



1H FY2018 Results Presentation

Australia's first ASX listed online healthcare services portal group
28TH February 2018

Klaus Bartosch

Chief Executive Officer

Graham Mason

Chief Financial Officer

1H FY2018 Results Presentation

Contents

1. Company Overview
– Klaus Bartosch, CEO
2. Results & Financial Performance
– Graham Mason, CFO
3. Growth Strategy & Outlook
– Klaus Bartosch, CEO

Our 1H FY2018 results validate the Group's growth strategy, and execution strengths.

1ST Group is delivering on our vision of becoming the most trusted way of connecting patients with their chosen healthcare services whilst driving increased revenue growth.



Company Overview

Company Overview

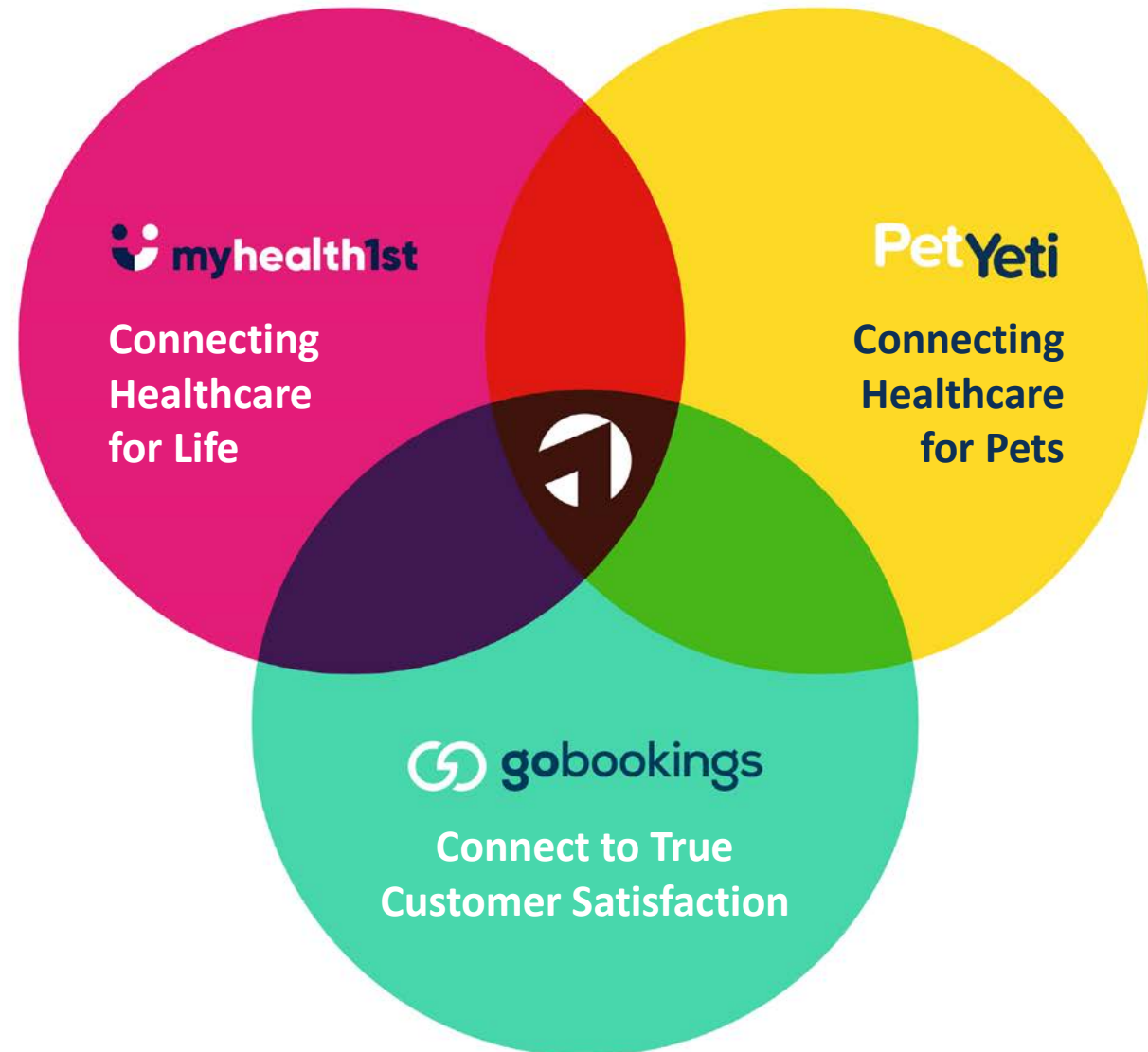
1stGroup is operating a trusted digital community and platform where health providers and patients connect 1st.

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.

- MyHealth1st service launched April 2012
- Listed on the ASX June 2015
- By 31 December 2017, the group had signed agreements to support more than 6,000 installed sites and had facilitated more than 6.5 million appointments online across three primary brands
- Headquartered in Surry Hills, NSW 2010
- 30 FT employees as at 31 December, 2017



Brand Portfolio



Board & Management



**Trevor
Matthews**

Chairman

Trevor is a director of AMP Limited, Bupa Australia and New Zealand, FNZ Asia Pacific, Tokio Marine Asia, Edelweiss Tokio Life, chairman of the State Insurance Regulatory Authority and AMP Life and a Fellow of both the UK and Australian actuarial institutes and the AICD. Previously a successful CEO in Australia, North America, Asia and the UK



**Klaus
Bartosch**

MD and CEO

Klaus is an experienced CEO and Sales Director, having previously worked for private and ASX listed companies, and co-founder of 1stGroup.

Previously, Sales and Marketing Director for the then ASX listed Hostworks where he helped increase shareholder value by over 400% in just 4 years before Macquarie Group acquired it in 2007 for c.\$69 million.



**Richard
Arnold**

Non-Executive Director

Former CFO and Vice President of Strategy and Corporate Development at CrowdFlower Inc., the world's leading enterprise crowdsourcing company.

Previously, Chief Operating Officer and Chief Financial Officer of Phoenix Technologies Ltd (NASDAQ: PTEC).



**Amanda
Hagan**

Non-Executive Director

Amanda has been CEO Healthcare at Australian Unity for 11 years and is also Group Executive Digital for the Group. Prior to Australian Unity Amanda was an executive at Perpetual Limited and consulted to a number of industries and companies including AGL, Energy Australia and American Express and worked for the Australian Stock Exchange.



**Graham
Mason**

Chief Financial Officer

Big four trained and experienced CFO and Finance Director of global online, technology and professional services companies locally and internationally.

Previously Finance Director HotelClub and RP Data Australia & NZ and Head of Corporate Finance at Bravura Solutions Limited.



**Joel
Reynolds**

Chief Technology Officer

Experienced senior manager of listed, private and not-for-profit organisations.

Previously Production Services Manager at Seek Limited.



**Eddie
Quinones**

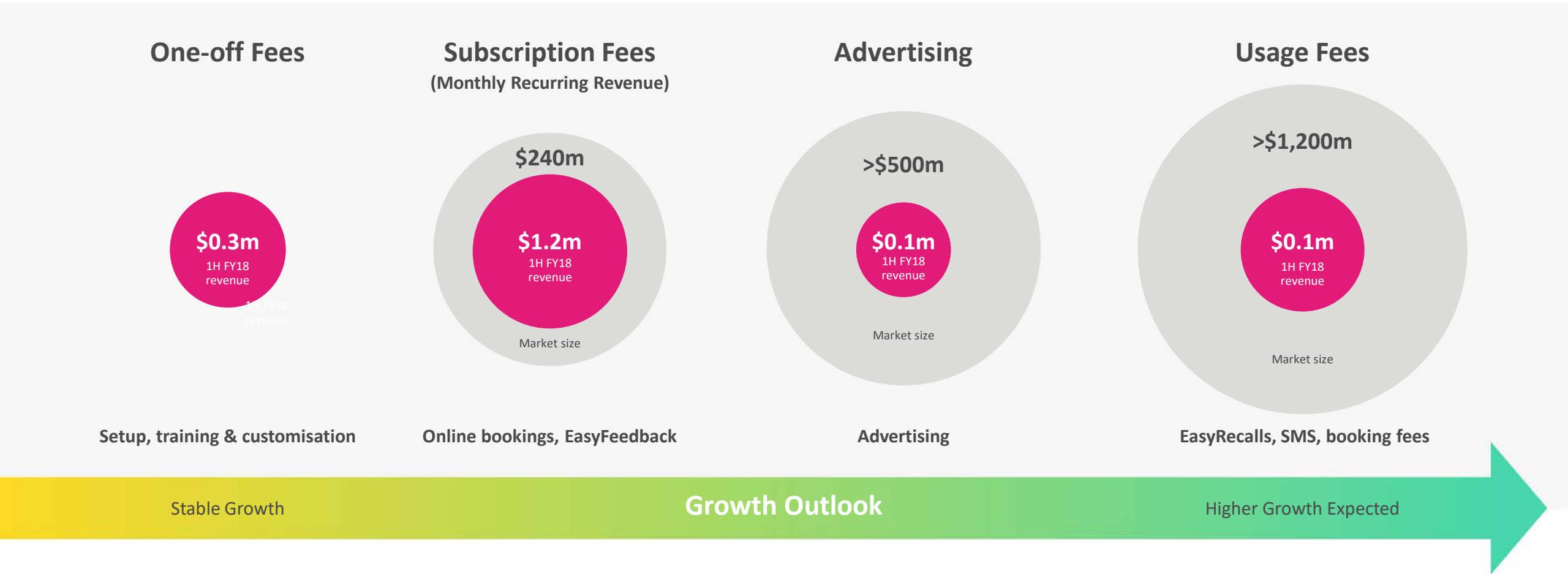
Sales Director

Experienced sales executive within the SaaS, IT and Digital environments, working for high profile performance National and International Business to Business organisations.

Previously Sales Manager with Sensis, and Concur.

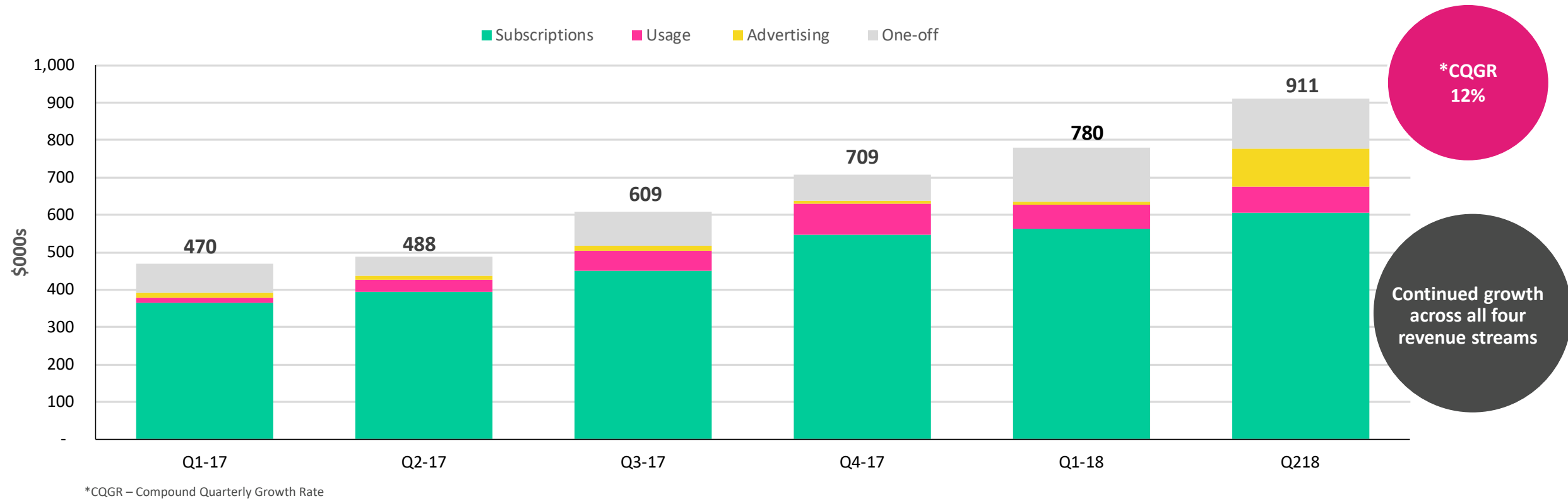
Revenue Model

1st Group has several revenue sources – historically it has been driven by subscription fees but the growth focus is on higher margin upsell and advertising revenue. These are the KEY growth driver for our business.



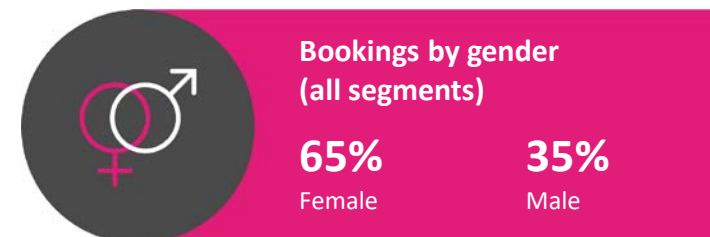
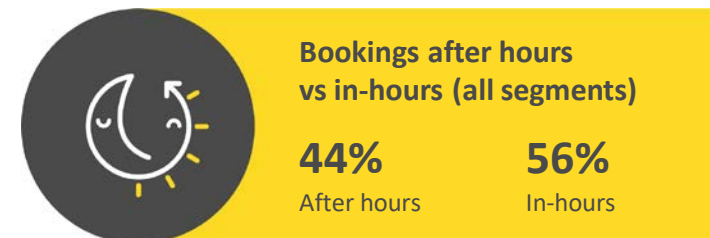
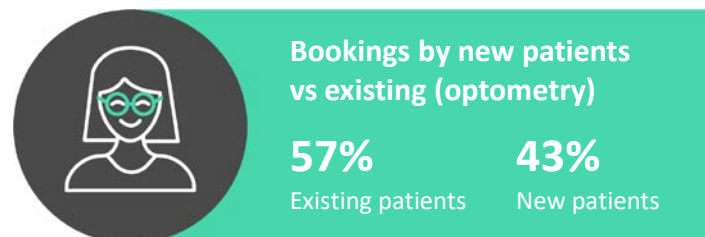
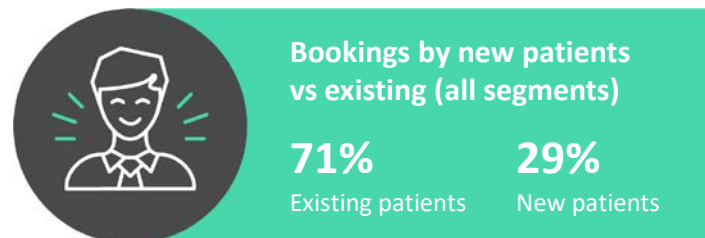
Revenue Profile Last 4 Quarters

Progression through customer acquisition and customer upsell has driven revenue growth in the last 4 quarters

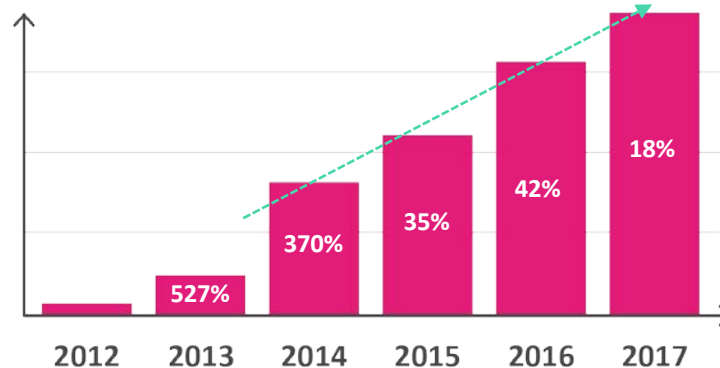


Platform Engagement

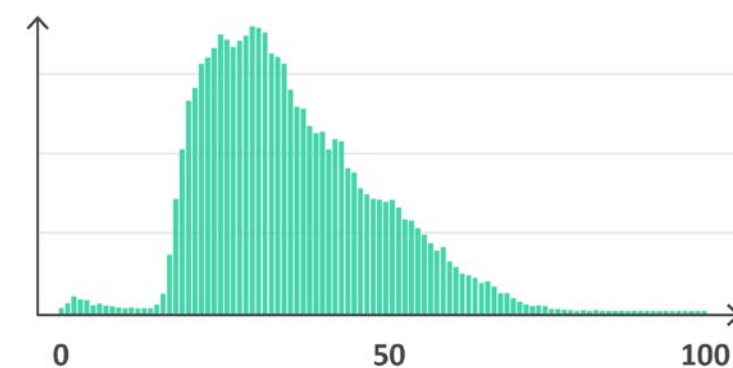
Data shows growth in bookings, number of sites and engagement across diverse groups of users.



MyHealth1st booking growth



Number of bookings by age



Case Study: Rapid Growth in the Optometry Market



MyHealth1st now #1 independent optometry digital platform



Significant upsell opportunity for add on products like EasyFeedback and EasyRecalls, and other products over time



First significant advertising deal closed in Sep, to initially just 10% of available inventory

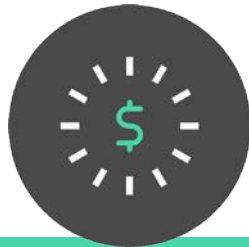
Independent optometrists market growth in under 12 months

3%
of independent
optometrists

60%
of independent
optometrists
1,200
stores

Initial market penetration began with **Online Appointments** service, now extended to include **EasyFeedback**, **EasyRecall** & **Advertising**

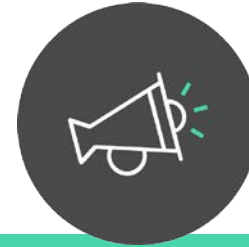
Now delivering all four revenue sources



One-off Fees



Subscription Fees



Advertising



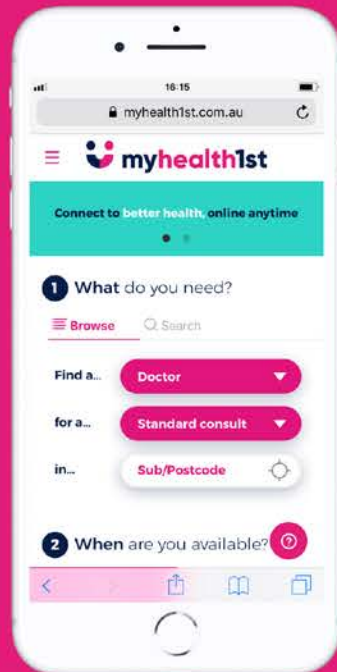
Usage Fees

Major customers include

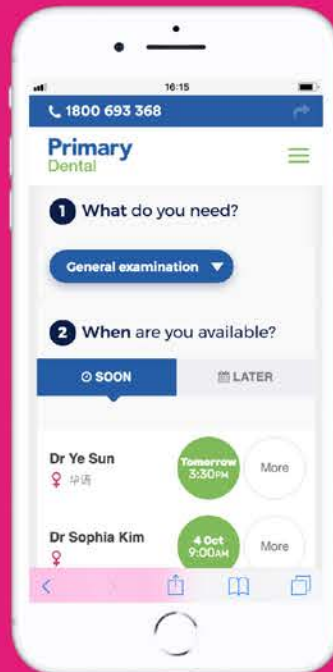


Our Portals and Web Widgets

Our Solutions in Action

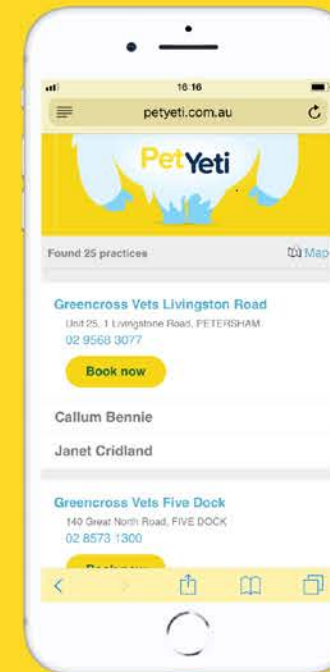


MyHealth1st website
practice directory

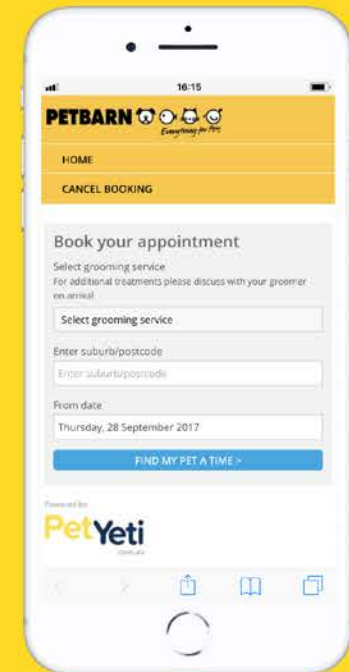


MyHealth1st booking widget
on customer website

Any device,
anytime, at
multiple online
sources



PetYeti website
practice directory



PetYeti booking widget
on customer website

Customers Who Have Chosen Us 1st





Results & Financial Performance

1H18 Highlights

Disciplined execution of clear growth strategies underway – delivering substantial improvements in performance and financial results



+76%

Revenue Growth

H1 FY18 revenue excluding interest income of \$1.7m up 76% YoY with growth across all revenue categories



+56%

Increased MRR

Contracted MRR (Monthly Recurring Revenue), a forward indicator of future potential subscription-based revenues increased by 56%



+335%

Advertising Revenue

Successfully executed first large-scale advertising agreement with advertising revenues up 335% YoY



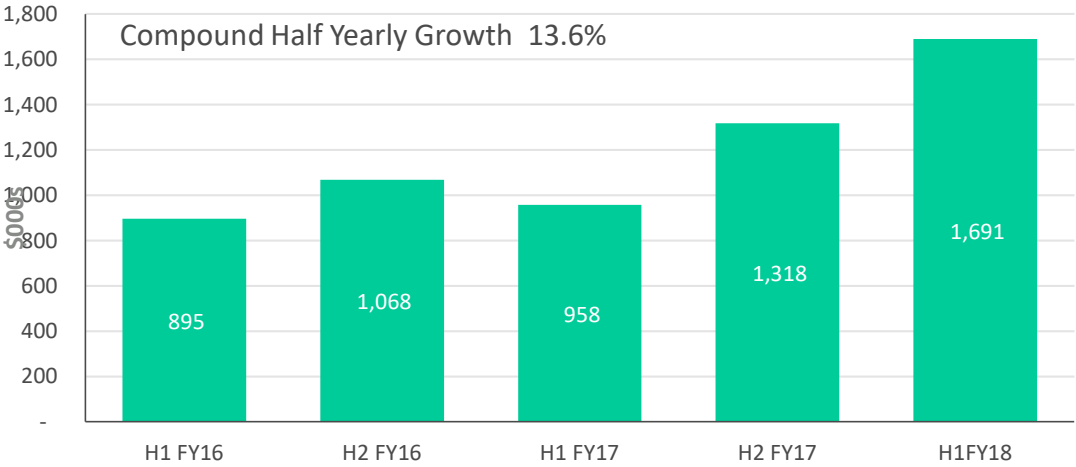
\$3.1m

Available Liquidity

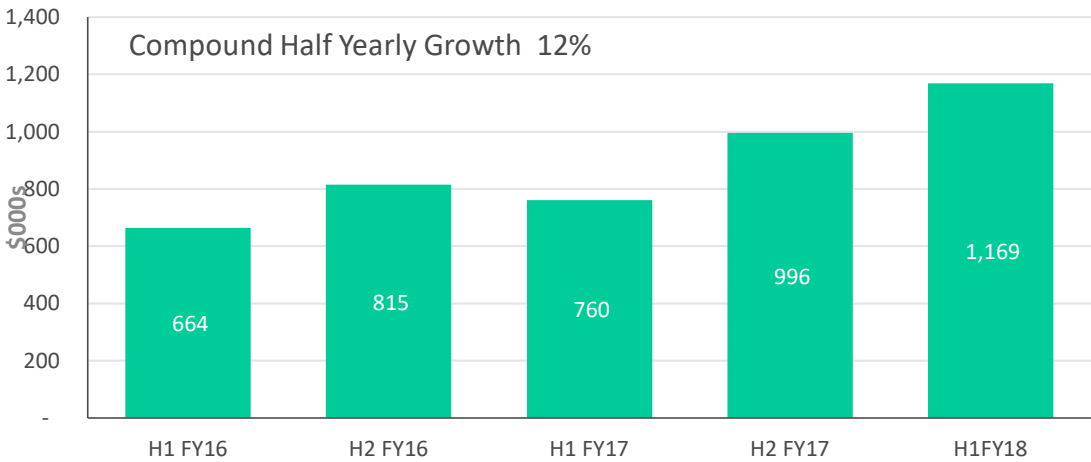
\$3.1m in available cash including use of a currently undrawn convertible note facility as at 31 December 2017

1H18 Highlights: Substantial Growth Across All Revenue Streams

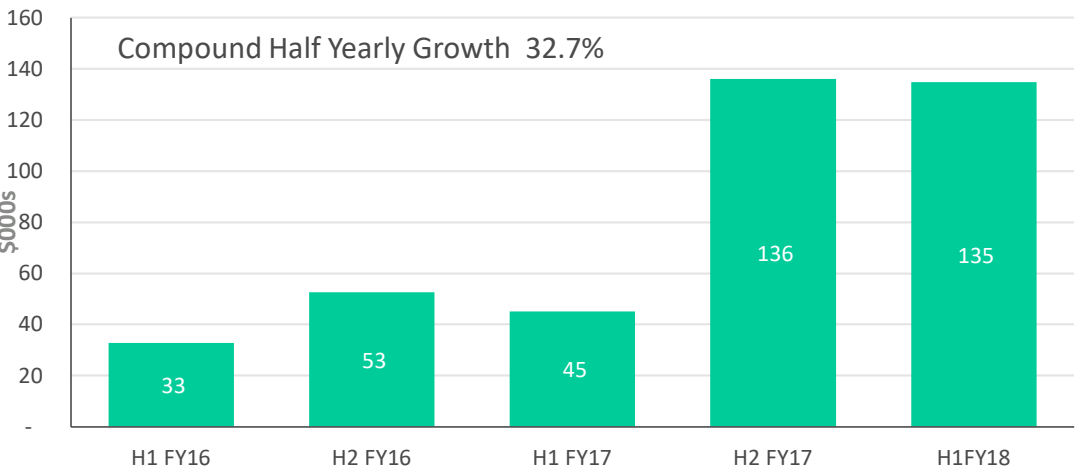
Revenue excluding interest income



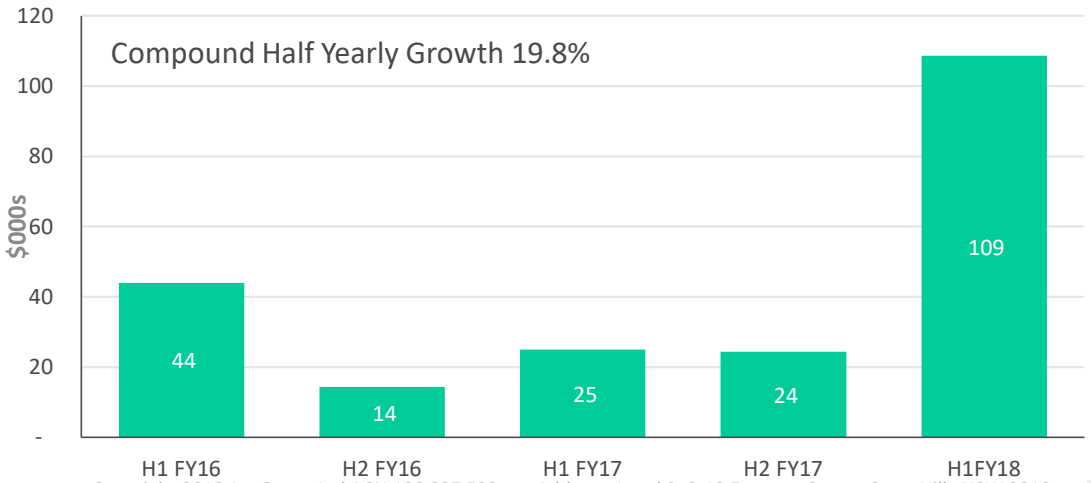
Subscription revenue



Usage fee revenue



Advertising revenue



1H FY18 Financial Results

Revenue excluding interest income for the first half of Financial year 2018 was \$1.7m, representing an increase of 76% on the first half of Financial year FY2017. Encouragingly the group saw strong growth in all four revenues streams including subscriptions revenues, usage fees, advertising and one-off fees.

The Group's Operating loss before tax and non cash items improved by \$0.2m, or 11% YoY. Revenue growth of \$0.7m was offset by additional expenses of \$0.5m.

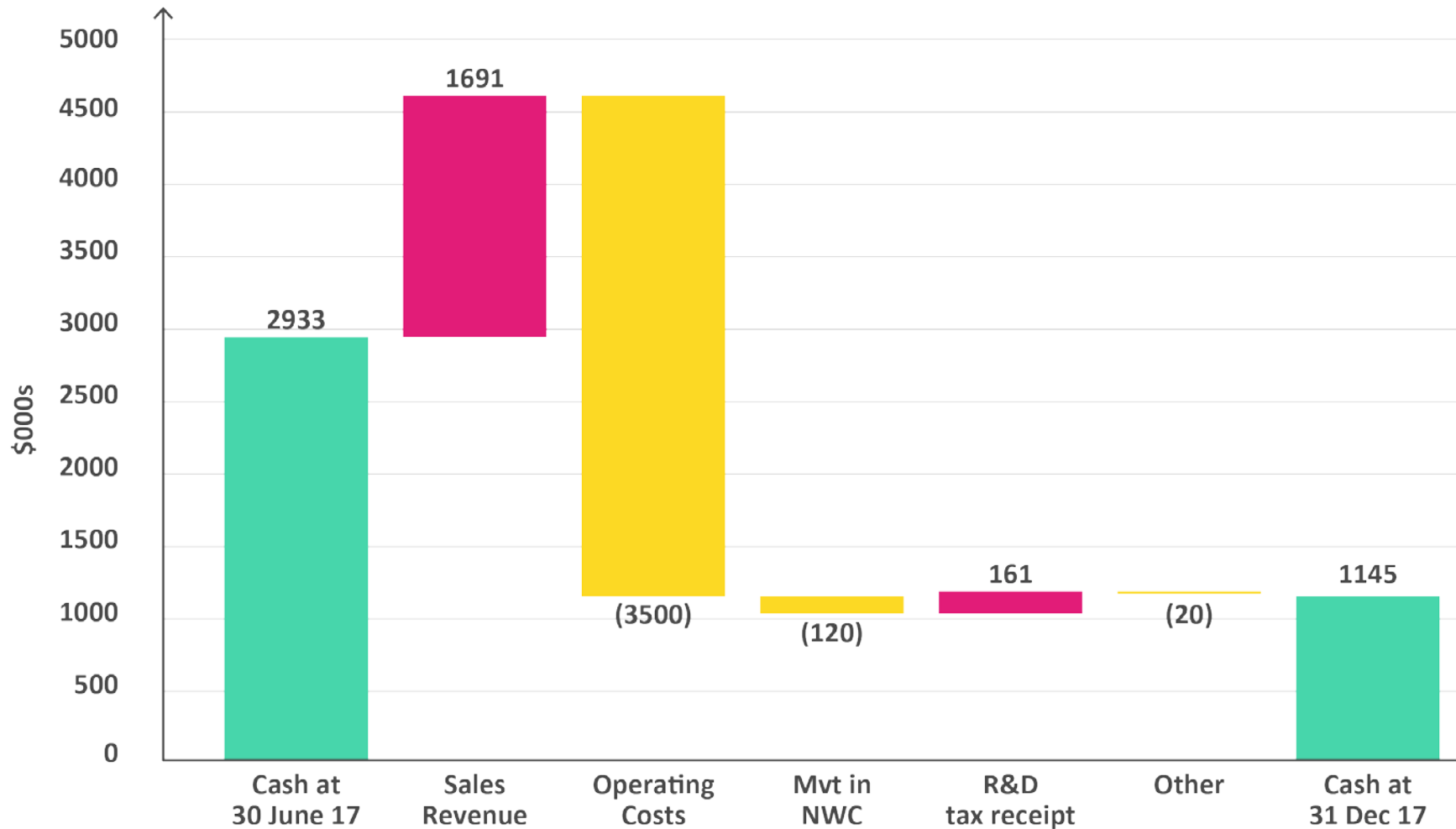
The main drivers of the additional expenses related to new product and platform growth that led to higher website and hosting costs, the build out of our offshore development centre, allowing us to continue product development efficiently and cost effectively, and marketing activities for existing markets and entry into new markets.

Going forward we expect our operating costs to be relatively stable, leading to a greater improvement in our operating performance.

\$000s	1H FY2018	1H FY2017
Revenue	1,691	958
Operating expenses before capitalised employee benefit expense	(3,500)	(2,980)
Operating loss before non cash items	(1,809)	(2,022)
Depreciation and amortisation expenses	(670)	(678)
Share-based payments	(84)	(90)
Net Finance costs	(16)	7
Net loss before tax benefit	(2,578)	(2,783)
Income tax benefit	207	(188)
Net loss after tax benefit	(2,371)	(2,596)

1H18 Cashflow Bridge

\$3.1m in available liquidity at 31 December 2017 with \$1.1m in cash and \$2.0m undrawn convertible note facility



Balance sheet

The Group had \$1.1m in cash and the Convertible note standby facility of \$2.0m remained undrawn, in total the Group has \$3.1m in available liquidity at the end of December.

The decrease in non current assets in the first half of financial year 2018 relates to the depreciation and amortisation expense for the period.

No material non current asset purchases have been made in the first half and all product development is expensed.

Total liabilities of the Group at 31 December 2017 remain in line with 30 June 2017.

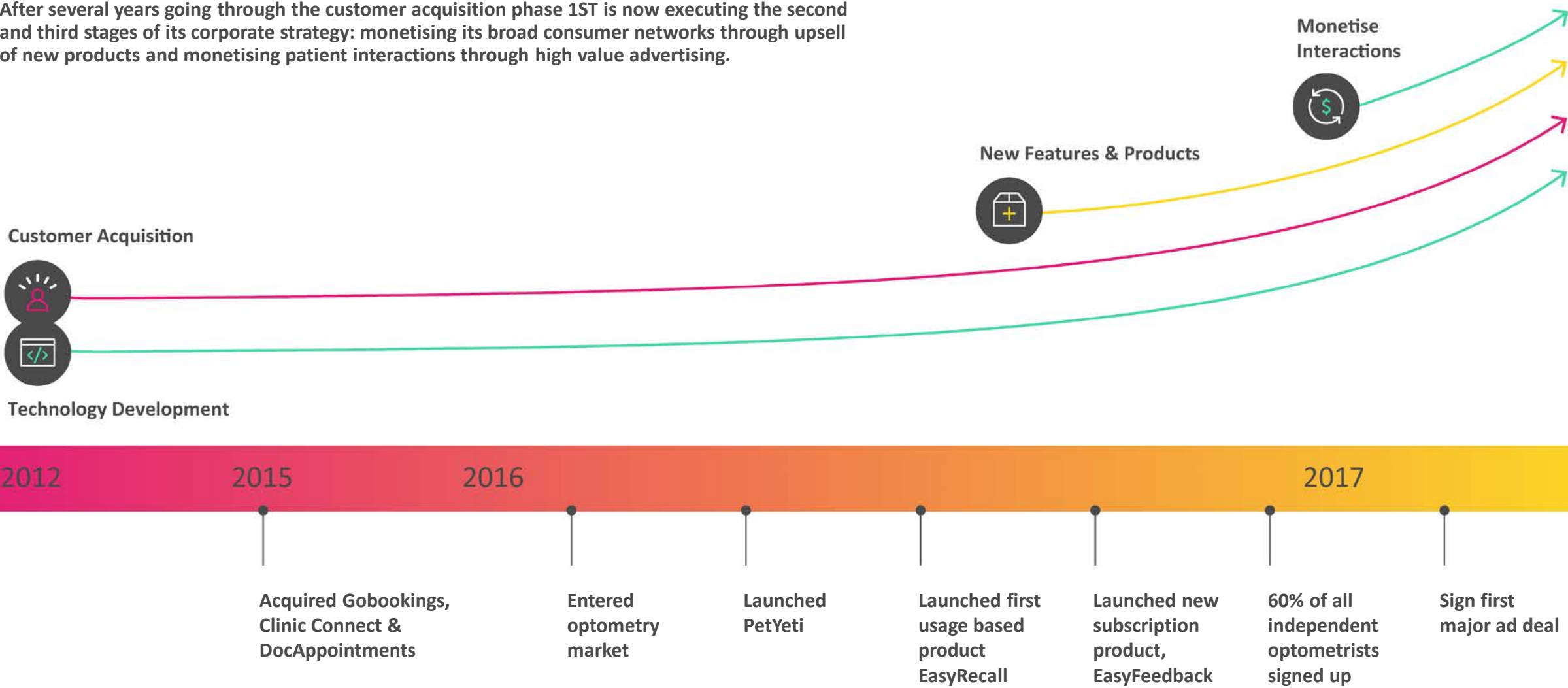
in \$000s	31 Dec 2017 \$	30 Jun 2017 \$
Current assets		
Cash and cash equivalents	1,145	2,933
Trade and other receivables	435	279
Income tax claim receivable	45	137
Other	165	205
Total current assets	1,790	3,554
Non-current assets		
Total non-current assets	4,443	5,108
Total assets	6,233	8,662
Total current liabilities	1,029	1,033
Total non-current liabilities	337	475
Total liabilities	1,366	1,509
Net assets	4,866	7,154
Total equity	4,866	7,154



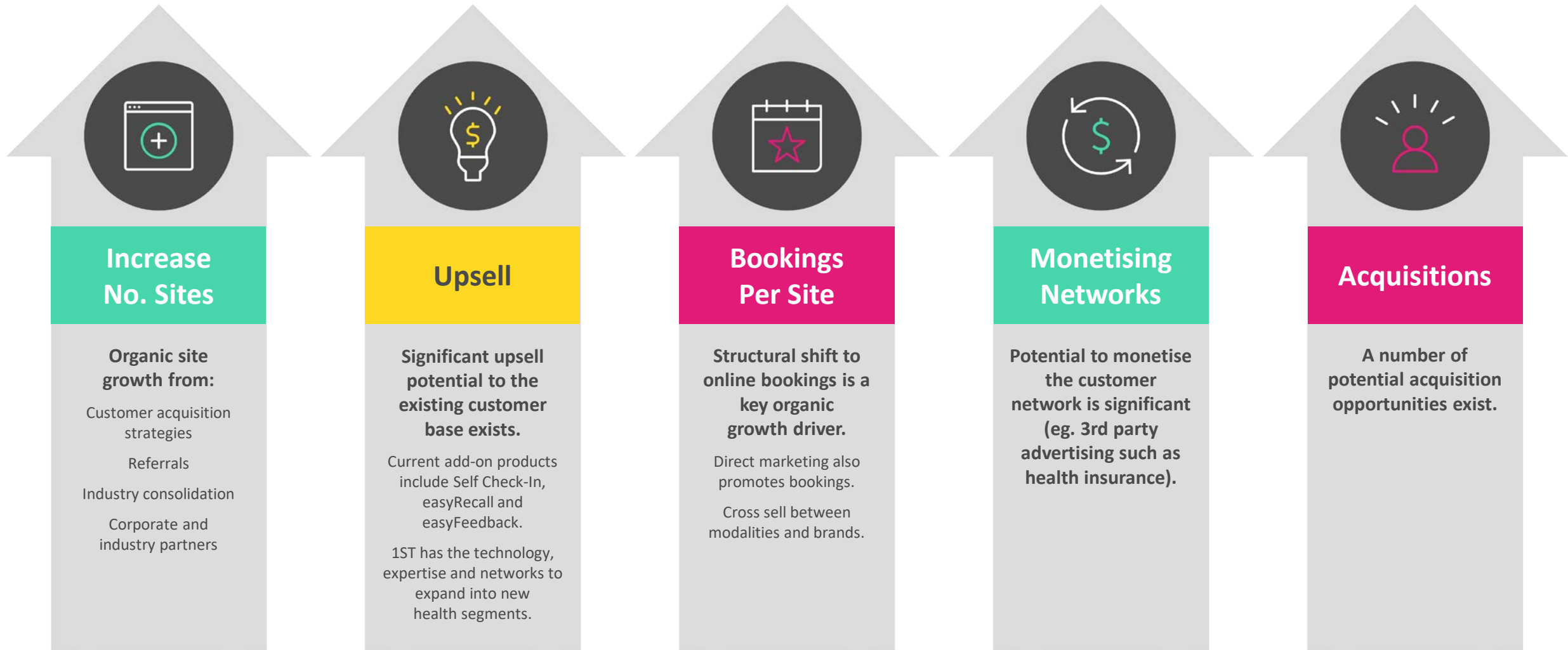
Growth Strategy & Outlook

Growth Strategy and Achievements

After several years going through the customer acquisition phase 1ST is now executing the second and third stages of its corporate strategy: monetising its broad consumer networks through upsell of new products and monetising patient interactions through high value advertising.

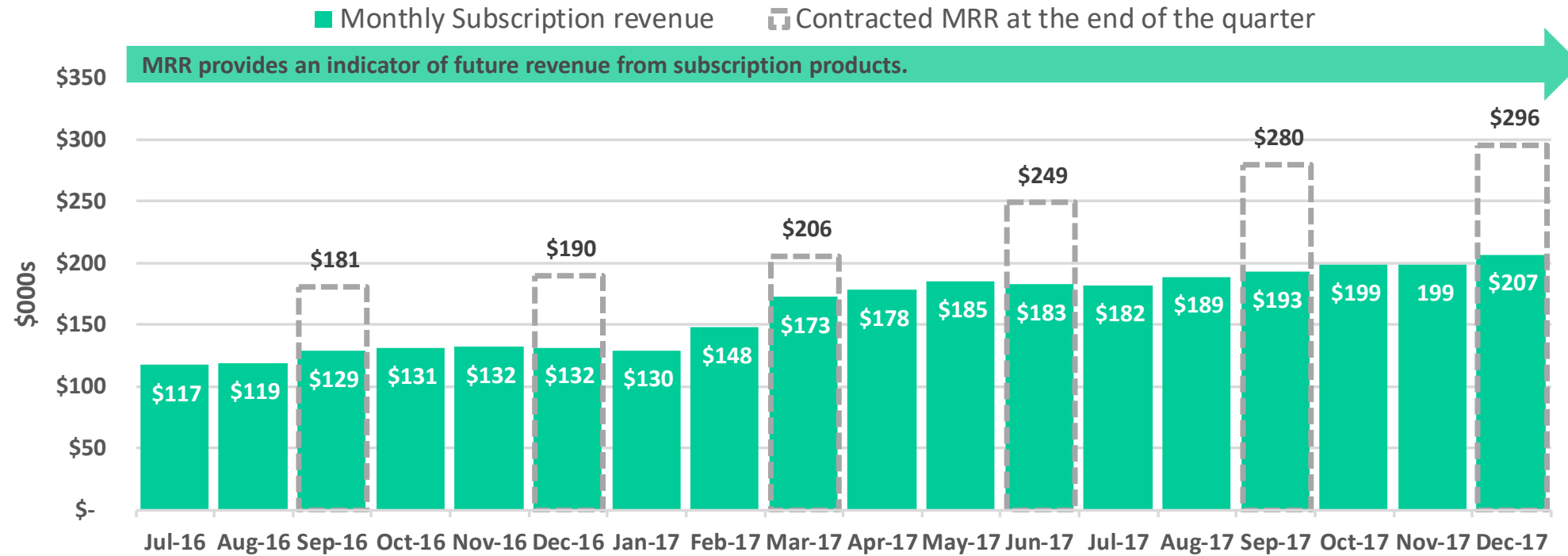


Multiple Growth Options



Subscription Revenue Growth

Strong Outlook for Continued Growth in Annuity Revenue



Drivers of Growth



Increase No. of sites



Upsell



60-70% Gross margin

Key Execution Priorities



Accelerate Growth

Accelerate further growth into markets we dominate



Upsell Customers

Upsell existing customers to new products and services



Improve On-boarding

Improve new customer on-boarding to reduce time to revenue



New Zealand Expansion

Expand operations into New Zealand market



Advertising Opportunities

Identify new advertising opportunities that leverage 1stGroup's unique market positions, technology and approach to high value advertising

Outlook



**Strong Growth
Momentum**



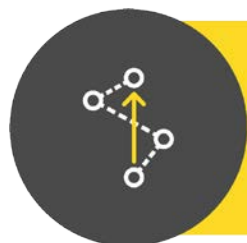
**Large Addressable
Markets > \$1.9B**



**Multiple
Growth Drivers**

Continue to deliver to our strengths; increase focus on key markets we dominate where we see significant upside potential; and drive real value for our customers/consumer users and advertisers while delivering our vision of becoming the most trusted way of connecting patients with their chosen healthcare services

Key Investment Considerations



- Revenue growth momentum
- \$1.1m cash at 31 December 2017
- Plus \$2m standby debt facility (undrawn)
- Directionally positive KPIs
- Costs stabilised



Large Addressable Markets > \$1.9B

- Online health services bookings market is > \$1.9b
- Includes online appointments, add-on products and services, and advertising



Multiple Growth Drivers

- Acquire new customers as they increase their online presence and digital profile through multiple products, including online appointments
- Upsell revenues as customers purchase additional products & services
- Booking migration from offline to online increases patient interaction points and monetization opportunities driving broader consumer engagement, cross-sell patients to other services, including PetYeti



Strong Recent Momentum

- Significant 1H FY18 year over year revenue growth
- Successful launch and expansion of advertising products



Significant Upsell Revenue Potential

- Upsell revenues are rising off a low penetration base
- Significant existing upsell customer opportunity
- Upsell consumer users to complementary services



Experienced Management Team

- Experienced leadership team
- Significant online experience – SEEK, HotelClub, Concur, Wotif.com, Realstate.com.au and others

Disclaimer

Important

By accepting receipt of this document, you (Recipient) agree to be bound by the following terms and conditions, including any modifications to them.

This presentation has been prepared by 1st Group Limited ACN 138 897 533 (1ST or the Company). Each Recipient of this presentation is deemed to have agreed to accept it is subject to the qualifications, limitations and disclaimers set out below.

None of 1ST and/or its subsidiaries or their respective directors, officers, employees, advisers or representatives (Beneficiaries) make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this presentation, including any forecast or prospective information. The forward looking statements included in this presentation involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, the Beneficiaries. Actual future events may vary materially from the forward looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on such forward looking statements.

The Recipient, intending investors and respective advisers, should:

- a) Conduct their own independent review, investigations and analysis of 1ST and of the information contained or referred to in this presentation;
- b) Seek professional advice as to whether an investment in 1ST is appropriate for them, having regard to their personal objectives, risk profile, financial situation and needs; and/or
- c) Nothing in this presentation is or is to be taken to be an offer, invitation or other proposal to subscribe for shares in 1ST.

The Recipient specifically agrees, understands and acknowledges that some of the information contained herein has been provided by third parties and the Beneficiaries accept no responsibility for any inaccuracy, misstatement, misrepresentation or omission in relation to that information.

Except insofar as liability under any law cannot be excluded, none of the Beneficiaries shall have any responsibility for the information contained in this presentation or in any other way for errors or omissions (including responsibility to any persons by reason of negligence).

This document is dated 28th February 2018.



Thank You

1stgrp.com • 1300 266 517

CEO • kbartosch@1stgrp.com • 0414992811

CFO • gmason@1stgrp.com • 0432207211

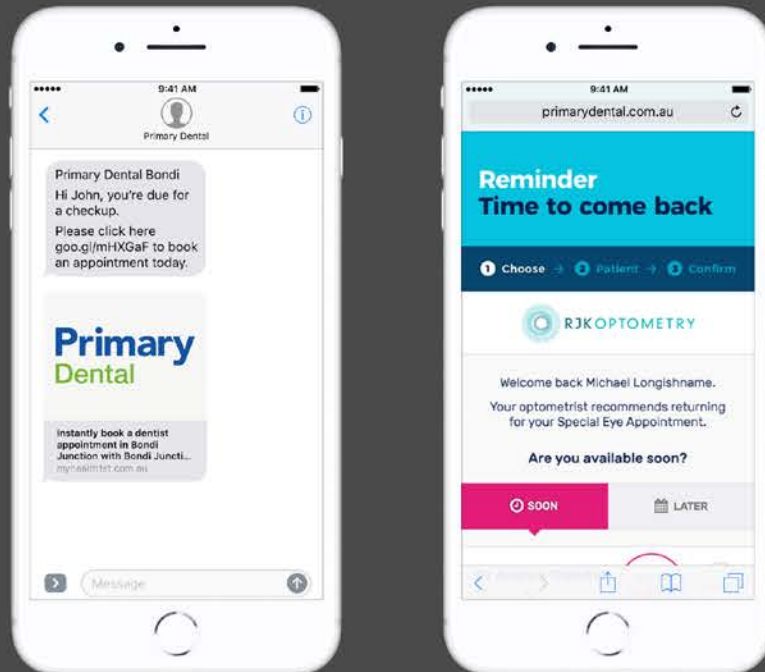


Appendix



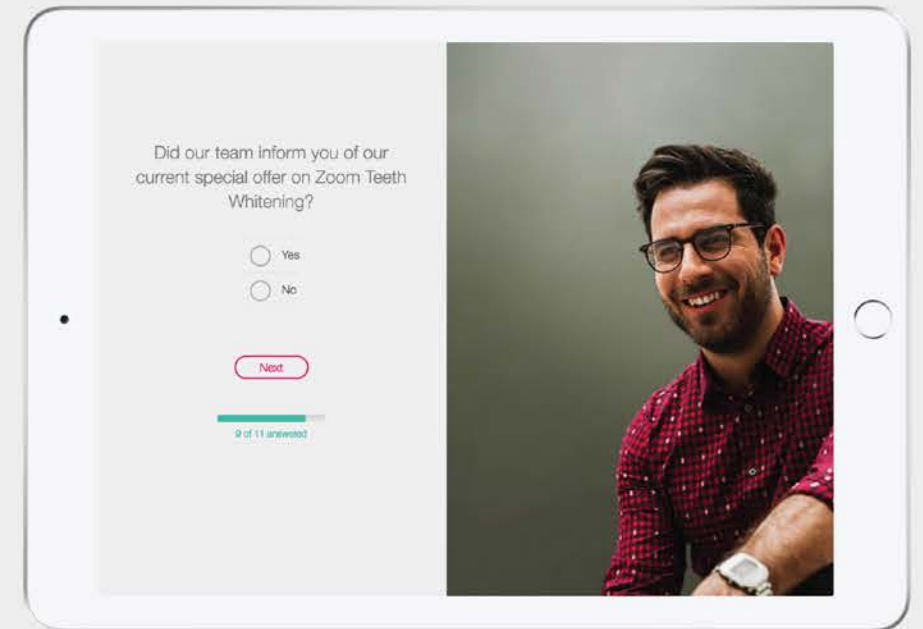
Our Products

Our Solutions in Action



SMS messages direct patients to book online instantly. The portal allows patients to update their contact details and practices receive instant results reporting.

Enabling
digital patient
channels



Integrated with practice software, post appointment feedback, NPS and compliance assessment.

Our Products

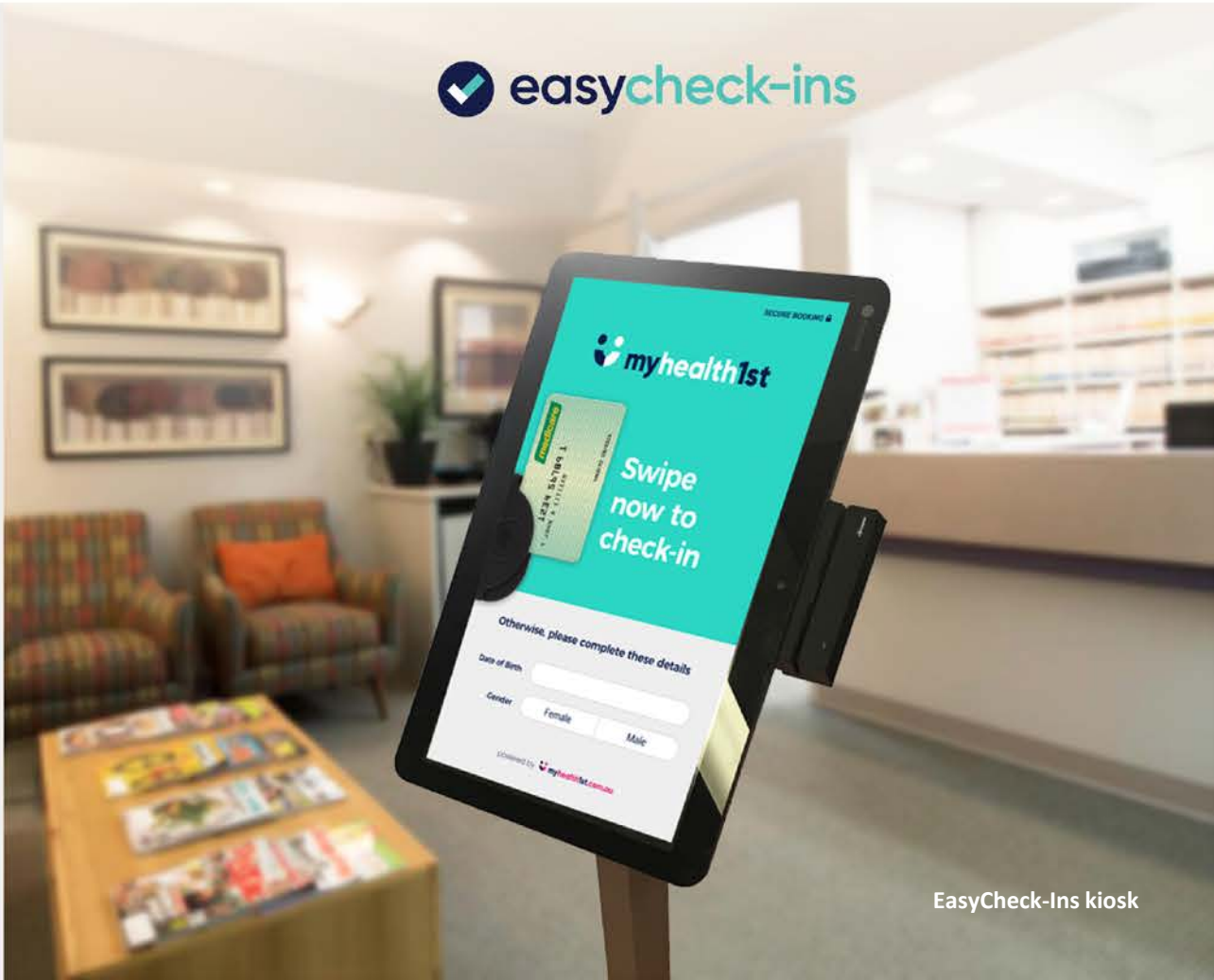
Our Solutions in Action



Powerful,
real-time
reporting
insights for
practices



1stInsights dashboard



EasyCheck-Ins kiosk

GoBookings

GoBookings is dedicated to delivering tailored interaction solutions for business, government, health and education sectors.

Our enterprise, cloud-based platform enables secure, efficient connections that deliver customer satisfaction and business profitability.

Our flexible solutions are supporting health service businesses such as UHG, SMG Health, hospitals, pharmacies and others to deliver services to their customers.



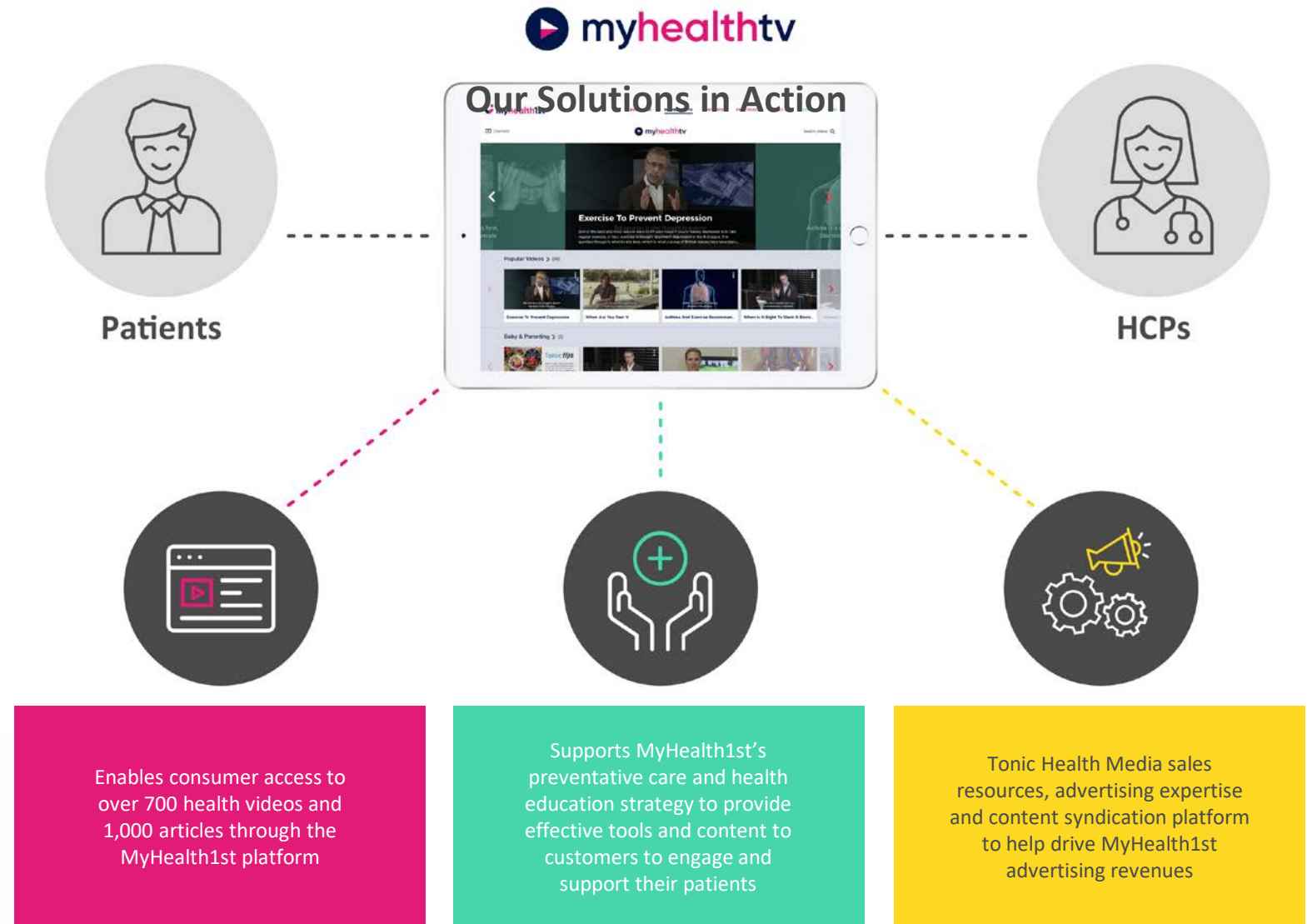
MyHealthTV

Partnering for Preventative Care

In June 2017 1stGroup launched MyHealthTV & Healthcare Guide.

This powerful advertising and health content partnership formed between MyHealth1st and an Australian leading health advertising and content provider, Tonic Health Media.

Tonic's content syndication platform will continue to grow with premium content partners joining the network.



Our Solutions in Action

Advertising

Helping Health Care Practitioners (HCPs) improve the patient experience at every stage of their healthcare journey. The right promotions at the right moment for profitable, meaningful, high-value advertising.

