

# 1stAvailable June Quarter Report

## *Growth continues in Q4 FY16 despite delays in finalising new Corporate & Government sales*

### HIGHLIGHTS

- Private Practice Monthly Recurring Revenue (MRR) accelerated in Q4 increasing 14% to \$91k. Year-to-date Private Practice MRR has increased by 75%.
- Corporate & Government MRR decreased 4% due to delays in finalizing a number of new contracts and 2 new customers shifting from fixed monthly commitments to pay per use models due to slower roll out schedules
- Group (MRR) increased by a modest 4% to \$177k at the end of Q4 FY16 as a result of Corporate & Government performance in the quarter. Group MRR has increased 55% since 30 June 2015
- Total number of online appointments made were 436K for Q4 FY16, an increase of 25% over Q4 FY15
- Total number of appointment books for the year rose 51% to 7,924
- Continued reduction in average monthly cash burn of 15% over the quarter (excluding R&D tax benefit and financing cash flows)
- Successfully completed 1 for 1 entitlement offer and placement raising \$5.8m after transaction costs (\$6.35m before transaction costs)
- Cash balance of \$6.6m at 30 June 2016 with no debt.

1st Available Limited (**ASX: 1ST**) ('The Company', '1stAvailable', or '1ST'), the Australian online health services community platform that simplifies and facilitates digital interaction between health service stakeholders, enhancing consumer choice, access and outcomes is pleased to provide its quarterly report for the quarter ended 30 June 2016.

### CORPORATE AND STRATEGIC INITIATIVES

During the quarter, the company experienced strong sales in the Private Practice segment including securing over 60 Optical stores and some 200 appointment books as customers as the Company expands into the Optical market. Post the reporting period, 1stAvailable also advanced its strategy to grow into the lucrative pet care market, with a three-year exclusive distribution agreement with the Australian Veterinary Association to promote the adoption of the Company's online services and booking platform to AVA professional members. The AVA represents around 9,300 members Australia-wide and 95% of veterinary business/practice owners are members. Marketing of this strategic relationship is scheduled to commence in Q1 FY17.

The quarter also saw continued strong consumer demand for 1stAvailable's services, with the Company surpassing the 4 million appointment bookings milestone during the period. The milestone was achieved in 10 months since the 3 millionth appointments booking was achieved in August 2015 and reflects the growing adoption and use of the 1<sup>ST</sup> platform.

In the quarter 1stAvailable launched a number of new products to drive new revenue growth from existing customers by facilitating greater and deeper customer engagement. Products launched and deployed successfully include easyRECALLS and easyFEEDBACK. These products help drive existing patients to return to customers for regular periodic checkups, and provide feedback on the practices services and operations.

These new products add to the "Self Check-in Kiosk and App" and the "Patient Clipboard App" launched at the end of March and, importantly, are driving additional revenue from existing customers.

Marketing of these new products began in the last quarter, and they are expected to deliver revenue growth over the coming months.

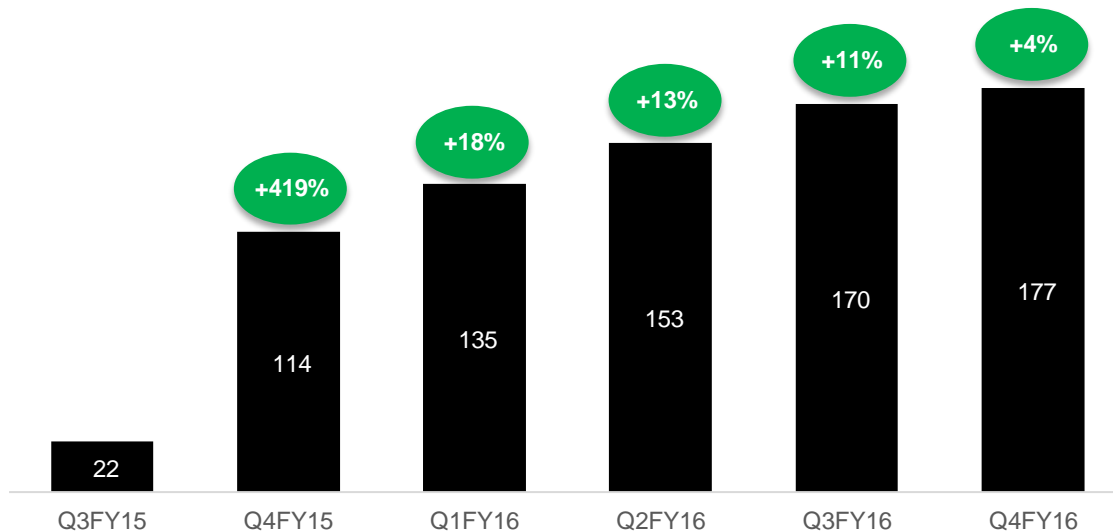
### OPERATIONAL

The quarter was a continued period of growth for 1stAvailable with Group MRR growth of \$7k. Private Practice MRR grew by \$11k to \$91k, whereas The Corporate & Government segment experienced delays with protracted sales negotiations that will see these deals now close in Q1. MRR for this segment fell by \$4k from \$90k to \$86k due to two existing customers switching to pay per use models as their roll out of online bookings is delayed. Corporate & Government sales cycles are longer and can be impacted by protracted contract negotiations.

Group MRR now exceeds \$177K, representing \$2.1 million of recurring revenue on an annualised basis, excluding variable revenues such as transaction, setup, connection and development fees which have historically been between \$0.5m to \$0.7m per annum.

**Group MRR and net new MRR performance**

\$'000s

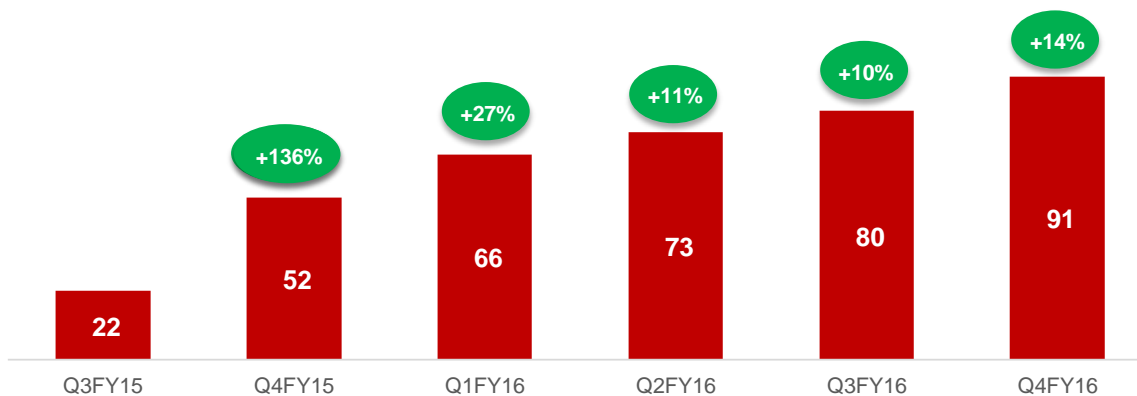


**SEGMENT KEY PERFORMANCE INDICATORS**

**Private Practice Segment performance**

Private Practice MRR and MRR Growth

\$'000s



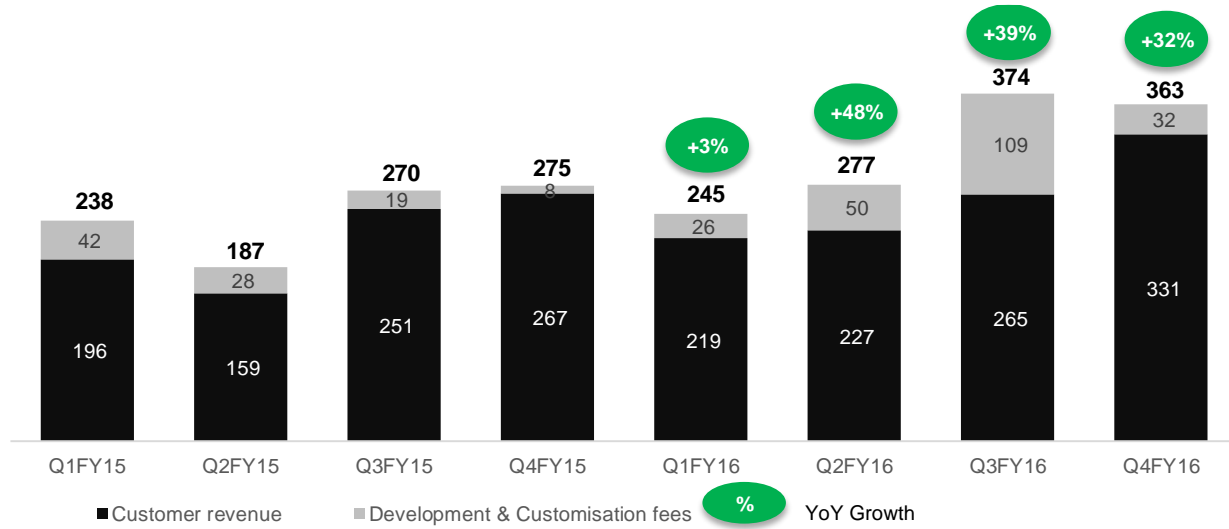
The Private Practice segment experienced its strongest quarter on quarter growth in the year with net MRR increasing by \$11k to \$91k, or 14% quarter on quarter. The growth was due to a number of maturing partnership agreements, initial sales from new products and the Company's expansion into the optical segment. Year-to-date Private Practice MRR has increased by 75%.

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**Corporate and Government Segment Performance (unaudited)**

**Customer Revenue and Development and Customisation Fees**

\$'000s

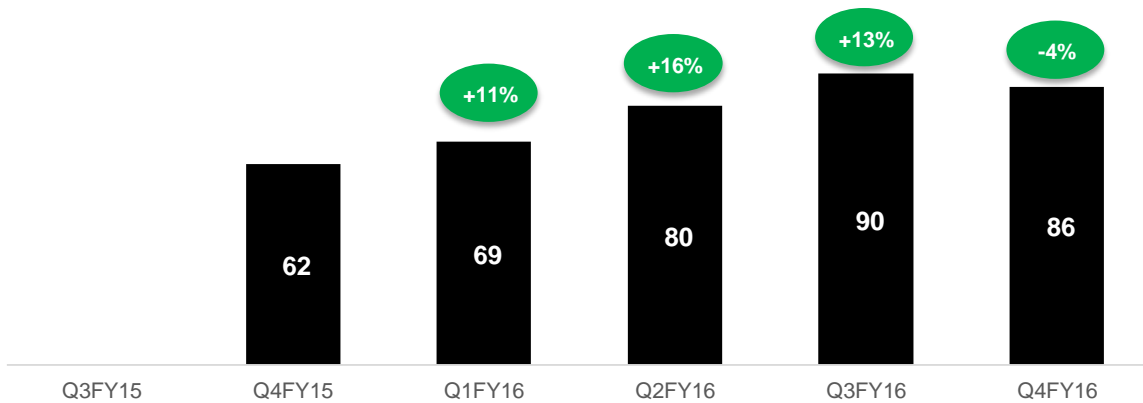


*It should be noted that the Q2FY15, Q3FY15 and Q4FY15 comparison is based on figures provided by GObookings – excluding its sales to Clinic Connect – for a period when it was not owned nor controlled by 1stAvailable. These numbers have not been audited, nor independently verified.*

Corporate & Government Q4 FY16 revenue increased by 32% compared to Q4 FY15, as a result of new client contracts and growth in seasonal revenues. Development and customization fees increased \$24K from Q4 FY15. The Corporate & Government business is based on the GObookings product suite, which is now integrated with 1stAvailable. GObookings is a functionally rich SaaS platform capable of meeting the diverse needs of corporate and government clients requiring complex booking workflows and data capture.

**Corporate & Government MRR**

\$'000s



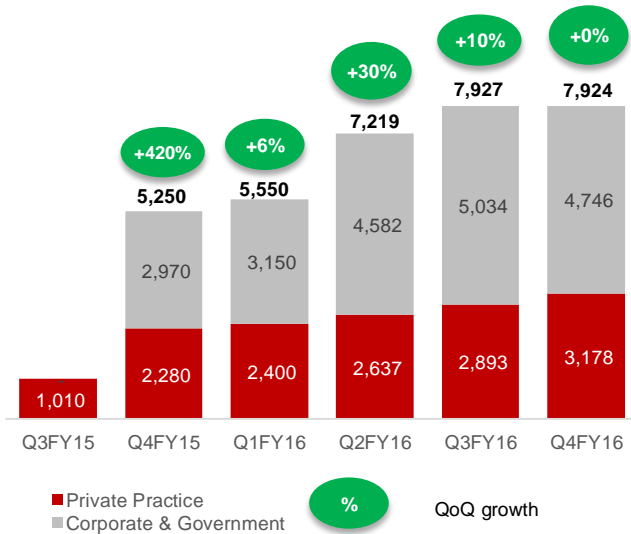
*\* Corporate & Government MRR presented from the quarter of acquisition (Q4 FY15) of the GObookings platform, historical information not available*

During the 12 months ended 30 June 2016, Corporate & Government MRR increased 39% compared to the 30 June 2015 MRR, to a total MRR of \$86k. Corporate & Government MRR in Q4 FY16 decreased 4% due to delays in finalizing a number of new contracts which have slipped into Q1, and some new customers needing to shift from fixed monthly commitments to pay per use models with slower roll out schedules.

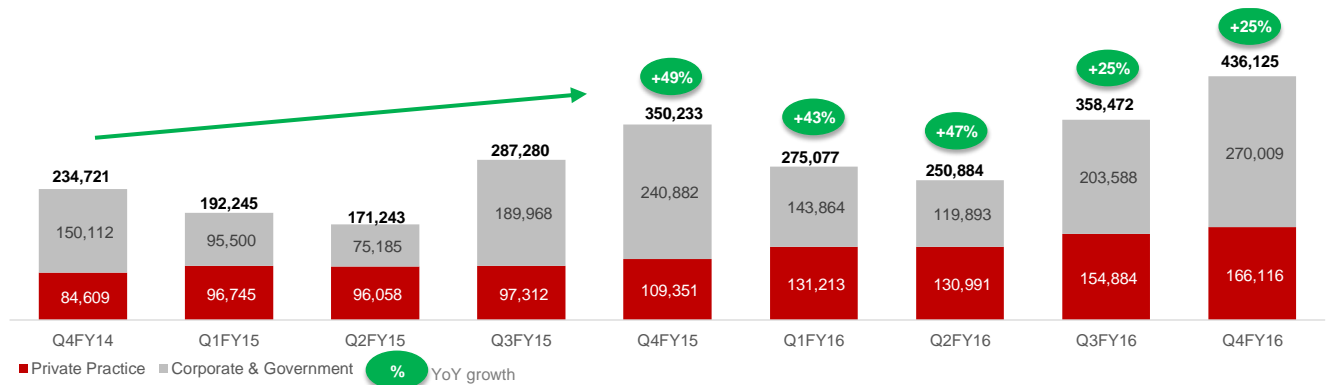
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**Other KPI's**

**Total Number of appointment books**



**Total Number of Online Appointments Made**



\*Online appointments statistics are presented on a quarterly basis compared to the prior year corresponding quarter due to underlying seasonal trends e.g. flu season in the Corporate & Government segment and lower available bookings in Q2 in Private Practice due to the holiday period. Online appointment comparatives prior to Q4 FY15 include booking volumes of 1ST, GO bookings, DocAppointments and Clinic Connect in order to present online appointment volumes on a like for like basis

While Private Practice appointment book numbers grew for the quarter by 285 or 10%, the Corporate & Government numbers dropped due to 2 new customers switching to a pay as you go contract. Total appointment book numbers reflect minimum committed appointment books and do not include contracted arrangements where appointment book volumes may vary month to month due to seasonable requirements of these customers.

1stAvailable achieved a total of 436k online appointments in the quarter. Private Practice appointments were up 7% quarter on quarter and have increased 52% compared to Q4 FY15. 1stAvailable continues to receive strong consumer validation of the Company's platform. In a recent survey of registered consumers, 47% of consumer users said they would preferentially select a new healthcare provider if they offered the 1stAvailable online appointment booking solution, and 37% said that would switch providers to one that used the 1stAvailable solution.

**CASH FLOW**

The Company ended the quarter with a cash balance of approximately \$6.6 million. The Company's cash burn for the quarter excluding the R&D tax offset benefit and financing cash flows was \$0.76 million. This represents an average monthly cash burn rate of \$0.25 million during Q4 which was an improvement quarter on quarter of 15%. The improvement in the cash burn rate was due to strong cash collections and higher seasonal revenue quarter on quarter, offset by an additional fortnightly pay run in the quarter compared to Q3 FY16. The Company's successful placement and non-renounceable rights issue also added to the cash balance for the quarter.

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**OUTLOOK**

Management are confident of a strong start to FY17 following a period of consolidation and laying the foundations for growth during FY16. We have enhanced our product offering, adding new products to help drive revenue from existing customers, developed new key distribution partnerships and have strengthened our balance sheet to facilitate execution of our strategy.

The combination of growth in appointment book sales, growth in consumer traffic through increased adoption of the preferred method of booking online, and additional products to help monetise these consumer transactions are expected to deliver improved revenue growth in the new financial year.

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## Contacts for Further Information

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## About 1st Available Limited - [www.1stavailable.com.au](http://www.1stavailable.com.au)

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1stAvailable's vision is to build Australia's leading online health services community through a platform that simplifies and facilitates interaction between all health services stakeholders, enhancing consumer choice, access and outcomes. 1stAvailable's solutions deliver a convenient, easy to use, online search and appointment booking service, for the healthcare, corporate and government markets. 1stAvailable.com.au is a community website portal and suite of mobile apps that enables patients to book their appointments with their preferred healthcare provider online, 24 hours a day, 7 days a week from any internet-connected device such as a smartphone, tablet or personal computer. Through our healthcare solutions, we enable early intervention, support continuity of care and encourage good patient choices. We are passionate about improving patient care and healthcare practice and doctor productivity.

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## APPENDIX 1: SEGMENT AND KPI DEFINITION

**Private Practice business:** the result of the integration of 1ST, Clinic Connect and DocAppointments operations. "Private Practice" is the term used to describe the operations of a local GP, dentist, physiotherapist, specialist, naturopath or other healthcare practitioner practice. There are approximately 323,000 potential practitioners (or 140,000 practices) that form the addressable market for this segment in Australia.

For the Private Practice business, the key performance metric is **Monthly Recurring Revenue** ('MRR') as at the end of the quarter. MRR is the recurring revenue contracted to be received from the Private Practice product subscriptions and fixed monthly commitments. It represents the fixed monthly fees and excludes all variable revenues, such as one-off fees and advertising fees.

**Corporate & Government business:** based on the GObookings product suite that is integrated with 1stAvailable platform. The 1stAvailable Corporate & Government business includes providing appointment booking solutions in healthcare sectors such as hospitals, pharmacies, government agencies, major Australian companies and non-healthcare based business such as universities, local authorities, banks etc. The majority of the Corporate & Government business involves healthcare related bookings (flu shots, cancer screenings etc), however, the core technology is also adopted and applied outside the healthcare market, servicing a broad range of sophisticated online appointment booking needs.

### **Corporate & Government segment revenue definition**

The Corporate & Government segment has the following revenue types:

Revenue Type	Description
<i>Customer revenue is inclusive of subscription and variable fees</i>	
Subscription fees	Measured by Monthly Recurring Revenue (MRR): Monthly fixed fees for licensing & hosting of the GObookings Software as a Service (SaaS) product platform
Variable fees	Fees for additional appointment books required by clients, SMS fees for customer notifications and setup and training fees. Variable fees are seasonal in nature due to a number of factors, including flu season and client requirements (which vary quarter to quarter)
Development and customisation fees	Fees for the customisation of the platform to clients' requirements usually billed on a Time & Materials basis or a fixed price. Revenues can fluctuate based on the timing and level of requirements for both new and existing client projects