

1stAvailable announces H1 FY16 Results

Continued Strong Momentum Across the Business

HIGHLIGHTS

- Revenues increased from \$76k to \$912k, relative to the previous corresponding period (PCP), driven by acquired businesses and strong underlying business momentum
- Successful integration of three acquisitions Clinic Connect, DocAppointments and GOBookings
- Group Monthly Recurring Revenue (MRR) increased 34% to \$153k from 30 June 2015 to 31 December 2015, representing \$1.8m of recurring revenue on an annualised basis excluding variable revenue
- Customer numbers increased 20% to 733
- Strong operational growth expected to continue into H2 FY16, with new product releases, new customer contracts and continued investments in strategic growth initiatives

1st Available Limited (ASX: **1ST**) ('The **Company**', '**1stAvailable**', or '**1ST**'), Australia's premier healthcare and corporate online search and appointment booking service, is pleased to provide its H1 FY16 financial report for the six months ended 31 December 2015.

Overview

FY15 was a transitional year for the Company, with a significant number of operational and strategic milestones achieved. The H1 FY16 results largely reflect the operational uplift from the Company's three new businesses, Clinic Connect, DocAppointments and GOBookings, which were acquired at the end of May 2015.

Furthermore, the Company completed the integration of these three acquisitions in October 2015 ahead of management expectations. Key integration activities completed include:

- Back office functions integrated;
- Sales, activation and support centralised; and
- Hosting migrated to Amazon Web Services (AWS) platform.

The Company's positive momentum seen in FY15 has continued into H1 FY16 with both its Private Practice and Corporate & Government business divisions, delivering strong results. Our Corporate & Government business added a number of new customers including Macquarie University, TAL and Betts Group as well as several councils including Blacktown City Council, City of Melbourne and City of Canada Bay Council. In Private Practice we saw strong growth in Allied Health driven by our PMS and distribution partners coupled with direct sales activities, in addition to continued momentum within the GP sector.

2 Financial and Operational Results

AUD \$000s	H1 FY16	H1 FY15	Change (%)
Revenue	912	76	1,099
Operating expenses	(2,465)	(1,107)	123
Loss before tax and non cash items	(1,553)	(1,031)	51
Non cash expenses			
Share based payments	(239)	(203)	18
Depreciation and amortisation expenses	(535)	(185)	189
Finance costs	(14)	(31)	55
Net loss before tax benefit	(2,341)	(1,450)	61
Income tax benefit	315	157	101
Net loss after tax benefit	(2,026)	(1,293)	57

KPIs \$000's	As at 31 December 2015	As at 30 June 2015	Change (%)
Monthly Recurring Revenue (MRR)			
Private Practice	73	52	40
Corporate and Government	80	62	29
Group MRR	153	114	34
Appointment Books			
Private Practice	2,637	2,280	16
Corporate and Government	4,582	2,970	54
Total	7,219	5,250	38
Customers	733	610	20

Revenue increased significantly from \$76k to \$912k compared to the prior corresponding period. This result was predominantly driven by the acquisitions of Clinic Connect, GObookings and DocAppointments. In addition to the acquisition effect, positive organic growth was achieved across both our Private Practice and Corporate & Government business divisions which delivered 40% and 29% growth in MRR respectively compared to 30 June 2015.

The **Loss before tax and non cash expenses** was **\$1.6m** an increase of 51% and was impacted by:

- Higher employee benefits of \$0.8m from the additional staff from Clinic Connect, GObookings and DocAppointments and strengthening the management team, which grew from 2 to 6;
- Higher Operations and Administration expenses of \$0.4m from the integration of the acquisitions and ongoing costs associated with being a listed Company from June 2015;
- Increased investment in advertising and marketing of \$0.2m to drive new customer acquisition in Private Practice.

Non cash items and income tax benefit were impacted by:

- An increase in amortisation costs of \$0.4m as a result of the completion of the acquisition accounting of the three acquired businesses; and
- An increase in the income tax benefit attributable to an expected higher R&D tax offset for FY16 and release of the deferred tax liability recognised on Customer contracts and technology platforms in the GObookings, Clinic Connect and DocAppointment acquisitions.

Balance Sheet

During the period, the Company finalised the acquisition accounting for the GObookings, Clinic Connect and Doc Appointment acquisitions as follows:

AUD \$000's	At date of acquisition		Change \$000s
	Current	As previously stated	
Business Combinations Fair Value			
Other net assets and liabilities acquired	162	186	(24)
Customer contracts - cost	1,400	-	1,400
Technology platform - cost	1,672	-	1,672
Deferred tax liability	<u>(921)</u>	-	<u>(921)</u>
Net assets acquired	2,313	186	2,127
Goodwill	<u>3,018</u>	<u>5,145</u>	<u>(2,127)</u>
Acquisition consideration	5,331	5,331	-

Refer to note 10 in the half year report for further details.

R&D tax receivable increased \$237k due to the recognition of the R&D tax offset for the period to 31 December 2015 and the delayed receipt of the FY15 R&D offset refund. The FY15 refund was received in January.

Trade and other payables decreased by \$409k to \$474k as a result of the settlement of the deferred consideration of the GObookings acquisition in the period of \$316k. Half of the consideration was cash settled with the remaining balance settled through the issue of additional equity.

Cash flow

During the period, 1stAvailable took the opportunity to strengthen its cash position and successfully raised \$1.2m (before costs) via a private placement in November 2015. The new capital raised from the private placement was used to support 1stAvailable's financial flexibility and strengthen existing working capital as the Company continues to grow its business.

The Company exited H1 FY16 with a cash balance of approximately \$2.0m. As previously stated, this cash balance was bolstered by a R&D offset refund of \$405k, received in January 2016 following the close of the period.

1stAvailable's monthly cash burn rate has progressively improved over the last 6 months from \$489K in Q1 FY16 to \$367K in Q2 FY16. In addition, the Company expects the full impact of operational efficiencies, new sales revenue and higher seasonal revenues will help reduce cash burn further in H2 FY16.

4 Strategic Priorities and Outlook

FY16 has started with positive momentum from 1stAvailable's Private Practice and Corporate & Government divisions and this momentum has continued into H2 FY16. As indicated in the Company's Q2 FY16 results, new customer agreements and industry partnerships are expected to be the key driver of business momentum going forward.

Additionally, H2 FY16 has begun with a number of significant contract wins including ASX-listed Primary Health Care and a new exclusive distribution partnership with Australian Traditional Medicine Society (ATMS), which are expected to bolster revenue generation during the period.

As previously indicated, despite the expected seasonal slow-down in new sales activity from Q2 to Q3 FY16, the management team are confident of increasing sales as the second half of the financial year is traditionally a stronger revenue period for its Corporate & Government business division which has historically seen an uplift in revenues due to increased appointment books associated with the flu season. Positive early signs of this seasonal pattern are already being seen.

- ENDS -

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About 1st Available Limited - www.1stavailable.com.au

1stAvailable provides a convenient, easy to use, online search and appointment booking service in Australia for the healthcare, corporate and government markets. In addition to our Software-as-a-Service (SaaS) solutions, 1stAvailable.com.au is a portal and suite of mobile apps specifically designed to service the healthcare industry that enables patients to book their appointments with their preferred healthcare provider through 1stAvailable's service online, 24 hours a day, 7 days a week from any internet-connected device such as a smartphone, tablet or personal computer. Through our healthcare solutions, we enable early intervention, support continuity of care and encourage good patient choices. We are passionate about improving patient care, healthcare practice and doctor productivity.