



14 November 2018

Dear Optionholder

### **Notification to Optionholders**

On 14 November 2018, 1st Group Limited ACN 138 897 533 (**ASX:1ST**) (**Company**) announced a partially underwritten 2 for 5 (2 new shares for every 5 existing shares) non-renounceable pro-rata entitlement offer pursuant to which the Company will raise up to approximately \$2.48m (before costs and expenses) (**Entitlement Offer**).

The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth) (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*).

Under the terms of the Entitlement Offer, only shareholders of the Company with a registered address in Australia or New Zealand on or before 7pm of 19 November 2018 (**Record Date**) will be invited to participate in the Entitlement Offer (**Eligible Shareholders**). Eligible Shareholders will be invited to subscribe for two (2) new fully paid ordinary shares in the Company (**Shares**) for every five (5) Shares by held by the shareholder at an issue price of 3 cents (\$0.03) per Share (**Entitlement**).

The Company will lodge an offer booklet for the Entitlement Offer (**Offer Booklet**) with ASX on or before 22 November 2018. It is anticipated that the Offer Booklet and the accompanying personalised Entitlement and Acceptance Form will be mailed to Eligible Shareholders on or before 22 November 2018. The Offer Booklet may be viewed on the ASX's website at [www.asx.com.au](http://www.asx.com.au) (by searching for the Company's ASX ticker code, 1ST).

### **Optionholders**

The terms and conditions of the options you currently hold do not entitle you to participate in the Entitlement Offer unless you exercise your options in time for new Shares to be allotted and to be entered on the Company's register of members on or before 7pm of the Record Date, being 19 November 2018.

The purpose of this letter is to provide you with notice prior to the Record Date in which you may exercise your options should you wish to participate in the Entitlement Offer.

Please note that if you are an existing Eligible Shareholder, then you do not have to exercise your options to participate in the Entitlement Offer. However, your Entitlement would be less, compared to if you had exercised your options.

If you are not a shareholder of the Company and you wish to participate in the Entitlement Offer, you must validly exercise your options and the Company must receive funds for the exercise in accordance with the terms of your options before the Record Date.

### **Further details of the Entitlement Offer**

The Entitlement Offer is partially underwritten by a group of non-associated investors, which includes Mr John Plummer (existing substantial shareholder of the Company), and existing and proposed directors and management of the Company, (collectively, the **Underwriters**) for up to approximately \$567K of the Entitlement Offer.

In addition, several existing shareholders of the Company (including Mr Plummer and Mr Ian Moore) and existing directors and management of the Company, have committed to taking up all or part of their entitlements under the Entitlement Offer, which, combined with the amount underwritten by the Underwriters, means the Company will raise a minimum of approximately \$1.54m under the Entitlement Offer.

Mr Plummer, an existing substantial shareholder who currently holds 30.72% of the total issued share capital of the Company, has committed to subscribing for his full entitlement under the Entitlement Offer of \$762,705.66 and has also agreed to partially underwrite the shortfall (if any) up to \$237,294.33. All of the funds raised from Mr Plummer's subscription under the Entitlement Offer (including any amount underwritten), will be immediately used to set-off against the existing debt owed to Mr Plummer by the Company under the Debt Facility Agreement announced on 2 August 2017. Therefore, following completion of the Entitlement Offer, the debt owed to Mr Plummer will be reduced by a minimum of \$762,705.66 and a maximum of \$999,999.99. Accordingly, no cash will be raised by the Company as a result of this part of the Entitlement Offer, but it will have the effect of reducing the Company's debt and improving its balance sheet.

The proceeds from the Entitlement Offer will be used by the Company as follows:

- as noted above, A\$1 million will be used to reduce the Company's current loan facility with Mr John Plummer;
- to pay the costs of making the Entitlement Offer; and
- the remaining balance will be used to fund ongoing working capital and expansion of the business.

As a result of the Entitlement Offer, the number of Shares in the Company is projected to increase from 206,884,408 Shares up to approximately 289,638,171 Shares (subject to rounding, and assuming the full amount is raised). The Shares issued under the Entitlement Offer will be fully paid and will rank equally with the Company's other fully paid ordinary shares on issue. The Company has made an application to the ASX for official quotation of the maximum number of Shares that could be issued under the Entitlement Offer (i.e. up to approximately 82,753,763 Shares).

Eligible Shareholders can choose to take up all, part or none of their Entitlement. As the Entitlement Offer is non-renounceable, this means that Eligible Shareholders who do not take up their entitlement to participate in the Entitlement Offer will not be able to transfer or receive any value for those entitlements, and their equity interest in the Company will be diluted.

The Entitlement Offer will include a shortfall facility under which Eligible Shareholders who take up their full entitlement will be invited to apply for additional Shares in the Entitlement Offer from a pool of those entitlements not taken up by other shareholders of the Company (**Shortfall Facility**). There is no guarantee that applicants under this Shortfall Facility will receive all or any of the additional Shares applied for under the Shortfall Facility, and sole discretion with respect to allocation remains with the Board.

If a shortfall exists, it is anticipated that the Shares under the Shortfall Facility will be allocated as follows:

- (a) firstly, to Eligible Shareholders who apply to take up additional new Shares in accordance with the terms of the Shortfall Facility;
- (b) secondly, to the Underwriters; and
- (c) lastly, to other non-related investors who may be invited to subscribe for the new Shares.

Eligible Shareholders wishing to participate in the Entitlement Offer should carefully read the Offer Booklet and accompanying personalised Entitlement and Acceptance Form which are expected to be dispatched on or before 22 November 2018.

### **Key Dates of the Entitlement Offer**

<b>Event</b>	<b>Date*</b>
Announcement of Entitlement Offer	Wednesday, 14 November 2018
Ex-date for Entitlement Offer	Friday, 16 November 2018
Record Date	Monday, 19 November 2018
Entitlement Offer opens	Thursday, 22 November 2018
Dispatch of Offer Booklet and application form	
Entitlement Offer closes ( <b>Closing Date</b> )	Monday, 3 December 2018
Shares quoted on a deferred settlement basis	Tuesday, 4 December 2018
Announcement of shortfall (if any) under the Entitlement Offer	Thursday, 6 December 2018
Issues of shares under the Entitlement Offer (excluding the shares to be issued to the Underwriters)	Monday, 10 December 2018
Dispatch of holding statements	Monday, 10 December 2018
Commencement of trading of new shares	Monday, 10 December 2018
Issue of shortfall shares to the Underwriters	Tuesday, 18 December 2018

*\*The above timetable is indicative only and subject to change. The quotation of shares is subject to ASX approval. Subject to the ASX Listing Rules and Corporations Act and other applicable laws, the Company reserves the right to vary these dates, including the Closing Date, without notice, including extending the period of the Entitlement Offer or accepting late applications, either generally or in particular cases or bringing forward the Closing Date at its discretion. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the shares under the Entitlement Offer.*

For more information, please contact the undersigned on +61 2 8072 1400.

Yours faithfully



**Andrew Whitten**  
Company Secretary

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**Further information****Klaus Bartosch**

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**About 1ST Group Limited**

1st Group is an ASX listed digital 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. 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](http://1stGrp.com), [MyHealth1st.com.au](http://MyHealth1st.com.au), [PetYeti.com.au](http://PetYeti.com.au) and [GoBookings.com](http://GoBookings.com).