



**Full Year Presentation**  
August 2022

**Constant Care, everywhere**

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# Company Overview

AN AUSTRALIAN COMPANY WITH A FOCUS ON HEALTH AND AGED CARE

**CARETEQ** has developed a comprehensive SaaS-based solution and is an early mover in the rapidly growing Assistive Living Technology sector.

- Solutions targeting acute, aged, disability and home care sectors
- Suite of devices for monitoring activity, safety and medication adherence that connect to cloud-based Sofihub platform
- Intuitive and enterprise level central dashboard to manage and control a comprehensive range of Assistive Living Technology solutions
- Peace of mind for users, family and care givers
- Provides Medication Management services to some of the nation’s largest aged care providers

## Market Matrix\*

**CARETEQ (ASX: CTQ)** listed on the Australian Securities Exchange on 10 Jan 2022

Market Cap	\$10.4m
Cash (as of 30 June 2022)	\$4.5m
Enterprise Value (EV)	\$5.9m
Share Price (52wk range)	7.4¢ - 19¢
Shares Held by Top 20	62.5%
No. of Shares on Issue	123.6m
EV to FY22 Sales	1.3x

\*Data as of 03 August 2022





# **FY2022 Financial Performance**





# Laying the Groundwork in FY2022

POSITIONING FOR A STEP-CHANGE

Careteq Listed on the ASX in Jan 2022

## FY22 Foundation Year

- Recorded 6-fold increase in operating revenue to \$4.4m
- Invested heavily to build US & Australia sales pipeline
- Growing and “sticky” subscriber base (~3,500)
- Ward MM acquisition has scaled the business and provided significant revenue growth opportunities

## FY23 Inflection Point

- Rapid expansion in sales pipeline with >60 active opportunities
- One-third of these opportunities in the US with balance in Australia
- Despite the slowing sales process post-pandemic, Careteq still expects a step-change in growth in FY23

# Business Model

## DEFENSIVE AND GROWING INCOME FROM THREE PRIMARY REVENUE STREAMS



### Hardware Sales

- Sales of devices for safety, falls detection, activity monitoring and medication adherence
- Devices connect to Sofihub platform
- Buyers may get government subsidies/grants (e.g., NDIS)
- Careteq using exclusive strategic partnerships to expand ecosystem



### SaaS Subscriptions

- Users/carers can control and manage devices on platform
- 3<sup>rd</sup> party hardware can connect to Sofihub via APIs
- Aimed at individual and enterprise customers (B2C & B2B)
- Subscriptions may be covered by gov subsidies/grants



### Contractual Revenue

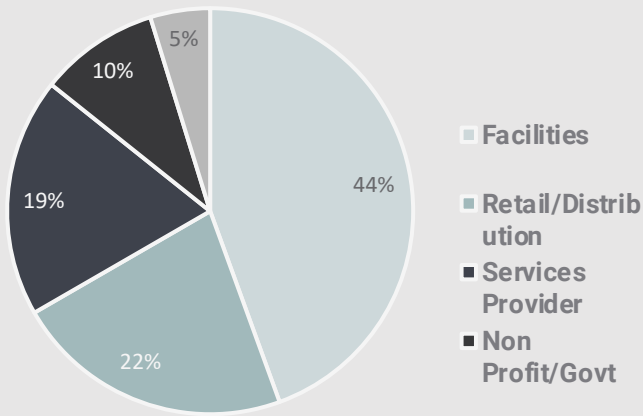
- Medication Management (MM) reviews for ageing population
- Average 3-year contracts with leading aged care providers
- Reliable earnings via locked-in contracts & government payments
- One of the Australia's largest MM organisations



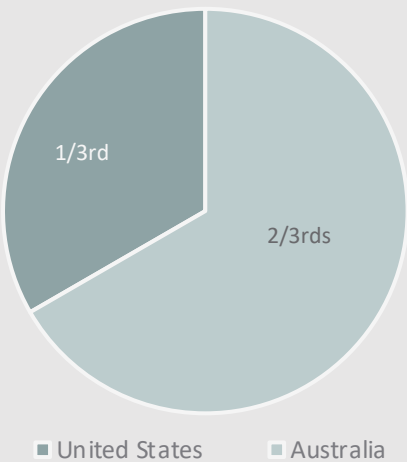
# Expanding Pipeline of Opportunities

REACHING FOR FY2023 INFLECTION POINT

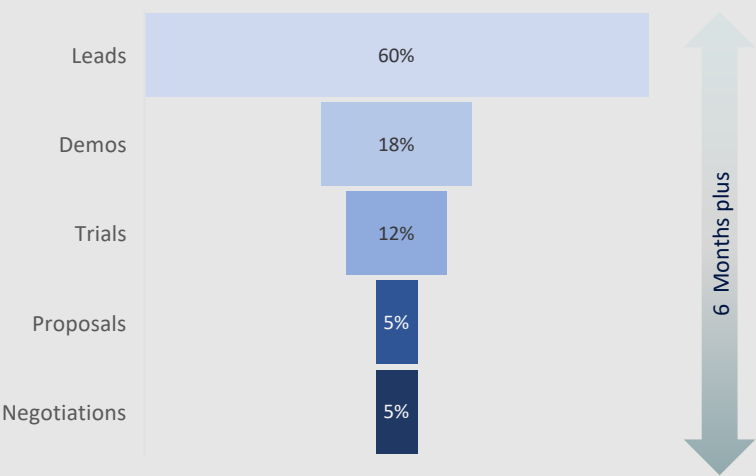
Active Opportunities by Industry (US & Australia)



Sales Pipeline by Geography



Careteq's Sales Pipeline (US & Australia)



Pipeline expands from ~12 in 3QFY22 to >60 in 4QFY22 following slow start due to pandemic fallout

Receiving interest from a wide-range of industries in US and Australia

Benefiting from macro tailwinds (e.g. staff/funding shortage, quality of care challenges, ageing demographics and trend towards in-home care)

Receiving more requests for meetings than refusals shows relatively limited competition (especially in US) and growing need for Assistive Living Tech solutions

Converting just one lead to binding sales may significantly grow Careteq's subscriber base due to size of many potential clients in the pipeline

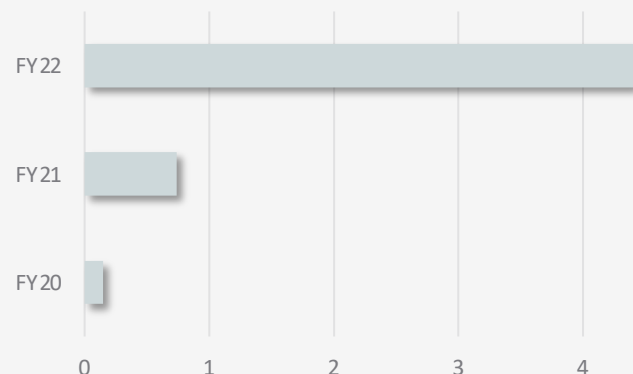
# Building on the Momentum

## FY2022 RESULTS HIGHLIGHTS

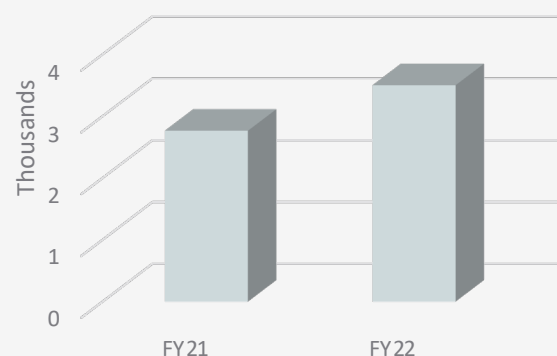
	FY22	FY21
SaaS Subscriptions	\$220,969	\$59,916
Hardware Sales	\$311,880	\$675,526
Ward MM sales <sup>+</sup>	\$3,895,613	-
<b>Operating Revenue</b>	<b>\$4,428,462</b>	<b>\$735,442</b>
<b>Net Loss</b>	<b>\$5,250,091</b>	<b>\$5,112,674</b>

<sup>+</sup>Ward MM acquired in Aug 2021

Group Operating Revenue (\$m)



No. of Active Sofihub Users



- **Geared for Growth**  
with rapidly growing sales pipeline and strong balance sheet
- **Five-fold Increase in Sales Pipeline**  
in just six months and currently managing >60 active sales opportunities in US & Australia
- **Growing Momentum**  
with FY22 operating revenue jumping 502% to \$4.4m and subscriber base increasing 25% despite COVID disruptions (hardware discounted to promote strong SaaS growth)
- **Investing for the Future**  
(scaling up the business, new hires, acquisition, etc.) contributed to the net loss, which would otherwise have improved significantly from FY21
- **Value Proposition Validated**  
by broad-based interest from potential clients, low churn rate of subscribers and general lack of competition in key markets
- **New Market Opportunity**  
as Careteq makes initial sale to the large and lucrative Lone Worker sector via existing channel partners
- **Positive Outlook**  
despite volatile operating environment with multiple opportunities for Careteq to deliver a step-change in growth in FY23



# More Room for Sales Pipeline to Expand

RIGHT PLACE RIGHT TIME

- Careteq’s Assistive Living Technology platform and solutions are gaining momentum in Australia and the US
- Increasing need to improve the standard of care for the elderly and disabled, chronic staff shortages and funding blowouts are driving demand



## Elderly Care

There are approximately 1 million **elderly Australians** receiving either **home care or home support** under the **CHSP**<sup>1</sup>

## Aged Care

There are **217,145 beds in residential care** services across 3,000 facilities.

## Disability Care

**4.4m Aussies living with disabilities** (18% of population)<sup>2</sup>

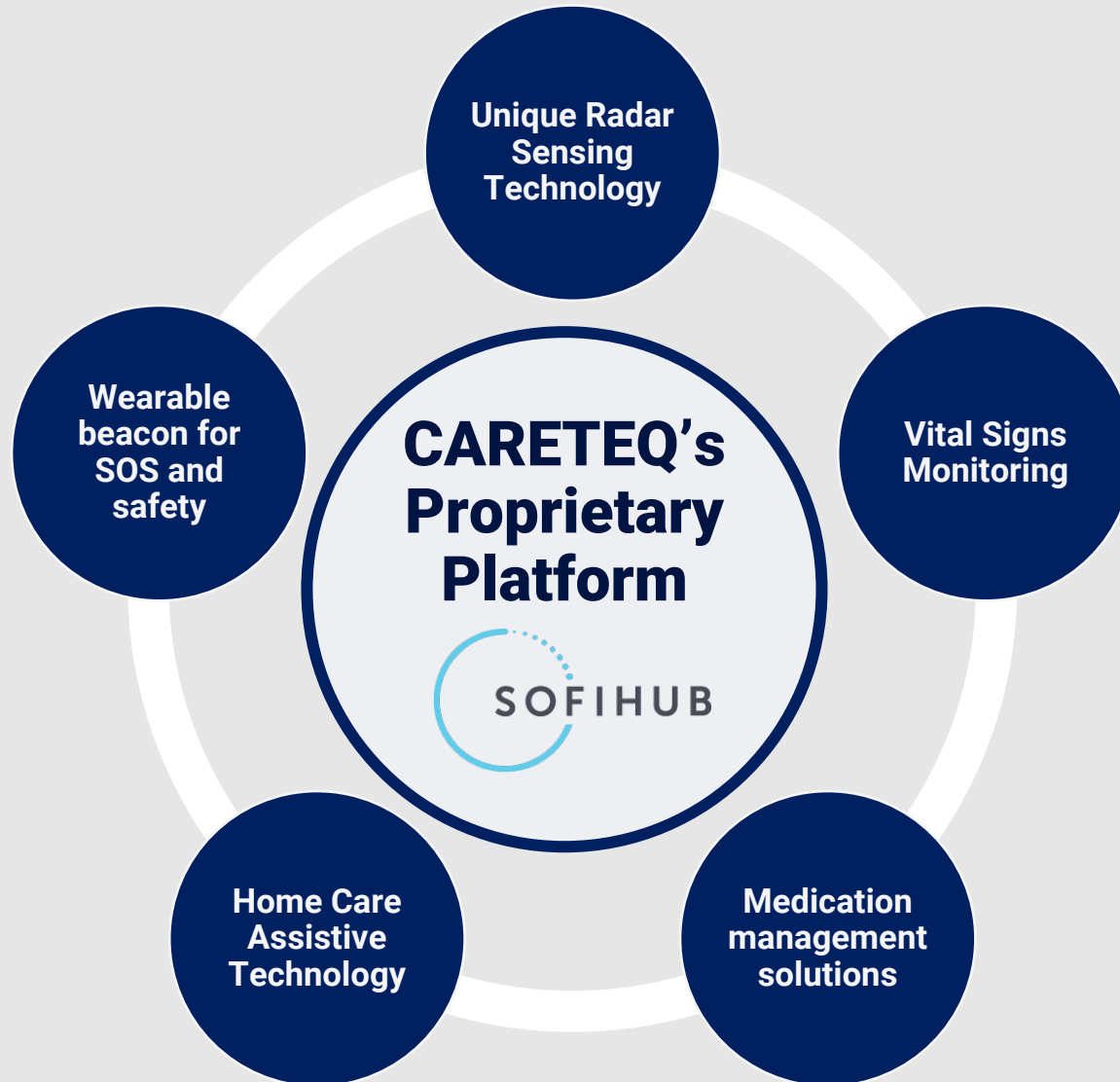
## Accident Rehab

160,000 Australians aged 15-64 have a head injury, stroke or acquired brain injury and 223,000 cases of hospitalised injury due to falls<sup>3</sup>

<sup>1</sup> Australian Institute of Health and Welfare, ROACA summary, 2019-20  
<sup>2</sup> <https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release>  
<sup>3</sup> <https://www.abs.gov.au/articles/disability-and-labour-force>  
<sup>4</sup> <https://www.globenewswire.com/news-release/2021/07/15/2263455/0/en/Global-Disabled-and-Elderly-Assistive-Technology-Market-to-Reach-32-Billion-by-2026.html>

# Subscription & Hardware Sales

CLOUD-BASED PLATFORM + SMART SENSORS



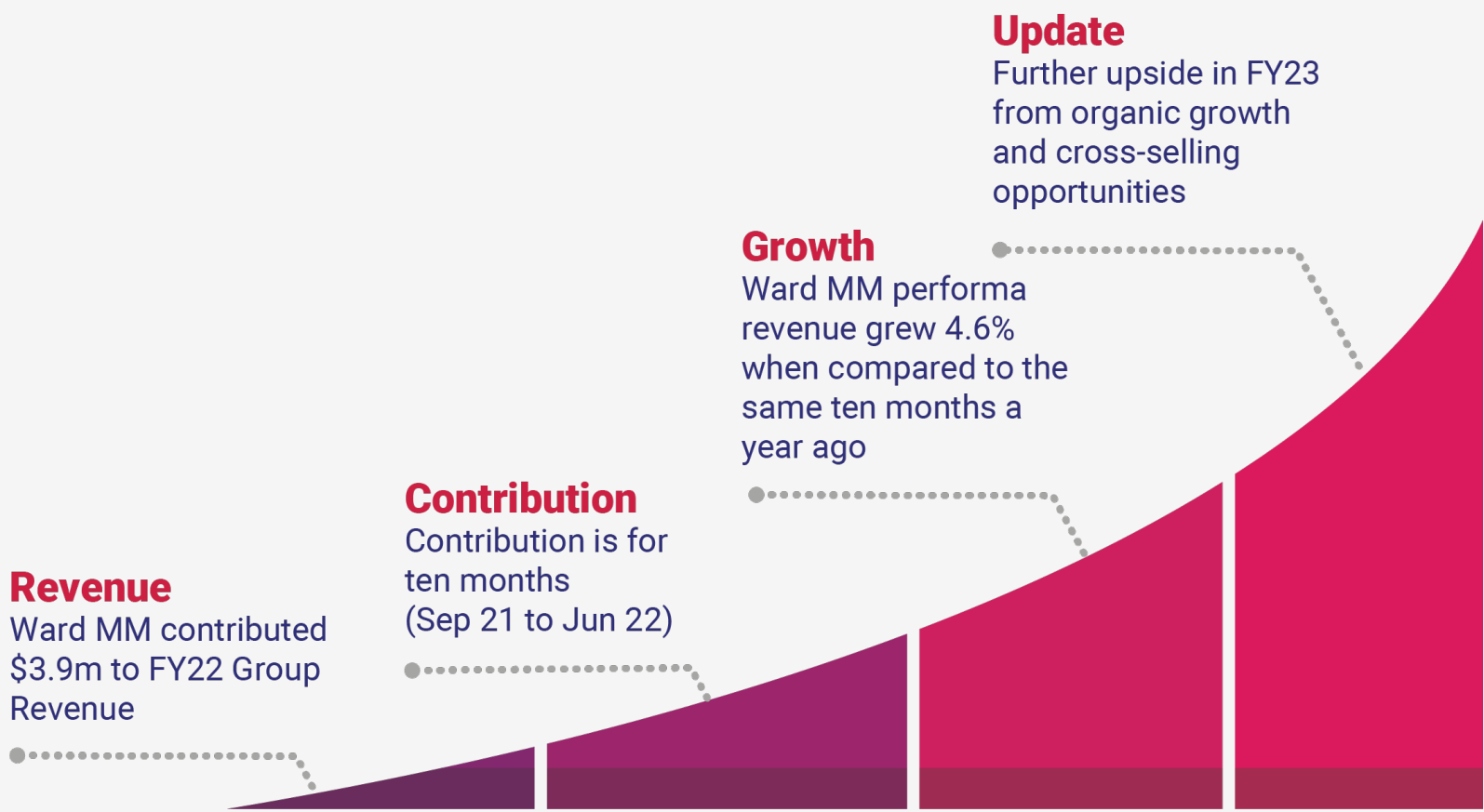
Sofihub Ecosystem

- Enables big data capture and enhanced granularity
- Constant real-time stream of multiple data variables delivering broad detail on activities and occurrences
- Can be accessed through various devices including computer, laptop, tablet and smartphone
- Seamless integration with Careteq's hardware, providing users and loved ones an out-of-the-box solution
- Sticky and growing subscriber base with high switching costs
- Low churn of 1.8% that is more than offset by new subscribers to the platform
- FY22 subscription revenue jumps 269% to \$221k as subscribers numbers increase 25% YoY to ~3,500, although 2H hindered by COVID-19 disruptions
- Initial sales into the US (>\$100k) and agreements with aged care providers and NDIS partners contributed to FY22 growth
- Expecting further significant growth in subscribers and devices sales in FY23 from rapidly expanding pipeline of opportunities



# Solid Performance from Ward MM

FURTHER GROWTH IN FY2022



## Market Leading Medication Management Business – Ward MM

- Largest medication management database in Australia with 350+ residential aged care (RAC) facilities and 34,000+ beds
- Acquired by Careteq in August 2021
- 3-year average contract term with high renewable rate and low churn
- Ability to bundle Assistive Living Tech solutions to offer more comprehensive range of services to individuals and RACs
- Clients (some of the largest RAC operators in Australia) include:







## **New Markets and Outlook**



# Significant New Market

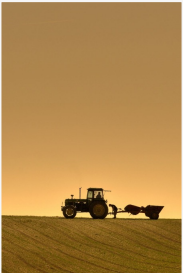
NEW SALES TO LONE  
WORKER MARKET



**Working separately from others**  
(e.g., factories, warehouses, petrol stations, kiosks)



**Working away from a fixed base**  
(e.g., construction, plant installation, maintenance)



**Agriculture & forestry workers**  
(e.g., logging, farm)



**Working outside normal hours**  
(e.g., cleaning services, security, repairs/emergency)



**Service workers**  
(e.g., postal, social work, health services, drivers, pest control, real estate)

\*<https://www.reportlinker.com/p06169073/Emergency-Services-for-Lone-Worker-s-Safety-Market-Research-Report-by-Type-by-Component-by-Deployment-by-Region-Global-Forecast-to-Cumulative-Impact-of-COVID-19.html>

- Initial sales of TEQ-Secure safety pendants via existing channel partner
- Early customers include Transport Accident Commission (TAC) and Department of Health
- Lone worker covers multiple industries
- Global lone worker safety market estimated at US\$877m in 2022 and growing at 12.4% CAGR to hit US\$1.6b by 2027\*





## Hospital-in-the-home Market

### NEW OFFERING

- Hospital in the Home is growing rapidly in Australia and presents a new significant opportunity for Careteq
- Careteq is in discussions with prominent healthcare groups within Australia
- Logical extension of Careteq's solution suite to offer vital sign monitoring and technology solutions
- Hospital in the Home found to save cost and produce better health outcomes<sup>1</sup>
- Global market estimated to be worth US\$299bn in 2020 and growing at 7.9% CAGR (2021-2028)<sup>2</sup>

<sup>1</sup>

[https://www.westernsydney.edu.au/\\_data/assets/pdf\\_file/0007/1036609/Issu es\\_Paper\\_-\\_Taking\\_Healthcare\\_Home\\_Ideas\\_Lab\\_23\\_Feb\\_2016.pdf](https://www.westernsydney.edu.au/_data/assets/pdf_file/0007/1036609/Issu es_Paper_-_Taking_Healthcare_Home_Ideas_Lab_23_Feb_2016.pdf)

<sup>2</sup> <https://www.grandviewresearch.com/industry-analysis/home-healthcare-industry>



# Positive Outlook

FOR FY2023



## Growth

FY23 inflection year with potential step-change in growth



## Growth Options

Multiple near-term growth options (including new markets) to build scale in Australia and internationally



## Momentum

Growth momentum from FY22 expected to accelerate in FY23



## Prospective Customers

High levels of interest from prospective customers indicate further growth in sales pipeline



## Disruption

Aged and disability care ripe for technological disruption



## Macro Tailwinds

Operating in fast growing sector that's benefiting from several macro tailwinds



# Deep Experience in Health Care

## BOARD DIRECTORS



**Mark Simari**

Executive Chairman

Over 14 years' Board experience in a diverse range of organisations

Former Managing Director and Co-Founder of Paragon Care (ASX: PGC) (between 2008 and 2018). He was instrumental in Paragon Care becoming one of the largest independent healthcare suppliers in Australian and New Zealand market

Extensive experience in finance, investment, equity capital markets and M&A



**Alex Boyd**

Executive Director / COO

Over two decades of experience in operations, procurement and resource management, concentrating on developing technology solutions.

International executive with a background running transformation and growth programs for blue chip companies in multiple sectors

Held senior roles at Shell (LON: RDSA), Parsons, Inc. (NYSE: PSN) and Idox Plc (LON: IDOX)



**Brett Cheong**

Non-Executive Director

Over 40 years of background experience within the healthcare industry at all levels of management.

Founder and Managing Director of Axishealth Pty Ltd for 9 years including the role of Marketing Manager.

Extensive management skills focusing on Sales & Marketing, Product Design & Development, Manufacturing and International product sourcing



**Stephen Munday**

Non-Executive Director

Over 40 years business experience in Australia and North America including Chief Financial Officer & Company Secretary positions in several listed companies.

Extensive experience in marketing, business development, supply management, commercial management, financial management, change management, compliance and governance.

Current Chief financial Officer of Paragon Care Limited



## THANK YOU

### **MARK SIMARI**

Executive Chairman

[mark.simari@careteq.com.au](mailto:mark.simari@careteq.com.au)

### **BRENDON LAU**

Investor Relations

[brendon@vantagepointpartners.com.au](mailto:brendon@vantagepointpartners.com.au)

### **CORPORATE ADDRESS**

CARETEQ

Level 10

99 Queen Street

Melbourne 3000

