

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

1ST Group Limited

ABN

25 138 897 533

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	501	1,656
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(211)	(396)
(d) leased assets	-	-
(e) staff costs	(955)	(2,874)
(f) administration and corporate costs	(453)	(1,419)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	25
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	441	441
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(670)	(2,567)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(11)	(24)
(b) businesses (see item 10)	-	(100)
(c) investments	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	(150)
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:	-	-
(a) property, plant and equipment	-	-
(b) businesses (see 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	(11)	(274)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	24
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	-	(37)
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	-	(13)

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	4,391	6,564
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(670)	(2,567)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(11)	(274)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	(13)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	3,710	3,710

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	698	560
5.2 Call deposits	3,012	3,831
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)	3,710	4,391

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$A'000
107
-

Includes wages for CEO/Managing Director and independent Directors/Chairman remuneration including superannuation as applicable and consulting fees.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$A'000
-
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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 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.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	180
9.4 Leased assets	-
9.5 Staff costs	930
9.6 Administration and corporate costs	480
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,590

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	-	-

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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 gives a true and fair view of the matters disclosed.



Sign here: ...
 (Director)

Date: 13 April 2017

Print name: Klaus Bartosch

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.

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Quarterly update

for the quarter to 31 March, 2017

Growth momentum continues with new products

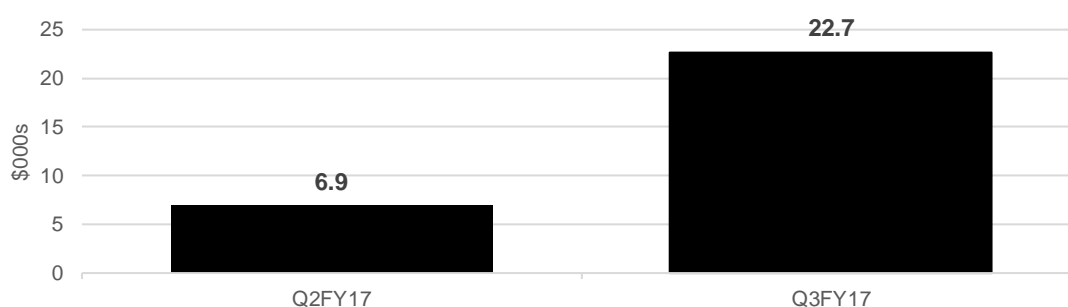
HIGHLIGHTS

- More than 600 new online appointment sites sold in the quarter, around 500 already activated and billing
- Continued take up of the EasyRecall usage fee product, 90 sites signed up for the service in the quarter, including SunDoctors for use across their 35 sites
- Q3 FY17 revenue up 25% on Q2 FY17 to \$0.6m
- Subscription-based Group Monthly Recurring Revenue (MRR) increases to \$218k, up \$16k (MRR excludes usage fees and one off fees)
- 1ST Group now estimates it has agreements servicing approximately 50% of the pharmacy market and 25% of the optometry market

1ST Group Limited (ASX: 1ST), the Australian online healthcare solutions group which operates the MyHealth1st and PetYeti online portal communities, and the GObookings SaaS platform, today reported a substantial increase in sales of usage-based products and subscription-based products for the quarter ended 31 March 2017.

Accelerating adoption of usage-based products

Sales of the group's usage-based digital products accelerated as usage-based fees increased from \$6.9k in Q2 to \$22.7k in Q3, with \$9k of this recorded in March. These products, which help patients communicate with their healthcare service providers digitally, were launched in the second quarter, and provide new revenue streams to add to the group's existing subscription-based revenue. More than 90 new sites signed up for usage-based products in the third quarter.



While at this early stage management remains cautious about the long-term revenue impact, around 100 sites are still in the process of adding 1ST Group's usage-based products to their platforms, most of which are expected to be onboarded in early Q4. These sites will go live progressively as customers continue their rollout of the group's services.

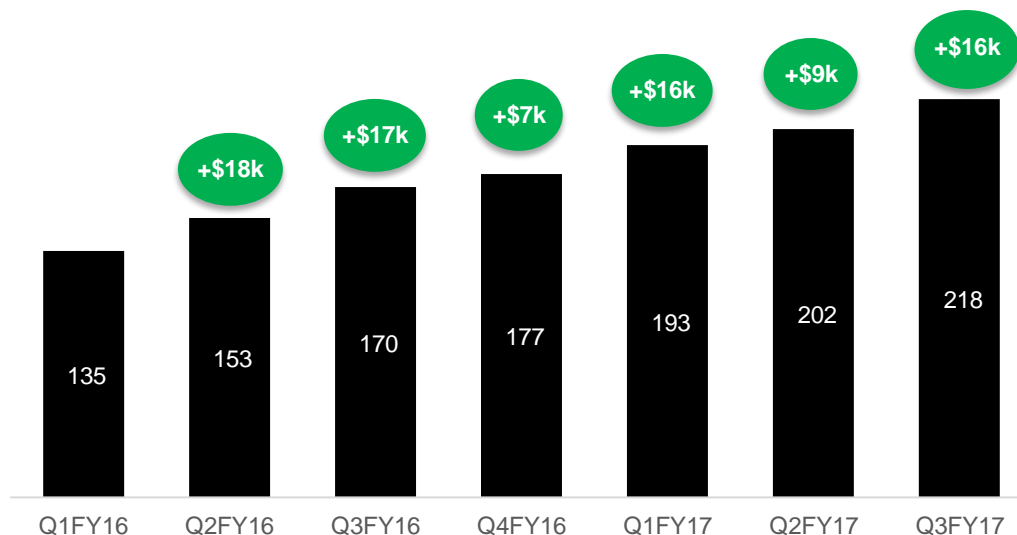
Increasing subscription sales

During the quarter the group added over 600 sites for online appointments across the medical, optical, pharmacy and veterinary sectors, including new sites added as a result of the Alphapharm deal announced in Q2. Growth continued among practitioners using the MyHealth1st and PetYeti consumer online portals, and there was also strong growth in the company's GObookings SaaS product. The group now believes that it supports approximately 50% of the pharmacy market, and is also the clear leader in the optometry market with approximately 25% market share.

Due to successful sales approximately 100 sites still remain in the company's onboarding backlog. In response the Company is automating more of its processes to reduce on-boarding time, expediting the conversion of new business to revenue.

Group Monthly Recurring Revenue

New contracts sold in the quarter increased Monthly Recurring Revenue (MRR) by \$16k, compared with an increase of \$9k in Q2. MRR measures recurring subscription revenue and excludes usage fees from products such as SMS and EasyRecall, one-off fees such as development and set-up fees, and variable advertising revenue. At the end of Q3 FY2017 the group's MRR was \$218k, up 28% from \$170k in Q3 FY2016.



Cash flow and corporate

The Group ended the quarter with \$3.7 million in cash. During the quarter the Group received the R&D tax offset refund of \$0.4m.

Q3 FY17 total revenue was \$0.6m representing 25% growth on Q2 FY17.

Management comment

1ST Group Managing Director, Klaus Bartosch, said: "This was a strong quarter for new customer sales that we anticipate will generate increasing subscription revenue and usage fees as these customers go live on our platforms. We are very happy with the level of consumer and business acceptance of our new products and expect the resultant usage fees to add substantially to our subscription revenue over time."

"Our booking products have now passed the 5 million online appointments milestone, and the continuing migration of consumers to online services is driving the momentum of our community portals. Our customers are telling us that they are finding that subscribing to our products takes stress and effort away from staff managing day to day operations, freeing them up to deliver improved customer service. We are up-selling products to existing customers and expect this sales success to continue our momentum in the fourth quarter, supported by further activation of products and services and seasonal benefits from the flu season. We are also taking steps, through automation, to reduce overall costs and to expedite activation times."

1ST Group's online platforms are MyHealth1ST for consumers and healthcare providers; PetYeti, which provides consumers a search and appointment booking service for veterinary practices and pet services; and GObookings which services the complex booking needs of large corporate and government clients, and of customers with more complex appointment booking workflows.

- ENDS -

Further information

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About 1ST Group Limited

1ST Group is an ASX listed 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.au. All 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. To find out more visit 1stGrp.com, MyHealth1st.com.au, PetYeti.com.au and GObookings.com.au.