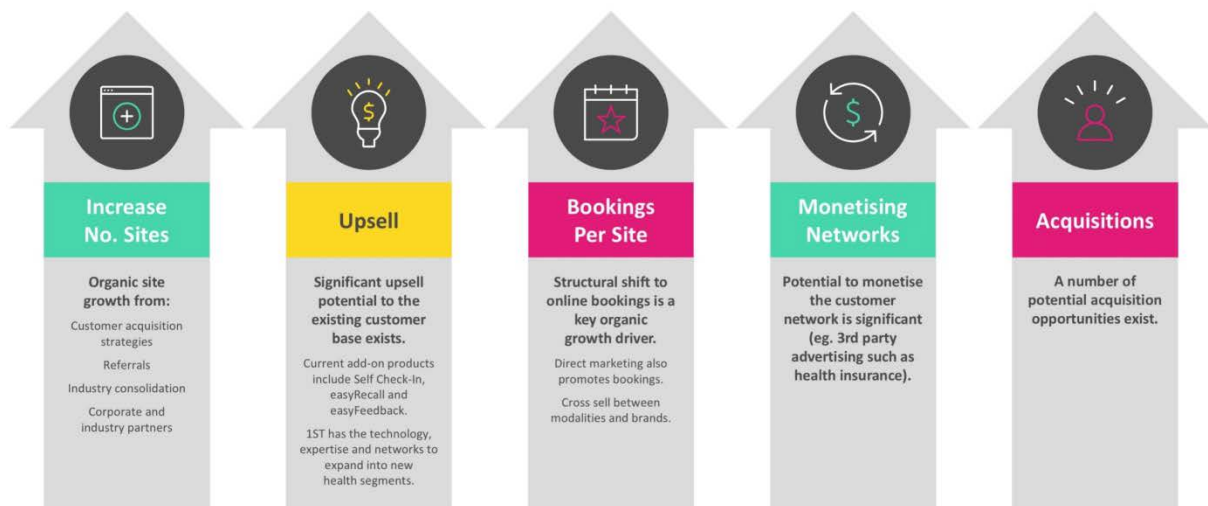
## APPENDIX

## Our Portals and Web Widgets

Our Solutions in Action



## Multiple Growth Options



## Key Investment Considerations



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