

1st Group FY18 Full Year Results Appendix 4E

Preliminary Final Report

Highlights

- The Group's easy to use, online, proprietary, scalable technology platforms have now been used to book over 7 million appointments supporting over 7,300 sites/locations across Australia and New Zealand
- Rapidly achieved market leadership in large addressable market verticals—60% independent optometry, 65% pharmacy and No. 1 in vet/pet services
- Delivered strong growth in FY18 against prior comparable period, revenue +49%, Annualised Contract Value of subscription fees excluding setup, usage and advertising fees (ACV) +45%, site growth +63%
- Positive growth outlook; maiden ACV guidance of between \$4.6m and \$5.1m for 1HFY19

FY18 has been a successful year for the Group

This year we successfully built our online health patient engagement platforms for scalability and sustainable success, achieving dominant market shares in our chosen verticals. We validated our value proposition to our customers, based on driving convenience, patient education and engagement. It is pleasing to see strong growth in adoption and engagement as we enter FY19 with confidence and continued momentum.

Vision – simple online connection with healthcare providers

The Group's vision is to provide consumers with a simpler way to connect and interact online with healthcare practitioners and improve consumers' health through a range of products and trusted healthcare content.

Our platforms provide healthcare practices/businesses an opportunity to help educate patients about their choices, simplifying the referral process to specialists and improving patient health literacy through comprehensive education programs (conducted with a practice's consent), and in collaboration with them. Revenue derived from these activities forms the basis of our advertising revenue stream. Since our first successful program promoting contact lenses in Q2 FY18, the company has been building a significant pipeline of new advertising opportunities leveraging our platform capabilities that drive benefits for our healthcare providers, patients and advertisers.

Momentum is building

The fourth quarter of the financial year saw strong momentum in our PetYeti platform as a result of a number of successful marketing events, as well as our initial launch into the New Zealand market with MyHealth1st and PetYeti.

At the end of the financial year, the Group's platform supported more than 7,200 installed sites, and has taken over 7 million online appointments since the service was launched in 2012. Site/customer acquisition continues to grow steadily, with significant progress being achieved in the key markets that 1st Group now dominates, being pharmacy, independent optometry and vet/pet services. Site acquisition lays the foundation for upsell and cross sell opportunities, enabling the company to drive significant additional value from its customer relationships.

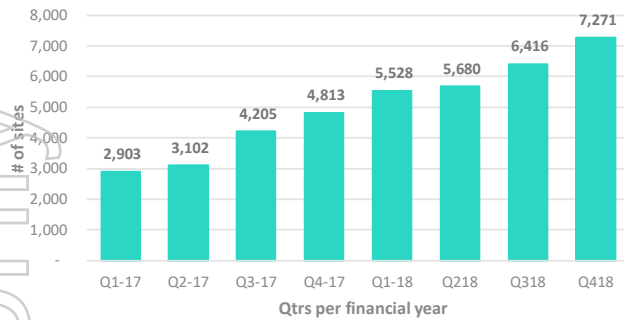
Over the full year revenue increased by 49%, with growth driven by increases in both customer sites and in products per site.

New product launches drive growth

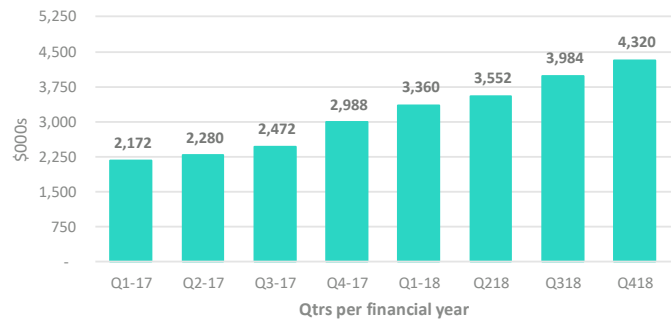
Prior to Q1 FY17, the company's primary product line was its mature online appointment booking platforms. In the past 18 months the company has released a number of additional products, including EasyFeedback, EasyRecalls, EasyCheckin Kiosks, 1st Insights and advertising. As these new products mature and are introduced to our existing customer base, we would expect to see the total number of Products per Site increase, and therefore revenue per customer.

Growth metrics: Site Acquisition, ACV Growth, Strong Retention and Upsell

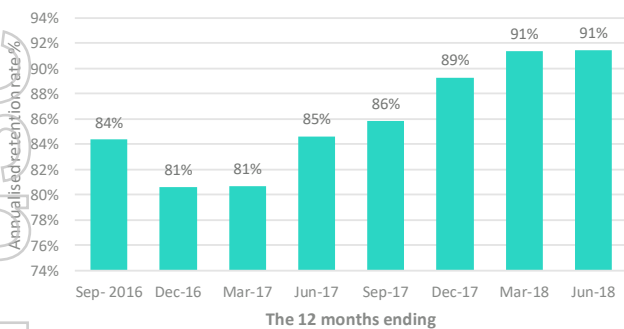
Number of sites



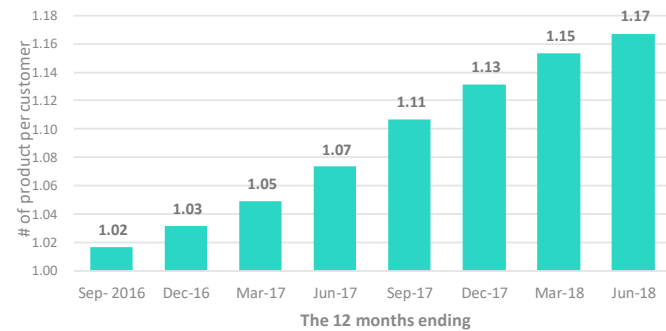
Annualised Contract Value (ACV) \$000s



Customer Retention Rate



Products per Customer



Financial Results

| | Consolidated | |
|-------------------------------------------------------------|---------------------------|-------------|
| | 2018 (unaudited) \$ | 2017 \$ |
| Revenue | 3,432,123 | 2,306,207 |
| Operating expenses | (6,930,009) | (6,396,772) |
| Operating loss before interest, tax and non-cash items | (3,497,886) | (4,090,565) |
| Share-based payments | (141,136) | (146,601) |
| Net gain recognised on reversal of contingent consideration | - | 93,738 |
| Depreciation and amortisation expenses | (1,232,127) | (1,358,183) |
| Finance costs | (56,644) | (17,472) |
| Net loss before tax benefit | (4,927,793) | (5,519,082) |
| Income tax benefit | 291,717 | 389,235 |
| Net loss after tax benefit | (4,636,076) | (5,129,847) |

Driving operating leverage

Operating costs before the capitalisation of internal software development costs were 8.3% higher than the prior corresponding period due to the investments made across sales, marketing and product.

These activities started to bear fruit culminating in the Group's strongest ever sales performance in Q4 FY18 and Monthly Recurring Revenue as at the end of June 2018 of \$360k. At 30 June 2018, the Group held \$277k in cash and subsequent to the end of the financial year, the Group had drawn down the third tranche, to a

total of \$1.5 million from the \$2 million convertible debt facility (Standby Facility) with its cornerstone shareholder, Mr John Plummer. The Standby Facility continues to enable the Company to execute its business strategy confidently and drive continued sales growth.

The Group exited FY18 well positioned with positive sales momentum, a healthy pipeline from our new products and additional promising sales opportunities to be pursued in FY19. Given the progress made in building market leading positions in its chosen verticals, the Group remains confident of its performance and in our maiden ACV guidance issued in July 2018.

Further information

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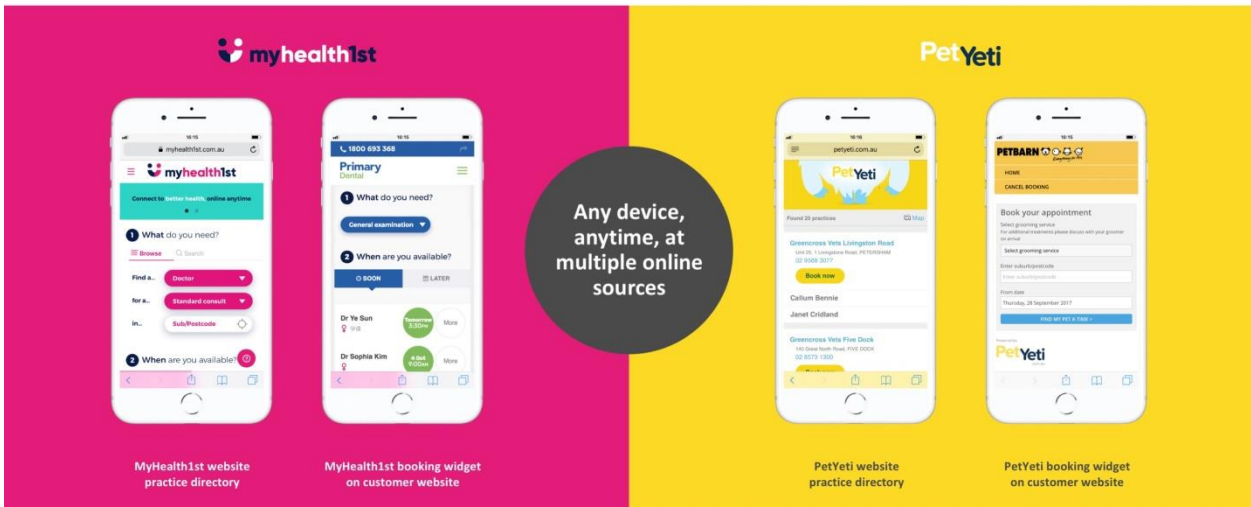
About 1ST Group Limited

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, MyHealth1st.com.au, PetYeti.com.au and GoBookings.com.

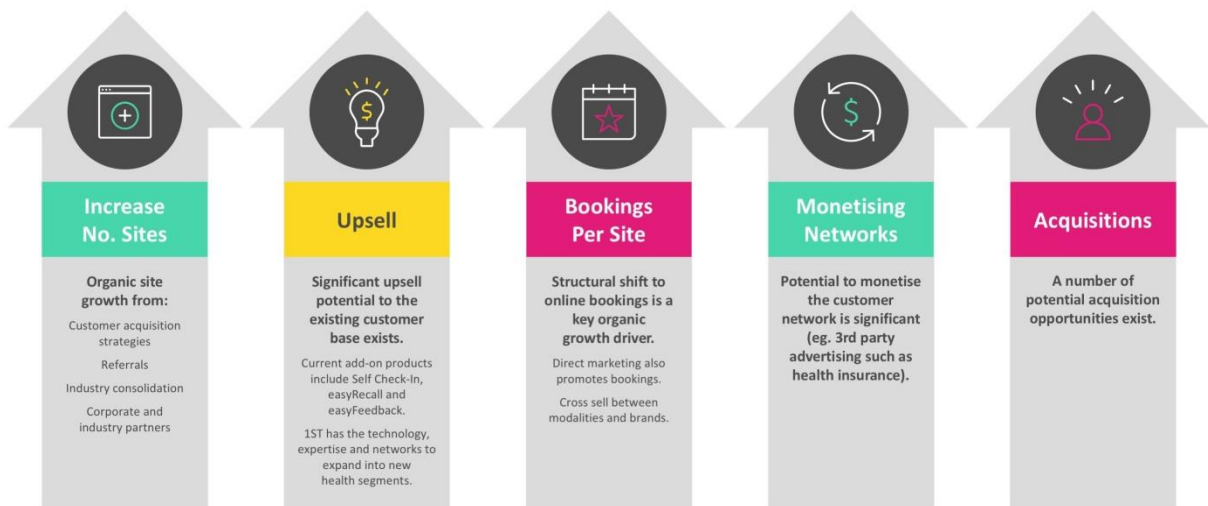
Appendix

Our Portals and Web Widgets

Our Solutions in Action



Multiple Growth Options



Key Investment Considerations



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