



## **1<sup>st</sup> Group announces Roadmap to FY22, following Strategic Review.**

1<sup>st</sup> Group Limited (ASX:1<sup>ST</sup>) announces the conclusion of a strategic and operational review of the business over the past month by Chairman Paul Welch and board members Michael Emmett and Louise McElvogue. Louise McElvogue was appointed interim CEO on March 29, 2021.

Following the review, the board has approved a strategic roadmap which will be implemented in the next 60 days to move the business to sustainable, product-led growth for FY22. The plan addresses the key priorities for the company's future performance

1. Streamlining products to improve scalability
2. Focusing resources on profitable customer engagements to drive sustainable growth
3. Investing in our technology and people
4. Exploring new partnerships and strategic agreements to leverage our proprietary SaaS products
5. Improving processes and controls to ensure appropriate returns on investment

### **1. Streamlining products to improve scalability**

1<sup>st</sup> Group's SaaS products are the growth engine of the company: My Health 1<sup>st</sup> for clinicians; Go Bookings for corporates and PetYeti for vets.

Recent company strategy has been led by sales, which has resulted in core platforms being extensively customised. This approach has diverted technology and support resources and has not delivered product enhancements or scalability, as expected. The company's approach has delivered sub-optimal results for customers and poor financial returns for shareholders.

*1st Group is streamlining its sales approach and development roadmap to support a product-led growth strategy, which focuses on scaling enhanced core platforms.*

### **2. Focusing resources on profitable customer engagements to drive sustainable growth**

1st Group is fortunate to count some of Australia's leading companies, government departments and SMEs as customers. After meeting with key clients across a range of verticals, a range of customer issues with product and service levels were uncovered.

*We have addressed our product and service delivery and restructured our teams to secure at-risk contracts. We are continuing to work closely with our customers and partners to secure new and expanded contracts and deliver improved user experience outcomes.*



### **3. Investing in our technology and people**

1<sup>st</sup> has a talented technology and customer success team, which has built a solid foundation over the past decade. In recent times, our team and core technology have been stretched by competing priorities and underinvestment. Investment has been diverted to marketing activities and customisation, which was not aligned with a coherent product and technology strategy.

*To address these issues 1<sup>st</sup> Group has elevated an executive management team to lead technology and customer success (integrating marketing, client management and sales aligned around key customers and verticals). We are making disciplined investments in our technology team, with new hires to power the next stage of product enhancement and growth. Marketing activity is being realigned with our product and customer roadmap*

### **4. Exploring new partnerships and strategic agreements to leverage our proprietary SaaS products**

1<sup>st</sup> Group operates in a competitive marketplace and the shifts in consumer behaviour and healthcare delivery post-pandemic have opened a range of new strategic partner opportunities.

*The change in CEO has led to a wide range of approaches and new opportunities with potential partners, both in our existing verticals and complementary adjacencies. The board will evaluate these opportunities in efficient ways to leverage our proprietary SaaS products and drive sustainable growth.*

### **5. Improving processes and internal controls**

As 1<sup>st</sup> Group has grown, several of the Company's processes and internal operating controls have not been appropriately managed and upgraded.

*A range of financial and management practices, including operating cost control, ceasing the use of personal credit cards and increasing the scrutiny of marketing spend, have been implemented in the last month.*

## **Roadmap to FY22**

In the first 30 days since Louise McElvogue's appointment as interim CEO, the board has been focussed on our customers and completing this internal review. As a result of this review the board now has a clear view of the issues that have undermined performance and a plan to improve customer outcomes and financial results.

In the next 60 days, 1st Group is implementing a series of measures to focus on execution and delivery. Sales strategy, resources and product enhancements will refocus on core verticals including

- individual and corporate health and vet practitioners
- hospital specialist networks
- private health insurance networks
- government contracts in health and vaccine rollout

We will also commence exploratory discussions around potential partnerships to drive sustainable growth.

Encouragingly, the recent contract to provide the Western Australian Government with an interim solution for the early phases of COVID-19 vaccine in Q3 2021, which was operational in three weeks, demonstrates our capabilities and highlights the type of product-led growth opportunities which 1st Group will pursue.

The recruitment of a permanent CEO continues, with a number of promising candidates having been identified.

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

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### Further information

**Louise McElvogue**

Interim CEO

ceo@1stgrp.com

**Paul Welch**

Chairman

paul@digeny.com

**Michael Brown**

Pegasus Advisory

mbrown@pegasusadvisory.com.au

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### About 1st Group Limited

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. To find out more visit 1stGrp.com, MyHealth1st.com.au, PetYeti.com.au and GoBookings.com.