

AGM – Chairman’s Speech

Let me begin by saying despite challenges from the bushfires and the unprecedented COVID-19 pandemic FY20 has been a positive year for 1st Group.

Prior to the bushfires in Q2 and COVID-19 at the end of Q3, 1st Group was trading strongly, and work was progressing on our three major landmark contracts secured in FY19 – Benestar, Medibank and St Vincent’s. The bushfires delayed the Benestar agreement due to the increased demands on their business and the other two deals were slowed because of COVID-19. Our immediate priority was the safety of our staff and we moved very quickly to a complete working from home environment. Despite these challenges we achieved reasonable growth in FY20 which is a tribute to the quality of our platforms and the trusted propositions we deliver to our clients. We are proud of the positive feedback and high Net Promoter Scores we receive from our customers. We regularly receive NPS scores in the high sixties. A highlight of FY20 was our securing of partnerships with both Afterpay (ASX: APT) and Openpay (ASX: OPY). These agreements are evidence of the strength of our value propositions to key health sector participants and should help future revenue growth.

1st Group’s total revenue in FY20, was \$4.95 million, up by 25% on FY19. Our growth was driven by increases in customer sites, up 16% to 11,334 by June. The Group’s after-tax loss of \$5.0 million was an increase from the prior years’ loss of \$4.3 million due to up front investments we made to gear up for our landmark deals, from which we expect to receive increasing revenue in the current financial year.

At this, my last annual general meeting as chairman, I would like to highlight several of the significant milestones we achieved in the past year that I believe help position 1st Group for future success.

We made solid progress in delivering our vision to provide consumers with a simpler and more convenient way to connect and interact online with healthcare practitioners and improve consumers’ health through a range of products, services and trusted healthcare content. Significantly, we have now passed the milestone of facilitating over 13 million online appointments since launching our service in 2012.

Generally, we advanced our penetration in the markets we dominate: pharmacy, independent optometry and vet/pet services and we are set now to make significant inroads in our next chosen verticals, being

dentistry, psychology and specialists. Site acquisition lays the foundation for upsell and cross-sell opportunities, enabling 1st Group to drive additional value and revenues from its customer relationships.

We also continued our product development. We have come a long way during the last four years at the beginning of which, 1st Group's primary products were our online appointment booking platforms. We have progressively released additional products, including easyFeedback, easyRecalls, easyCheckin Kiosks, 1st Insights Business Intelligence and Advertising including digital advertising management services. In response to the COVID-19 pandemic we introduced an easyTelehealth video consultation product. As these new products gain market traction and are introduced to our existing customers, we expect to see the total number of products per site and therefore revenue per site increase.

We are particularly proud of the endorsements of our growing customer base and our high retention rates. At the end of the year our retention rate was 94%. These endorsements are built on trust. I cannot stress how importantly we take this at 1st Group. Respecting privacy and data protection are critical to maintaining customer loyalty. This trust is the foundation of our business model and contributes to our competitive advantage. With this commitment to trust embedded in our DNA, we are well placed to continue to service and retain our customers and deliver growth and value for shareholders.

Strategically, we are now implementing the third stage of the Group's corporate strategy; monetising our growing customer networks but in a way that adds value back to our customers' businesses and not only to our own. This strategic approach strongly differentiates 1st Group's products and services in the market.

We are confident in 1st Group's growth potential for FY21. The landmark agreements are expected to mature in FY21 after the COVID-19 delays – these will add material additional site revenues and underpin increased momentum and growing scale.

1st Group continues to deliver on its strategy to acquire sites in its chosen verticals and the addition of new partners provides us with the opportunity to acquire sites throughout FY21 in new verticals aligned with those partners (e.g., as seen in our recent Openpay agreement). We are pleased also that our major partners are supporting and helping fund the development of 1st Group's platforms and product offerings further assisting our entry to new segments.

It is now time for me to hand over the reins as chairman to Paul Welch who I am confident will lead the group well. I would like to thank my fellow board members, both present and past, for their support, hard work and wise counsel. I would also like to thank Klaus and our dedicated, loyal and hardworking management and staff. Our progress has been frustrating at times and not as fast as many of us would have liked but I am proud that we have built a robust business providing top quality products and services. I believe these position the group well for future success.

Finally, I would like to thank shareholders for their ongoing support and importantly, our customers, who trust us to help them deliver efficiency, convenience and improved patient outcomes.

Thank you.

Trevor Matthews

Chairman

AGM – CEO's Speech

The FY20 year presented both challenges and opportunities for 1st Group . While revenue growth in Q4 was clearly impacted by Covid as Trevor has outlined, the pandemic also accelerated the shift to online health and highlighted the capabilities and functionality of our platform.

With the significant investments we have made in our platform over the last nine years I am pleased to report we are now seeing some encouraging market interest and uptake. These investments are positioning us strongly to drive growth. The current addressable market for our company is \$1.2bn so we have a long and continued growth runway ahead of us.

There are other metrics in the technology world that apply to us and are also worth discussing.

I'd like to say a few things about our SaaS metrics as reported in the most recent investor presentation and updated in our last quarterly update. We have developed our reporting of SaaS metrics, to help investors who may be familiar with other SaaS businesses, both here in Australia and internationally.

We have some strong overall metrics when compared to global benchmarks, including Portfolio Lifetime Value, which grew between June 30 and September 30, by \$18.7m to \$108.1m and our Annualised Customer Retention Rate is 95% (up by 1% from June).

We also have strong SaaS unit economics; LTV per site \$9.5k, having increased from \$7.9k at June 30, and LTV/CAC ratio of 8.7, up from 7.0 at June 30. This represents the value of our customers relative to the cost of acquiring them and highlights that we could benefit from increased sales and marketing spend to bring on even more new customers.

The SaaS metrics are currently based on Annualised Contract Value (or ACV), which reflects the subscription fees customers have signed up to pay to us but does not include the growing revenue streams from upselling customers to additional products and services, including usage fees and advertising revenue. We also publish our Annual Recurring Revenue (or ARR), as an additional metric so you can track the development of the business including those important additional sources of revenue.

We will continue to monitor and assess whether to change our SaaS metrics to be based on ARR instead of ACV, as we notice many of our ASX SaaS competitor companies are using ARR to calculate their metrics.

These metrics underpin the group's growth strategy. So how are we going to deliver this growth potential? The first growth driver is obviously site increases to get more customers on to our platform. The second is to upsell those customers by providing additional value added services and products that further help improve their business operations. There is a good roadmap and plenty of opportunity for us to continue to add value to our customers. We want to make sure we are increasing the consumer interactions and therefore the bookings per site. By increasing the customer interactions, we are able to monetize what becomes the network effect that's created through our platform.

This network effect lets us do more new things, such as generate new patient fees and other advertising revenues. Finally, we will continue to explore strategic partnerships to accelerate growth.

FY21 is all about executing our plans to deliver stronger revenue growth and realising the value from our landmark agreements with Medibank Private, Benestar Group, St Vincent's Health and new strategic partnerships with Openpay and Afterpay. I look forward to updating you further as we continue to make progress in 2021.

I'd like to thank Trevor for his contribution as Chairman of 1st Group since 2015. The company has changed significantly during that period. I appreciate the wise counsel of the Board, the support of the exceptional team at 1st Group who have delivered in the most trying of times, Mr John Plummer and our other loyal shareholders and of course our customers for placing their trust in us.

Thank you.

Klaus Bartosch

Managing Director and Co-Founder

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

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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, MyHealth1st.com.au, PetYeti.com.au and GoBookings.com.