

1st Group FY21 Full Year Results

4E Preliminary Report – 10% revenue growth despite COVID-19 delays, positioned for momentum into FY22

Highlights

- **Growth since June 2020:**
 - Revenue up 10%, COVID-19 delayed major project revenues during the year
 - Annual Recurring Revenue (ARR) of \$5.93m, up 9% from \$5.45m at 30 June 2020
 - Loss after income tax for the year, before impairment charges, was (\$3.28m), reduced by \$34% from (\$5.01m) in FY20
- **Private hospital strategic channel partnership updates:**
 - St Vincent's – expansion into QLD commenced onboarding in Q4 FY21
 - Cabrini Health specialist commenced onboarding in Q4 FY21
- **Buy Now Pay Later strategic channel partnerships:**
 - Successful completion of Openpay pilot ahead of schedule
 - phase 2 market expansion to kick off in 1H FY22
 - Partnerships also secured with Afterpay and Latitude Pay
 - Afterpay pilot commenced in Q4 FY21, both partners to move to phase 2 expansion in 1H FY22
- **FY22 growth:** supported by maturing strategic channel partnerships with private hospital and BNPL groups in 1H FY22, driving the uptake of the Company's products and services

Positive year for 1st Group despite COVID-19

FY21 was a positive year for 1st Group. We reduced costs, grew revenue, executed on our strategic roadmap and positioned 1st Group for stronger growth in FY22.

Ongoing COVID-19 lockdowns slowed decision making among our current and prospective customers and are creating some uncertainty during the early part of 1H FY22 as we ramp up our strategic channel partner programs. However, we are now seeing projects resume, underpinning our positive outlook for FY22.

Our growth in FY21, and stable customer base and revenues despite COVID-19, reflect the outstanding and trusted 1st platforms and service we deliver to our clients. A number of strategic partnerships were established in FY21 which will provide efficient and influential channels to market in key areas over FY22.

We are approaching this current financial year with a newly energised management team, supported by the Board, and are optimistic about the opportunities ahead and the ability of 1st Group to capture those opportunities.

Financial Results (Unaudited)

| | 30 June 2021 | 30 June 2020 |
|---|--------------|--------------|
| | \$ | \$ |
| Revenue | 5,446,876 | 4,950,003 |
| Expenses | | |
| Loss on disposal of assets | (26,068) | (812) |
| Advertising and marketing expenses | (468,767) | (1,251,699) |
| Professional and consulting fees | (673,246) | (629,127) |
| Operations and administration expenses | (3,088,806) | (3,450,342) |
| Employee benefits | (4,274,668) | (4,337,651) |
| Depreciation and amortisation expenses | (172,480) | (159,108) |
| Impairment of assets | (3,187,153) | - |
| Finance costs | (203,832) | (164,808) |
| Loss before income tax benefit | (6,648,144) | (5,043,544) |
| Income tax benefit | 179,435 | 36,504 |
| Loss after income tax benefit for the year attributable to the owners of 1st Group Limited | (6,468,709) | (5,007,040) |
| Loss after income tax benefit before impairment | (3,281,556) | (5,007,040) |

Delivering operating leverage

Loss after income tax benefit before the impairment charges, was \$3.28m, reduced from \$5.01m in FY20.

Operating expenses excluding impairment charges, were 11% lower than the prior corresponding period, as compared to total revenue growth of 10% for the year.

During the year, goodwill and intangible assets related to our Corporate and Government cash generating unit (CGU), 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 amount of that CGU. As this was a non-cash adjustment it had no impact on the Company's cash flows for the year.

Outlook

We are confident in 1st Group's accelerated growth potential for FY22.

The strategic partnerships are expected to mature in FY22 after COVID-19 delays. These will add material additional revenues and underpin our increased momentum and growing scale.

1st Group continues to deliver on its strategy to grow market share in chosen verticals. New verticals aligned with major partners in new market segments (e.g. as seen in our recent BNPL agreements) will also accelerate new customer acquisition throughout FY22.

We will continue to expand our market presence and start to monetise more of the consumer interactions on our platforms in ways that add significant value to our clients.

This announcement has been approved for release by the Board.

Further information

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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 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.