



## **Half Yearly Results Presentation**

February 2023

**Constant Care, Everywhere**

# Disclaimer and Important Notices

This presentation has been prepared by Careteq Limited ACN 612 267 857 (**Company**). It contains general background information only which is current at the date of this presentation unless otherwise specified. It contains selected summary information and does not purport to be all-inclusive, comprehensive or to contain all of the information that may be relevant, or which a prospective investor may require in evaluations for a possible investment in the Company. Prospective investors should not rely on the information contained in this presentation, and must satisfy themselves as to the accuracy of all such information. This presentation has been prepared based on information available at the time of preparation and is subject to change without notice. In receiving this presentation, each recipient agrees to the foregoing terms and conditions, including any modifications to them. No person is under any obligation to update this presentation at any time after its release.

This presentation is provided for general information purposes only. This presentation does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of securities in the Company in any jurisdiction. It is not a prospectus, product disclosure statement, pathfinder document or any other type of public offer disclosure document for the purposes of the Corporations Act 2001 (Cth) (**Corporations Act**) and has not been, and is not required to be, lodged with the Australian Securities and Investments Commission. It should not be relied upon by the recipient in considering the merits of the Company or the acquisition of shares in the Company.

This presentation does not constitute investment or financial product advice. It is not intended to be used as the basis for making a financial decision, nor is it intended to constitute legal, tax, accounting or other advice. This presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, the recipient should consider its own financial situation, objectives and needs, and conduct its own independent investigation and assessment of the contents of this presentation, including obtaining investment, legal, tax, accounting and such other advice as it considers necessary or appropriate. Any references to or explanations of legislation, regulatory issues, benefits or any other legal commentary (if any) are indicative only, do not summarise all relevant issues and are not intended to be a full explanation of a particular matter. The information in this presentation has been obtained from and based on sources believed by the Company to be reliable. Past performance is not an indication of future performance.

This presentation may contain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters that may involve risks or uncertainties and may involve significant items of subjective judgement and assumptions of future events that may or may not eventuate (**Forward Statements**). Forward Statements can generally be identified by the use of forward looking words such as "anticipate", "estimates", "will", "should", "could", "may", "expects", "plans", "forecast", "target" or similar expressions. Forward Statements including indications, guidance or outlook on future revenues, distributions or financial position and performance or return or growth in underlying investments are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. To the extent that certain statements contained in this presentation may constitute 'Forward Statements' or statements about forward looking matters, then the information reflects the Company's (and no other party's) intent, belief or expectations as at the date of this presentation. No independent third party has reviewed the reasonableness of any such statements or assumptions. None of the Company, its related bodies corporate and their respective officers, directors, employees, advisers, partners, affiliates and agents (together, the **Careteq Parties**) represent or warrant that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or

implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this presentation. Except as required by law or regulation, the Company assumes no obligation to release updates or revisions to Forward Statements to reflect any changes. Recipients should form their own views as to these matters and any assumptions on which any of the Forward Statements are based and not place reliance on such statements.

All dollar values are in Australian dollars (\$) or A\$) unless otherwise stated.

An investment in the Company's securities is subject to known and unknown risks, many of which are beyond the control of the Company, including factors and risks specific to the industry in which the Company operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee any particular tax treatment. Prospective investors should make their own enquiries and investigations regarding all information in this presentation, including the assumptions, uncertainties and contingencies which may affect future operations of the Company and the impact that different future outcomes may have on the Company.

By accepting this presentation the recipient agrees to keep permanently confidential all information that it contains. It should not be made available to any other third party without the prior written approval of the Company. Furthermore, no contact should be made with the Company or any of the aforementioned companies' customers, suppliers or shareholders without the express permission of the Company.

The distribution of this presentation to persons or in jurisdictions outside Australia may be restricted by law and any person into whose possession this document comes should seek advice on and observe those restrictions. The presentation is not an offer of securities in the Company for subscription, purchase or sale in any jurisdiction outside Australia, including the United States or in relation to any US person (as defined in Regulation S under the U.S Securities Act of 1933, as amended). Any failure to comply with such restrictions may violate applicable securities law.

No party other than the Company has authorised, permitted or caused the issue, submission, dispatch or provision of this presentation, or takes any responsibility for, or makes or purports to make any statement, representation or undertaking in this presentation and there is no statement in this presentation that is based on any statement by any other party. No person, either as a director, partner of or in the employment of the Company has any authority to make, imply, or give any representation or warranty whatsoever in relation to the information contained in this presentation. None of the Careteq Parties take any responsibility for any information in this presentation or any action taken by you on the basis of such information.

To the maximum extent permitted by law, the Careteq Parties:

- exclude and disclaim all liability, including (without limitation) any liability for fraud or negligence, for any expenses, losses, damages or costs incurred either as a result of the information in this presentation being inaccurate or incomplete in any way for any reason, or otherwise arising in connection with this presentation; and
- make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation.

# 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

Solutions targeting acute, aged, disability and home care sectors



## Relief

Peace of mind for users, family and care givers



## Devices

Suite of devices for monitoring activity, safety and medication adherence that connect to cloud-based Sofihub platform



## Aged Care Management

Provides Medication Management services to some of the nation's largest aged care providers



## Assisted living

Intuitive and enterprise level central dashboard to manage and control a comprehensive range of Assistive Living Technology solutions



## Medication Management

Leveraged to the digital transition in medication management that is currently underfoot in Australia

## Market Matrix\*

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

Market Cap	\$7.8m
Cash (as of 31 Dec 2022)	\$3.6m
Enterprise Value (EV)	\$4.2m
Share Price (52wk range)	5.6¢ - 15¢
Shares Held by Top 20	62.5%
No. of Shares on Issue	123.6m
EV to FY22 Sales	0.95x

\*Data as of 10 February 2023





## **1HFY23 Financial Performance**



# Interim Result Highlights

## MOVING FROM STRENGTH-TO-STRENGTH

FY22 was a foundation year following CARETEQ's ASX listing with the Group investing heavily in building the sales pipeline in Australia and the US and securing partnerships to expand distribution channels and its offerings.



### Revenue

Revenue up 36% pcp to \$2.6m as net loss improved by ~\$1.4m



### Results

Strong results due to Contract wins, expanded offerings, lower costs and Ward MM



### Subscriber Growth

Sofihub subscriber growth jumped a third pcp to ~4.2k as pipeline growth accelerated in Dec quarter

	Change	1HFY23	1HFY22
Total Group Revenue	+35.5%	\$2.6m	\$1.9m
EBITDA	+39.4%	-\$2.2m	-\$3.7m
Net Profit	+36.4%	-\$2.4m	-\$3.8m



### Pipeline Expansion

Strong Care secured second RAC client since August and pipeline expands to 42 (vs. 11) in 3 months



### Growth

Further growth expected with positive outlook for all key businesses






### Opportunities

Additional significant opportunity as SiTa Foundation moves closer to starting trials in the US

# Business Model

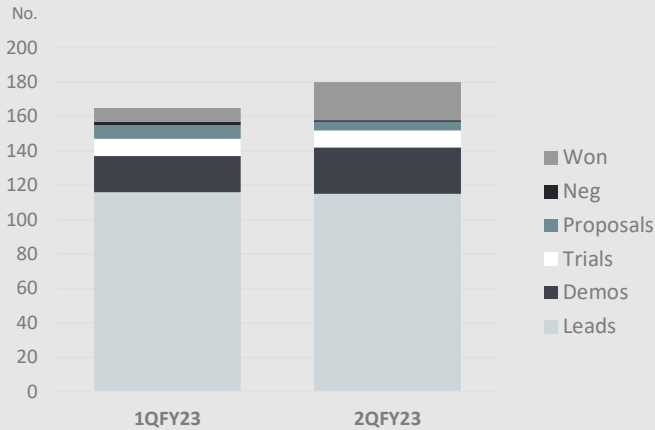
## DEFENSIVE GROWTH BUSINESS

Category	Assistive Living Tech	Medication Management	
Solution			
Description	Cloud-based platform that connects a range of smart sensors (e.g. falls detection, smart monitoring, etc)	Provides medication management services (Residential Medication Management Reviews. Quality Use of Medicine and Home Medication Reviews)	Digital medication management solution
Revenue Model	Hardware sales & recurring subscription revenue  *Hardware sales are correlated to subscriptions but may be “bundled” with subscriptions for some clients, which means reported hardware sales may decline in the period even when active users are increasing.	Contractual revenue (3-year avg)	Recurring revenue (Charged per bed/ patient per month)
Target Markets	Disability & Aged Care (in-home or Registered Aged Care Facilities)	Residential Aged Care Facilities	
	Security	General Practitioners	
	Lone Worker		
	Domestic violence	In-Home Care	
	*Buyers may get government subsidies/grants (e.g., NDIS)		

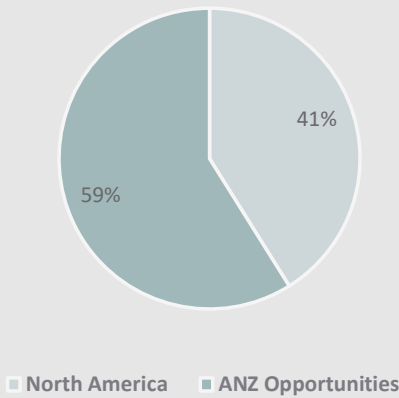
# Sofihub Continues to Gain Traction

## POSITIVE GROWTH OUTLOOK

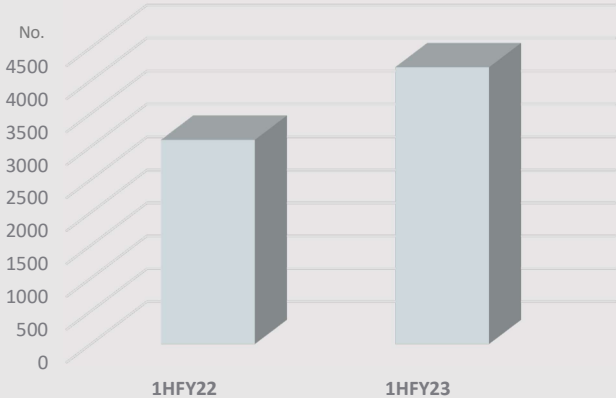
Growing Pipeline & Accelerating Conversions  
(US & Aus)



Sales Pipeline by Geography



Number of Sofihub Subscribers



Number of revenue generating contracts jumps to 22 in 1HFY23 from 8 in the PCP

First orders from new clients are modest but repeat orders expected to be worth significantly more

Active users increased by ~33% and is expected to grow further based on strong sales pipeline

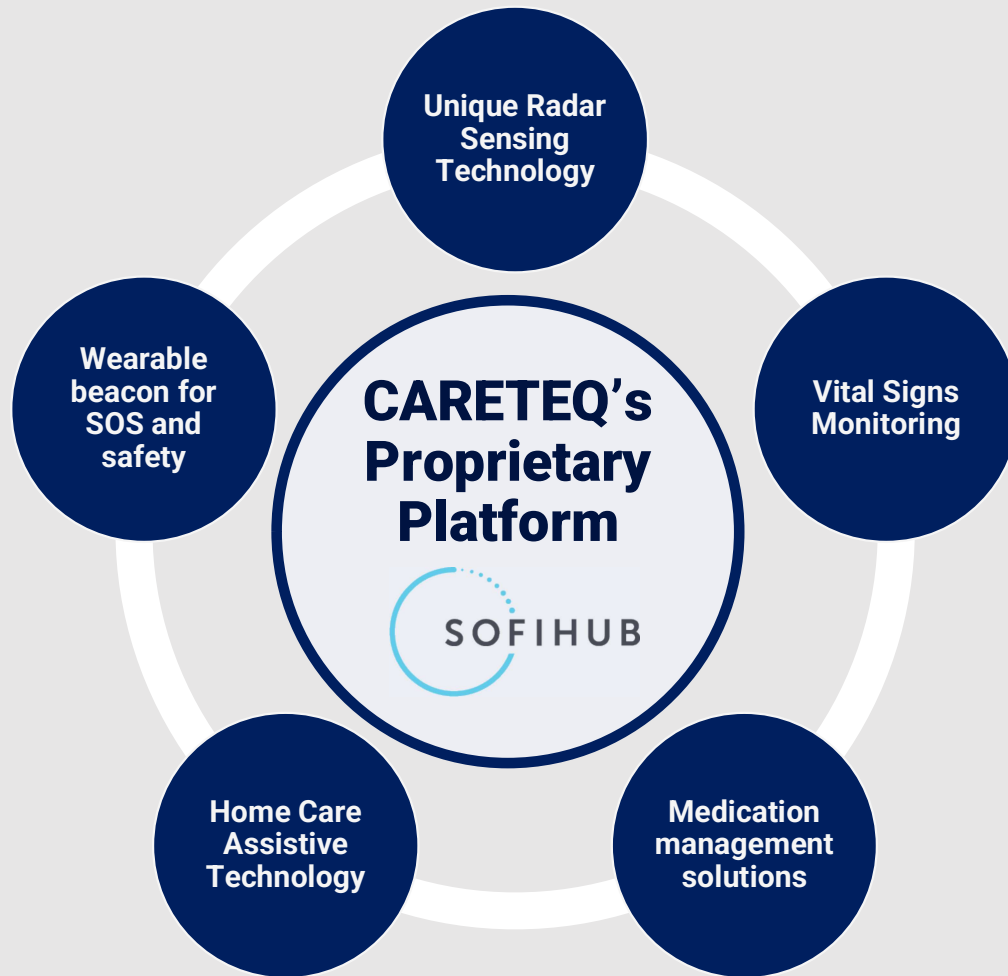
Benefiting from macro tailwinds (e.g. staff/funding shortage, quality of care challenges, ageing demographics and trend towards in-home care)

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



# 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
- TEQ-Light (latest hardware offering), which plugs into a wall socket for monitoring, communications and medication reminders, is attracting keen interest from potential clients

# Strong Care & Ward MM

## SYNERGISTIC GROWTH

### **STRONG CARE**

#### Digital Medication Management System

- Strong Care secured its second Registered Aged Care Facility client since its launch in August 2022
- Its sales pipeline has grown to 42 additional opportunities at end December (vs. 11 at end September)
- Most Registered Aged Care Facilities are still using paper-based systems
- The federal government is providing grants to Registered Aged Care Facilities to make the transition by Dec 2024
- Those who don't will have to fund the transition themselves or risk being cut off from other grant programs



#### Medication Management Services

- Ward MM is a key contributor to the Group's 1H FY23 revenue growth
- The business is one of Australia's largest medication management service providers
- Regulations, government incentives and ageing population provide growth platform for Ward MM and Strong Care
- Ward MM gives CARETEQ unparalleled access to leading Registered Aged Care Facilities to cross-sell Strong Care

# More Room for Sales Pipeline to Expand

## DISRUPTING THE AGED & DISABILITY CARE SECTORS

### AUS/NZ

- CARETEQ's Assistive Living Technology platform and solutions are gaining momentum in Australia and the US

\$22.7b  
TAM

\$995m  
SAM

TAM: Total Addressable Market

### GLOBAL

\$1.1t  
TAM

\$32.0b  
SAM<sup>4</sup>

SAM: Serviceable Available Market

- 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>





## **Other Opportunities and Outlook**

# SiTa Foundation Update

## PROGRESSING TOWARDS TRIALS



### Prototype

SOS device prototype ready for first US trial following improved hardware design



### SaaS

CARETEQ providing backend SaaS (Sofihub) while SiTa is working with a 3<sup>rd</sup> party on the hardware



### Recurring Revenue

Under the partnership, CARETEQ will attract recurring revenue streams on a per device basis



### SiTa Founder

SiTa is founded by Jo Natauri, global head of private healthcare and investing at Goldman Sachs in NY and she also serves on the Committee for Corporate Investment and the Sustainable Investing Committee at Goldman



### Domestic Violence

~10m Americans adults face domestic violence a year and domestic violence hotlines get >19,000 calls a day



### Market Strategy

SiTa is responsible for all trials and go-to-market strategy

The SiTa Foundation is a non-profit organisation, based in the United States, that prepares victims of violence to rise up against repeated abuse by empowering them, building confidence, and increasing safety through the use of technology that engages allies



# Significant New Market

## NEW SALES TO LONE WORKER MARKET



### Working separately from others

(e.g., factories, warehouses, petrol stations, kiosks)



### Agriculture & forestry workers

(e.g., logging, farm)



### Service workers

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



### Working away from a fixed base

(e.g., construction, plant installation, maintenance)



### Working outside normal hours

(e.g., cleaning services, security, repairs/emergency)

\*<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/Issues\\_Paper\\_-\\_Taking\\_Healthcare\\_Home\\_Ideas\\_Lab\\_23\\_Feb\\_2016.pdf](https://www.westernsydney.edu.au/_data/assets/pdf_file/0007/1036609/Issues_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

Strong gains in 1H FY23 expected to carry through FY23 and beyond



## Growth Options

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



## Momentum

Fundamentals for Company has never been stronger



## Prospective Customers

High levels of interest from prospective customers indicate further growth in sales pipeline for Sofihub and Strong Care



## 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 15 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.

Previously 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

