

1 Standby convertible loan facility established with cornerstone investor

HIGHLIGHTS:

- **\$2 million** standby facility with a 2-year term
- **Unsecured facility** which can be fully converted to equity in Company at the election of the Company.¹
- **Strong growth momentum and outlook.** The Company maintains its strong growth momentum, with record revenues and sales in the June quarter

1ST Group Limited (ASX: 1ST), the Australian online health, media and technology group, is pleased to advise that it has entered into a convertible debt facility (Standby Facility) agreement with its cornerstone shareholder, Mr. John Plummer.

The Standby Facility will enable the Company to confidently execute its business strategy driving continued sales growth. The Company's current cash resources were \$2.9 million at 30 June 2017 and its annualised June 2017 monthly recurring revenue (MRR) was \$3.132 million in addition to usage fees, one-off fees and variable revenue.

The new Standby Facility is on favourable terms, a good outcome for current shareholders and coincides with 1ST Group's strong revenue growth momentum and outlook, strong financial position and achievement of key commercial milestones.

1ST Group Managing Director, Klaus Bartosch, said: "We have evolved and transformed our business model to offer multiple products in multiple healthcare vertical sectors. The market is responding well to our new products EasyFeedback and EasyRecalls in addition to our existing products. These products have driven strong sales growth, especially in the pharmacy, veterinary and optometry sectors. Having secured this Standby Facility, we move forward with confidence to continue to deploy our growth strategies."

The key terms of this Standby Facility are:

- Maximum drawdown of \$2.0 million;
- Maximum term of 2 years ending on 1st August 2019;
- Drawdown in \$0.5 million tranches on 30 days' notice;
- Interest rate of RBA Cash Rate +8.5%, currently 10% per annum, payable quarterly in arrears;
- Convertible to Equity in the Company at the election of the Company (subject to Shareholder Approval and compliance with the Corporations Act) at a 15% discount to the 30 Day VWAP prior to conversion;
- Usual covenants of a Facility of this nature and scope including: unsecured obligation, no debt subordination without consent, anti-dilution provisions etc.; and
- Can be repaid in full or Facility reduced at any time at the election of the Company.

1ST Group Chairman, Trevor Matthews said; "This is an ideal, flexible standby facility for a growing technology Company such as ours. This facility provides balance sheet surety and standby working capital should it be needed. We thank John Plummer for his ongoing support and look forward to working together to build the Company, its products and marketplace presence."

¹ Subject to obtaining Shareholder Approval of 1ST Shareholders.

Adoption of usage-based products

Usage-based fees complement the group's existing subscription-based MRR. The Company's usage-based products include EasyRecalls, which was launched in the second quarter of FY16.

Adoption of usage-based digital products accelerated in Q4 FY17 and fees increased to \$55.5k for the quarter, up 145% from the previous quarter. 55 new sites signed up for usage-based products in Q4 FY17, and most new sites are expected to be onboarded during Q1FY18.

Outlook

"The securing of this standby funding facility significantly increases our financial flexibility at a time when 1ST Group is poised for further growth, as a result of successfully diversifying our revenue sources from online booking subscription revenues alone," said 1ST Group Managing Director Klaus Bartosch.

"At the same time, we expect that growing consumer and business acceptance of our products will continue to drive subscription levels going forward, while our new products generate additional revenue from both new and existing customers."

- ENDS -

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.au. 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. To find out more visit 1stGrp.com, MyHealth1st.com.au, PetYeti.com.au and GObookings.com.au.