



Acquisition of Visionflex and capital raising

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Chief Executive Officer

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Chief Financial Officer



Agenda

1. Transaction Summary
2. Visionflex overview
3. The combined business
4. Leadership team
5. Financials
6. Capital Raise

Transaction Summary

Acquisition	<ul style="list-style-type: none"> • 1ST to acquire 100% of Visionflex for 100% scrip consideration such that, prior to the Equity Raising below, the Vendors will hold 49% of the equity of the combined group (on an undiluted basis – excluding 1st Group options)
Visionflex	<ul style="list-style-type: none"> • Provides telehealth solutions including the design, manufacture and global distribution of a range of innovative clinical telehealth products, including multi-functional devices capable of facilitating remote medical examinations, powerful clinical telehealth video conference and diagnostic tools • Solutions are used by clients across major government departments and large corporate groups, principally in Australia but also in the USA, UK, India, UAE and Spain. Major clients include NSW Health, Queensland Health, SA Health, WA Health, Royal Flying Doctor Service and Exxon Mobile • Established in 2014 and headquartered in Australia with 16 employees, led by management and engineers with a deep expertise in the medical device and telehealth sectors
Strategic Rationale	<ul style="list-style-type: none"> • This is a transformational transaction for 1ST bringing substantial operational, financial and strategic benefits • Expansion of product portfolio, increased distribution footprint, additional high growth recurring revenue from a trophy client base and cross-sell and up-sell opportunities
Equity Raising	<ul style="list-style-type: none"> • \$3m equity raising via: <ul style="list-style-type: none"> – \$0.5m a non-renounceable entitlement offer to eligible shareholders (Rights Issue) at the same price as the Placement, and – \$2.5m 1ST shares being issued to Adcock Private Equity via a placement at an issue price of \$0.01 per share
Financial Metrics	<ul style="list-style-type: none"> • Visionflex generated \$2.3m of revenue in FY21 with gross margin exceeding ~70% • Combined pro forma FY21 revenue of \$7.7m before any synergies
Timetable / Approval	<ul style="list-style-type: none"> • Share holder approval will be sought at an EGM expected to be held in early March. A Notice of Meeting and the date for the EGM will be provided once Independent Expert Advice on the purchase has been obtained • The Acquisition is expected to be completed immediately following the EGM in March

Visionflex – Proprietary integrated clinical telehealth solutions

Visionflex designs, manufactures and distributes a range of innovative clinical telehealth products to bridge the gap between caregiver and clinician, so the patient receives the best possible care

History

- Established in 2014 to develop medical software, and manufacture and market specialised image capture and storage systems for the medical industry
- Headquartered in Australia with 16 employees, including its co-founder, Mike Harman

Competitive Differentiators

- **Unique Product:** Easy-to-use, low-cost telehealth software platform that delivers health services to remote patients. Devices can connect via 4G, 5G, Star Link, or other Internet services
- **Global Reach:** Serves the Middle East, Asia, Europe, Antarctica, North America and Australia
- **Scalability:** Platform is highly flexible and can be customised to suit telehealth services of all sizes
- **IP & Technology:** Delivers diagnostic-quality video and audio coupled with high-speed data transmission and end-to-end encryption
- **Collaborative Clinical Tools:** Features unique collaborative clinical tools, including TrueSteth – a revolutionary digital stethoscope that transmits stethoscope audio, without any loss of quality
- **Integration:** Visionflex telehealth devices and software integrate with most global medical record & practice systems, and also work with most other video conferencing platforms

Customer base

Used by clients across major government departments and large corporate groups in Australia



Queensland
Government



Royal Flying
Doctor Service



NSW
GOVERNMENT

ExxonMobil

SIEMENS







T Health



HealthMetrics

Acquisition Highlights

Benefits of acquisition flow to all shareholders

 <p>Expands product portfolio</p>	<p>Product portfolio expands to an end-to-end digital patient engagement platform & marketplace, including advanced clinical telehealth solutions</p>
 <p>Increased distribution footprint</p>	<p>Immediate expansion of 1st Group's distribution footprint via Visionflex's established networks Including via clients such as NSW Health, Queensland Health and Royal Flying Doctor Service</p>
 <p>Operational synergies</p>	<p>Cross-sell and up-sell opportunities and operational cost saving opportunities</p>
 <p>Adds rapidly growing revenue</p>	<p>Adds \$2m+ of additional revenue from a trophy client base through several secured contracts with major government departments (in NSW, Queensland, SA, WA) and large corporate groups</p>
 <p>Market Positioning</p>	<p>Positions 1st Group to take advantage of the rapidly growing global telehealth market Australian government committed to telehealth (rebates since March 2020 exceed \$4.4bn)</p>
 <p>Lowers risk</p>	<p>Reduces risk through diversifying the product portfolio and client base</p>
 <p>Bolsters Leadership</p>	<p>Additional management and Board capability</p>

The combined business – delivers operational synergies



visionflex

The combined offering is an end-to-end digital patient engagement platform & online healthcare marketplace including advanced clinical telehealth solutions

1st Group completes its telehealth solution offering with Visionflex acquisition, enabling the use of 1st Group's patient engagement, online healthcare marketplace and appointment scheduling capabilities platform across an increased client base of major health organisations, and opportunity to expand globally through Visionflex existing global distribution network and client base

- ✓ Product portfolio expands to an end-to-end digital patient engagement platform & marketplace and advanced telehealth solutions
- ✓ Substantial cross-sell and up-sell opportunities – across products, geographies and sectors
- ✓ Expansion of customer base of major government departments and large corporate groups in Australia
- ✓ Immediate expansion of 1st Group's distribution footprint via Visionflex's established global distributor networks

Telehealth – Significant Market Opportunity

The combined business is uniquely positioned to take advantage of the rapidly growing global telehealth market which has grown globally 38x pre-COVID-19 levels



Telehealth global trends

- Telehealth usage has grown 38x since pre-COVID-19 levels
- Globally telehealth has become a permanent feature of healthcare services
- Consumers and healthcare providers continue to seek alternative ways to safely access & deliver remote healthcare services



Telehealth Australian trends

- Telehealth in Australia has seen a similar surge since pre-COVID-19 levels
- The Australian Government has announced permanent Medicare support for telehealth consultations
- It is widely accepted that video based telehealth solutions are significantly better for both the patient and doctor
- GPs and healthcare providers continue to rely on telephone consultations, due to a lack of efficient, simple to use and clinically reliable video based technology and related diagnostic tools



1st Group's unique positioning for the Telehealth market

- Integrating the digital patient engagement capabilities with the Vision telehealth solutions, will provide healthcare practitioners industry leading integrated telehealth diagnostic solutions
- The easy-to-use and low-cost telehealth software platform dramatically simplifies user onboarding
- New opportunities to expand telehealth service capabilities beyond health care consultations, including private practice, hospitals, aged care, home care, regional and other forms of remote care operations

The combined executive leadership team



Klaus Bartosch

Managing Director, CEO & Co-Founder

- Co-founder of 1st Group
- Experienced company executive in both ASX listed and private companies
- Formerly Sales and Marketing Director for the then publicly listed Hostworks
- Board member of Melanoma Patients Australia (MPA)



Mike Harman

Head of Visionflex

- Founder & CEO of Visionflex and InLine Systems
- Degree in electronics from RMIT in Melbourne
- Over 25 years of experience in business development along with sales of dental, medical and industrial imaging
- Passionate about medical imaging and remote health



Richard Rogers

Chief Financial & Operating Officer

- Commercial COO with a background as CFO
- Over 20 years experience in Senior Finance roles in the IT&T sector
- International experience with US and other multinationals
- Experience in start-up and private equity-backed companies
- UK Qualified Chartered Accountant



Mirne le Roux

Chief Customer Officer

- Qualified medical professional
- Prior senior roles in listed companies including Woolworths and Medtronic
- Formerly Director of Operations at Hoya Lenses and a founder of a private practice

The combined Board of Directors



Stephe Wilks

Chair

- Highly experienced company director with roles in several public and ASX-listed companies in the technology sector
- Non-Executive Director of Interactive, Salus Aviation and BluGlass
- Qualified lawyer (Gilbert & Tobin) with a long career in the telecommunications sector including Director, Regulatory and Public Affairs at Optus and Regulatory Director, BT Asia Pacific



Brook Adcock

Non-Executive Director

- Seasoned technology investor
- Founded Adcock Private Equity, an industry-agnostic globally-active, private equity firm in 2010
- Has had several successful careers including RAAF Pilot, Qantas Pilot and founder of Pandora Jewellery Australia



Magali Azema-Barac

Non-Executive Director

- Global executive with expertise in finance and technology, including leadership roles with PineBridge Investments, AIG, Citibank and Warburg
- Graduate of the AICD, a Chartered Financial Analyst (CFA), PhD in Artificial Intelligence and a Masters in Robotics & Computer Science



John Nantes

Non-Executive Director

- Over 20 years experience in the financial services industry
- Managed Australia's largest SMSF business at Crowe Horwath with 10,000+ accounts and assets of over \$10 billion
- Holds three bachelor degrees in Law, Commerce and Arts, as well as a Diploma of Financial Planning



Klaus Bartosch

Managing Director, CEO & Co-Founder

- Co-founder of 1st Group
- Experienced company executive in both ASX listed and private companies
- Formerly Sales and Marketing Director for the then publicly listed Hostworks
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The combined business – Pro-forma Financials

Pro-forma FY21 Profit and Loss for FY21

FY21 (AUD \$'000)	1st Group	Visionflex	Combined Pro forma
Revenue	5,447	2,266	7,713
Operating costs	(8,532)	(4,106)	(12,638)
EBITDA	(3,085)	(1,840)	(4,925)
EBITDA Margin %	-57%	-81%	-64%

Note 1: The table above does not include potential synergies

Capital Raise – Offer Details

1st Group will offer a Rights Issue to enable shareholders to participate on the same basis as shares issued in the Placement to Adcock Private Equity

<p>Placement</p>	<p>250m 1st Group shares will be issued to Adcock Private Equity at an issue price of \$0.01 (for a total issue price of \$2.5m)</p>
<p>Rights issue</p>	<p>1ST Group will launch a non-renounceable entitlement offer to enable shareholders on the register at 31 January 2022 to subscribe for shares at the same price as the Placement ('Rights Issue' or 'Entitlement Offer')</p>
<p>Purpose</p>	<p>Net proceeds of the Entitlement Offer will be used to provide the necessary funding to provide working capital to ensure the Company can execute on its FY22 strategy quickly and efficiently</p>
<p>Underwrite</p>	<p>John Plummer has committed to subscribe for any shortfall to the extent that funds subscribed to the Rights Issue are less than \$0.5m</p>
<p>Timing</p>	<p>Details of the entitlement offer will be provided to 1st Group shareholders in the Notice of Meeting and further information provided to shareholders immediately prior to the launch</p>

Capital Raise – Offer Timetable

Indicative Timetable for Entitlement Offer

Event	Date
Announcement of the Entitlement Offer	Tuesday, 25 January 2022
Record date for Entitlement Offer (7:00pm AEST)	Monday, 31 January 2022
Entitlement Offer opens and Offer Booklet dispatched	Tuesday, 1 February 2022
Closing date for the Entitlement Offer (5:00pm AEST)	Monday, 14 February 2022
Trading in New Shares commences on deferred settlement basis	Tuesday, 15 February 2022
Announcement of results of Entitlement Offer	Monday, 21 February 2022
Settlement of the Entitlement Offer	Monday, 21 February 2022
Allotment of New Shares issued under the Entitlement Offer	Monday, 21 February 2022
Trading for New Shares under the Entitlement Offer commences	Tuesday, 22 February 2022

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Thank you

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