

1st Group FY22 Full Year Results

Positioned for growth into FY23

Highlights

- **Results for the year to 30 June 2022:**
 - Revenue \$5.09m, down 6.6% from \$5.45m in FY21
 - reflecting VIC and NSW Covid lockdowns in Q1; and
 - pharmacy customer cancellations that impacted Q3
 - Loss, before impairment charges, was (\$3.74m), greater by 14% from (\$3.28m) in FY21
- **Private hospital strategic channel partnership updates:**
 - St Vincent's – expansion into VIC commenced
 - Cabrini Health specialist onboarding continues
 - Saint John of God pilot in two hospitals in progress
- **Optometry market strategic partnerships - contact lens sales booster programs:**
 - The phase 1 programs with two major contact lens manufacturers have commenced
 - Subject to performance, expected to expand and extend into phase 2 in Q2 FY23
- **Visionflex integration completed and poised for strong sales growth in FY23:**
 - Visionflex transaction completed 16 June 2022
 - Integration of operations completed
- **Revised FY23 Strategic Roadmap:**
 - Maturing strategic channel partnerships with private hospital, optometry and telehealth partners continuing to drive sales of the Company's products and services
 - Growing global pipeline of Visionflex telehealth and diagnostic solutions sales and international distribution channels to support increased revenue growth in FY23

FY22 a year of change for 1st Group

During the year we reduced costs, managed through the impacts of COVID 19, and executed on our strategic roadmap - including the completion of the acquisition of Australian telehealth company Visionflex and an associated \$2.5m placement, positioning 1st Group for stronger growth in FY23.

Financial Results (Unaudited)

	30 June 2022	30 June 2021
	\$	\$
Revenue	5,088,167	5,446,876
Expenses		
Loss on disposal of assets	-	(26,068)
Advertising and marketing expenses	(215,461)	(468,767)
Professional and consulting fees	(573,487)	(673,246)
Operations and administration expenses	(3,501,012)	(3,088,806)
Employee benefits	(4,144,218)	(4,274,668)
Depreciation and amortisation expenses	(25,329)	(172,480)
Impairment of assets	(3,083,565)	(3,187,153)
Finance costs	(343,364)	(203,832)
Loss before income tax	(6,798,269)	(6,648,144)
Income tax	(23,670)	179,435
Loss after income tax for the year attributable to the owners of 1st Group Limited	(6,821,939)	(6,468,709)
Loss after income tax before impairment	(3,738,374)	(3,281,556)

Loss after income tax benefit before impairment charges, was \$3.74m, up from \$3.28m in FY21.

Revenue of \$5.09m was \$359k (6.6%) lower than the prior corresponding period. Revenue includes \$255k of Visionflex revenue for the period 17 to 30 June, this has been revised down from \$285k in the quarterly announcement due to an end of year revenue recognition adjustment.

Operating expenses excluding impairment charges, and including Visionflex for the period 17 to 30 June, were \$105k (1%) lower than the prior corresponding period. Excluding Visionflex, operating costs for FY22 reduced by \$0.32m (3.5%) from FY21.

Goodwill and intangible assets related to the acquisition of Visionflex were written down (as the recoverable amount based on the value-in-use calculated using a discounted cash flow model is lower than the carrying amounts for those assets). The Company considered this a prudent approach to addressing the relevant accounting considerations (the challenges of maintaining an intangible asset on the balance sheet, in the light of uncertain future incomes), which also materially simplifies the Company's balance sheet. However, the Board and Management continue to see significant potential in the Visionflex business and anticipates strongly growing sales across FY23. The combination of businesses should drive significant future value.

As the impairment calculation resulted in a non-cash adjustment, it had no impact on the Company's cash flows for the year.

Outlook

1st Group is now positioned for stronger growth in FY23.

1st Group's revised strategy since the Visionflex acquisition and combined larger customer base provides new opportunities to expand its position in the allied and specialists markets and grow its newly acquired Visionflex telehealth and remote diagnostics solutions into local and international markets.

This announcement has been approved for release by the Board of Directors.

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About 1st Group Ltd

1st Group is an ASX listed digital health group building Australia's leading health services marketplace, MyHealth1st.com.au, Australia's online pet service marketplace PetYeti.com.au and corporate, government solutions platform GoBookings.com and world class telehealth platform Visionflex. 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, GoBookings.com and Visionflex.com