



Full Year
Presentation
August 2023

Constant care, everywhere

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Q FY2023 Result Highlights

FY23 was an important year in laying a solid foundation to drive further revenue growth and build towards profitability. The Company saw rapid expansion in its Australian and US sales pipelines which is already bearing fruit early in FY24.

	FY23	FY22	CHANGE
Total Group Revenue	\$6.4m	\$5.2m	+23.1%
EBITDA	(\$3.5m)	(\$4.1m)	+14.6%
Net Profit/(Loss)	(\$4.1m)	(\$5.3m)	+22.6%

Cost Reductions

Annualised saving in excess of \$1.2m for FY24 to be achieved by decommissioning hardware R&D and focusing exclusively on software development

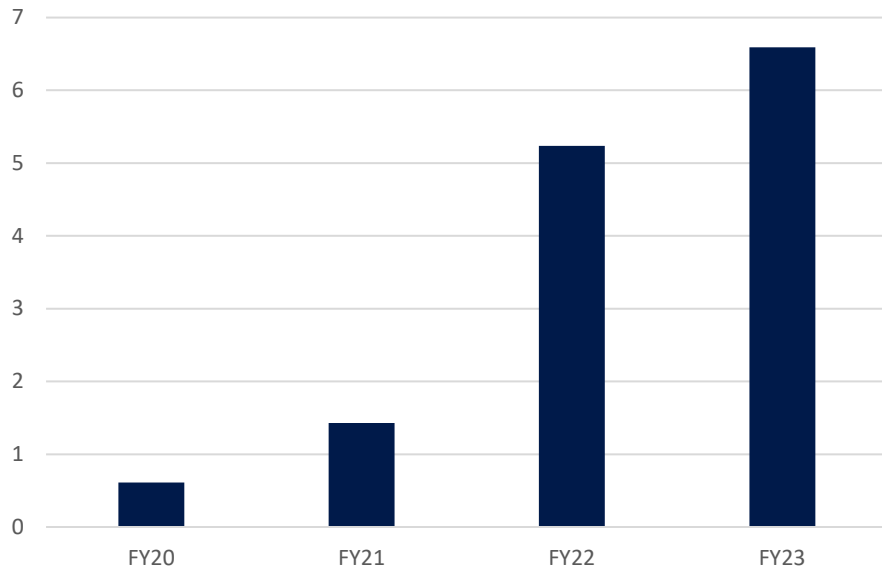
Subscriber Growth

Sofihub SaaS subscribers grew 48.5% over pcg to ~4.6k excluding subscribers in the process of onboarding with ARR just over \$300k

Q FY2023 Result Highlights - Group

Foundation set for FY24 and beyond

Group Operating Revenue (\$m)



Revenue

Up 23.1% over pcip to \$6.4m



EBITDA

\$0.6m improvement to (\$3.5m)



Outlook

Organic growth expected across the group on an optimised cost base.

Q FY2023 Result Highlights - Sofihub

Gathering momentum with sticky customers and a robust pipeline

	FY23	FY22	Change
Revenue ²	\$0.9m	\$0.9m	-
EBITDA ²	(\$4.3m) ³	(\$4.4m) ³	2.3%
ARR ¹	\$309k	\$220k	40.45%
Subscribers	4.6k	3.1k	48.4%
Churn	1.8%	1.7%	-0.1pts



Outlook

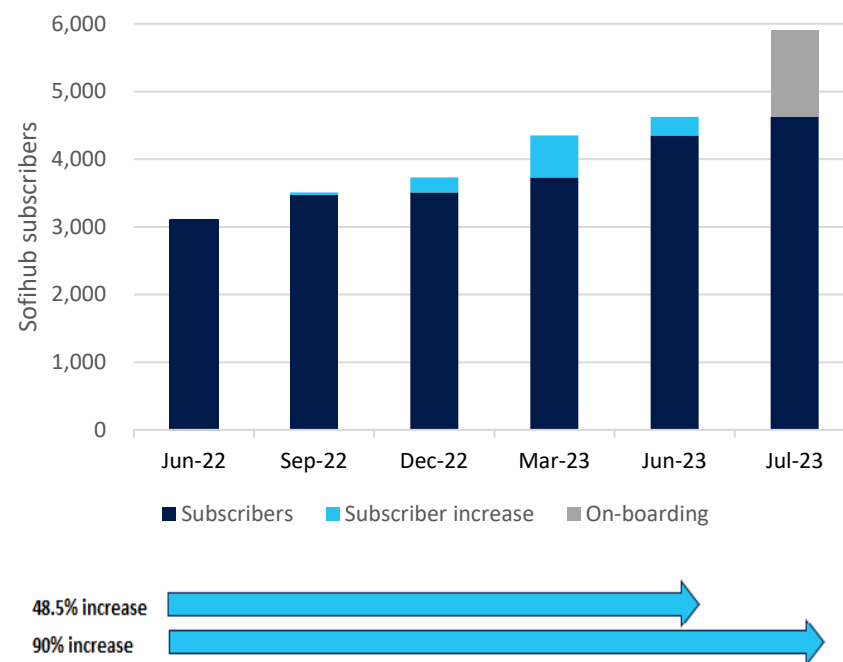
Targeting 15,000+ subscribers in FY24, resulting in a cash flow breakeven run-rate on an operating basis

1) Annualised Recurring Revenue

2) Includes R&D Rebate

3) Includes all public and corporate overheads

Sofihub SaaS subscribers



Q FY2023 Result Highlights - EHS

Strategic JV to significantly boost profitability and productivity

	FY23	FY22	% Change
Revenue	\$5.5m ¹	\$4.3m	27.9%
EBITDA ²	\$0.9m ¹	\$0.4m	125.0%

Merger

Ward MM merged with Mederev in a JV called Embedded Health Solutions with a 55% controlling stake owned by CARETEQ

Medication Management

This created one of Australia's largest aged care medication management businesses



Outlook

Forecasting EBITDA of \$1.5m in FY24 driven by cost synergies and operational efficiencies associated with the merger

Cross-Selling

CARETEQ has the ability to cross-sell Sofihub and Strong Care platform solutions to an additional ~22k beds

Strong Position

Merged business is in a strong position to meet aged care requirements for embedded medication management, QUM³ solutions and on-site pharmacist time

1) Includes Mederev revenues from 1st April 2023

2) Includes R&D Rebate

3) Quality Use of Medicines



Capital structure

Share price (28 th August 2023)	\$0.026
Shares on issue	222.1m
Market capitalisation	\$5.7m
Cash (proforma post capital raise of \$2.47m)	\$4.0m
R&D loan (\$m) ²	\$0.7m
Enterprise value (EV) ³	\$1.7m
Share price (52wk range)	2.5¢ - 12¢
Shares held by top 20	60.05%

In addition, the following securities are on issue:

- 3,000,000 unlisted options with an exercise price of \$0.02 and an expiry date of 30/06/2025
- 7,339,410 unlisted options with an exercise price of \$0.09375 at various dates up until 15/10/2024
- 2,000,000 unlisted options with an exercise price of \$0.20 and an expiry date of 06/05/2025
- 1,312,171 unlisted options with an exercise price of \$0.28 and an expiry date of 22/12/2025
- 1,312,171 unlisted options with an exercise price of \$0.32 and an expiry date of 22/12/2025
- 1,312,171 unlisted options with an exercise price of \$0.36 and an expiry date of 22/12/2025

1) **RMMR**: Residential Medication Management Review, **QUM**: Quality Use of Medicines, **HMR**: Home Medicines Review
2) The Company has received \$0.7m from its insurer from an estimated \$1m R&D claim based on prior successful experiences
3) Enterprise Value assumes that the R&D loan is netted off against the R&D claim

Company Overview

Delivering innovative health and aged care solutions



SaaS Based Solutions

Solutions targeting acute, aged, disability and home care sectors (low churn of 1.8%/yr)



Devices

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



Assistive Living

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



Strong Value Proposition

Peace of mind for users, family and care givers



Medication Adherence

Provides RMMRs¹ & QUM¹ to some of the nation's largest aged care providers, as well as HMRs¹



Digitising Medication Management

Assisting in the transition of paper-based to electric medication records

Q Leveraged to Large Global Markets

Aged & disability care industry ripe for tech disruption

CARETEQ closing in on cashflow breakeven inflection point (15K subscriber target)

More room for growth...

AUS/NZ

\$22.8b

TAM

\$998m

SAM

GLOBAL

\$1.1T

TAM¹

\$32.0B

SAM¹

TAM: Total Addressable Market
SAM: Serviceable Available Market

...driven by multiple tailwinds

Ageing Population

Rapidly Ageing population across the developed world

Funding

Government funding for aged/disability care is increasing worldwide, including Australia

Industry Practices

Low productivity and substantial underspend in technology in the industry

No Dominant Competitor

CARETEQ's early mover advantage with no dominant competitor

Tech Disruption

Industry is ripe for a tech disruption with rising costs and increasing regulations for aged and disability care

Solutions

Market-ready solutions currently sold in ANZ & North America



Business Model

Commercially ready SaaS offering complemented by profitable services

1) 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.
2) Users may qualify for government subsidies/grants (e.g., NDIS)
3) CARETEQ has exclusive rights to sell Strong Care to RACs in Australia

Software:
SaaS Platforms

Services:
Embedded Health Solutions

SOLUTION



Assistive
Living
Technology



Electronic
Medication
Management



Medication
Management
Services

DESCRIPTION

Cloud-based platform, connecting best of breed assistive living devices

SaaS-based system, allowing clinicians to manage medication records

Medication management services through its team of pharmacists

REVENUE
MODEL

Recurring monthly subscription revenue & hardware sales¹

Recurring contracted revenue (charged per bed/month)

Contractual revenue (3-year avg) with RAC facilities and paid for by government (charged by per review)
New revenue opportunity with AI-enabled data lake offering (under development)

TARGET
MARKETS

Disability & aged care (in-home or RACs)²
Personal security
Lone worker
Domestic violence

Residential aged care (RAC) operators

RACs
General practitioners (GPs)
In-home care



Assistive Living Technology

TEQ-FallsAlert

POWERED BY SOFIHUB

TEQ-Home

POWERED BY SOFIHUB

TEQ-Secure

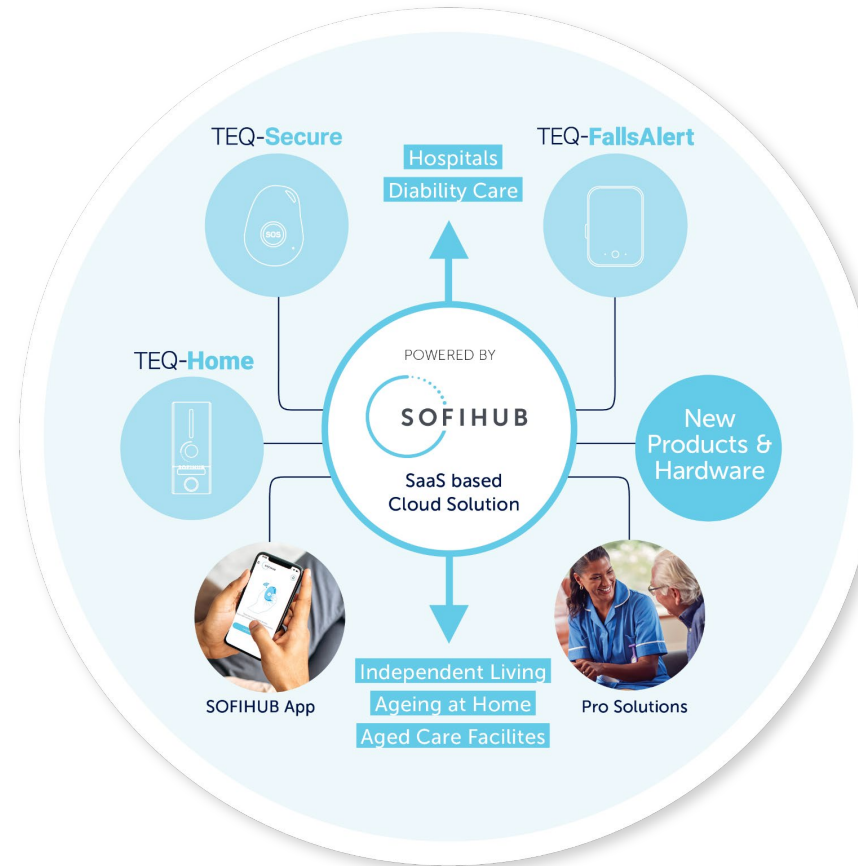
POWERED BY SOFIHUB





Sofihub Ecosystem

Cloud-based platform + smart sensors



TEQ-FallsAlert

POWERED BY SOFIHUB



TEQ-Home

POWERED BY SOFIHUB



TEQ-Secure

POWERED BY SOFIHUB

SaaS Platform

Scalable SaaS platform that provides critical data and AI-powered insights from best of breed hardware

Real-time Data

Constant real-time stream of multiple data variables delivering broad detail on activities and occurrences

Easy Access

Can be accessed through various devices including computer, laptop, tablet and smartphone

Solutions

Seamless integration with CARETEQ's hardware, providing users and loved ones an out-of-the-box solution

Subscriber Base

Sticky and growing subscriber base with high switching costs

New Subscribers

Highly predictable SaaS revenues with low churn of 1.8% per year that is more than offset by new subscribers to the platform

Q CARETEQ's Sales Cycle Explained

Channel partner go-to-market strategy

Global SAM: \$32B¹



Active Partners Won

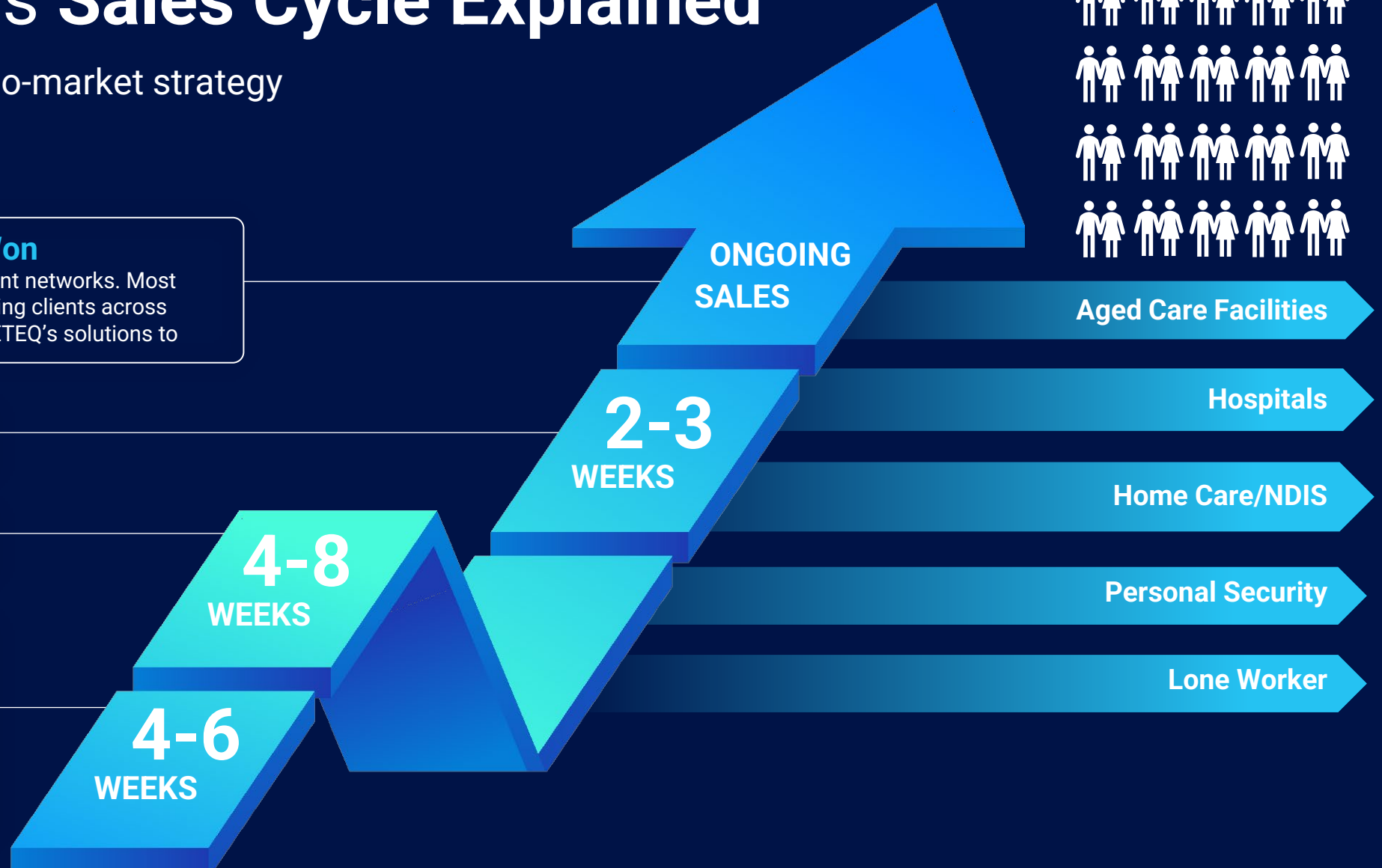
CARETEQ leverages Active Partners' client networks. Most Active Partners have large pool of existing clients across multiple verticals that they can sell CARETEQ's solutions to

Proposal & Negotiation

Demos and Trials

Leads

CARETEQ has low visibility on potential contract value at this stage as these partners don't usually reveal their full client network until later in the relationship

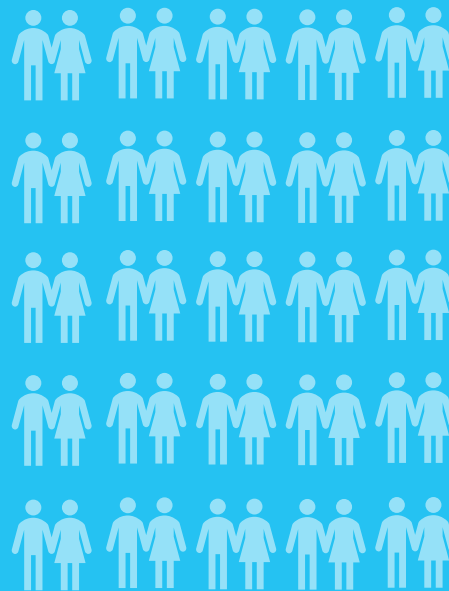
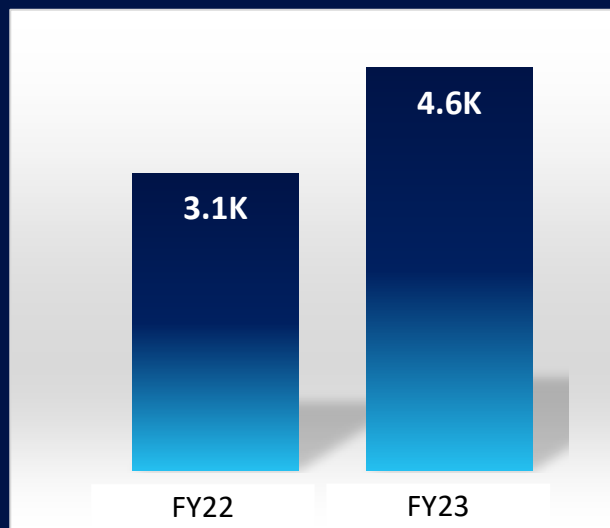




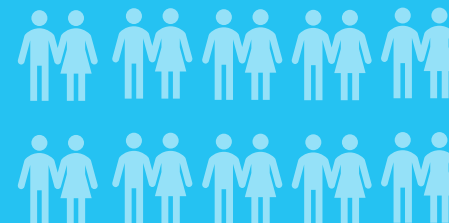
SofiHub

**FY24 goal: 15,000+ subs
and cash flow breakeven
run rate¹**

Growing subscriber base
and ARPU



**Subscriber base is well
placed to grow
exponentially**



Trials

There are currently
18 trials running –
11 in the U.S. and 7
in Australia

Subscriptions

Converting just one of
the trials may lead to a
significant step change
in subscriber numbers

Breakeven target

CARETEQ expects to
reach breakeven run
rate¹ before end of FY24
with 15K subs, which
represents <5% of its
current sales pipeline

ARPU/Churn

ARPU driven
by subscribers adding
new sensors/devices.
Solutions are “sticky”
with low churn of 1.8%
per year



U.S. Customer Example

CARETEQ has several similar sized opportunities in its US pipeline

CARETEQ secured an Active Partner who is a leading technology solutions provider to aged care facilities

The partner introduced CARETEQ to a large independent and Assistive living organisation in North America

An initial trial of TEQ-Secure was successfully completed and the parties have started early-stage negotiations on a commercial contract

If a contract is successfully executed, the TEQ-Secure rollout is likely to be undertaken in stages

Size of potential opportunity

40K
residents in
>344
communities



Embedded **Health Solutions**

Medication Management Services



Medication Management

Unlocking profit and growth

CARETEQ merged its **Ward MM** business with **Mederev** in a JV (via non-cash transaction)¹ called Embedded Health Solutions (EHS) that will benefit significantly from **greater economies of scale** (35% efficiencies) and **cross-selling opportunities** (additional 22K beds).

CARETEQ holds a 55% controlling stake and has majority representation on the board.



EMBEDDED HEALTH SOLUTIONS



Estimated EBITDA : \$1.5m for FY24¹

Medication Management Services

Revenue & Earnings

A key contributor to the Group's 2H FY23 growth with \$200K in cost synergies extracted already

Growth Platform

Regulations, government initiatives and ageing population to drive growth for the JV and Strong Care

Medication Management

The combined entity is one of Australia's largest medication management service providers

Aged Care Facility Access

JV gives CARETEQ unparalleled access to leading Registered Aged Care Facilities to cross-sell Strong Care

New Revenue Opportunity with Global Pharmas

Monetising high-value, high-margin data

Value of CARETEQ's datasets is increasing due to growth of artificial intelligence (AI)

Database

Medication management database from Embedded Health Solutions is being converted to AI-enabled data lake¹

Initial Trial

Successfully completed small initial trial using de-identified data with global pharma client worth US\$50k+

High Value of Data

In discussions to expand the current program, highlighting the latent value of large medication data sets to the global pharma industry

Too early to quantify the opportunity but the **high-value high-margin** data lake¹ offering could generate significant ongoing contracted revenues



Strong Care

Electronic Medication
Management

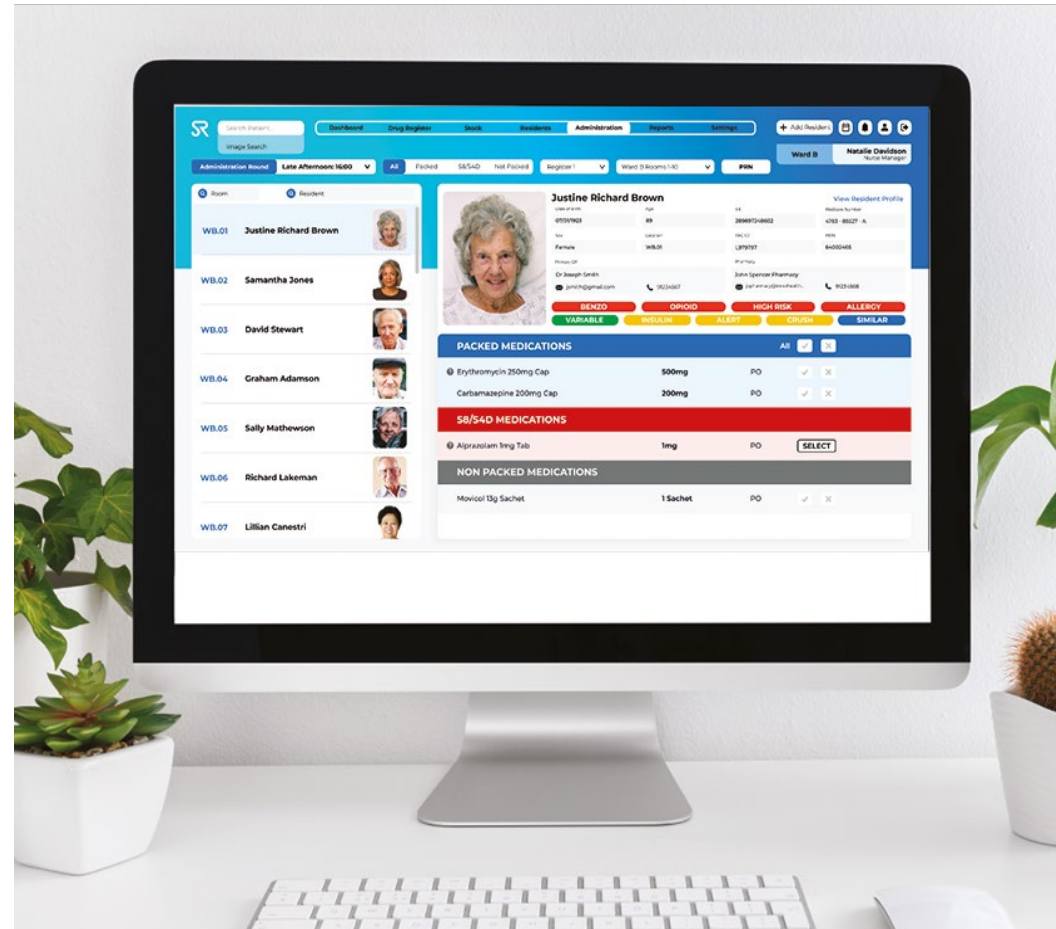


What is Strong Care?

Innovative cloud-based medication management system for aged care

CARETEQ is the exclusive reseller of Strong Care to the aged care industry in Australia

**STRONG
CARE**



Manage Medication

Digitally action, manage and trace all Controlled Drug activities across a Residential Aged Care (RAC) organisation

Selling Strong Care

CARETEQ has 5+5+5 year exclusivity to sell Strong Care, which is created by StrongRoom AI

Implementation Costs

Cost of implementation and support borne by StrongRoom AI

20hrs+
SAVED MONTHLY

Nurses can expect to save 20+ hours in administrative tasks

50%
TIME REDUCTION

Medication round times reduced up to 50% with the help of automation

**Easy
Setup**

Intuitive design makes for a swift setup ready for utilisation



Solid Growth Thematic

Federal Government incentivising
the digital transition

~60-70% of
RACs are still
using inefficient
paper-based
systems

The federal
government is
providing grants to
RACs to make the
digital transition by
Dec 2024

There are >200k
aged care
beds in Australia and
digital subscriptions
are charged by
per bed

Those who don't will
have to fund the
transition
themselves or risk
being cut off from
other grant
programs



Additional Opportunities and Outlook





Additional Growth Opportunities

New medium-term drivers

Domestic Violence

US non-profit combating domestic violence

Planning to launch trials using Sofihub to connect to security device

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

Lone Worker Market

Initial sales of TEQ-Secure safety pendants via existing channel partner

Early customers include Transport Accident Commission (TAC) and Department of Health

Global lone worker safety market growing at 12.5% CAGR to hit US\$2.3B by 2030¹

Hospital-in-the-Home

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

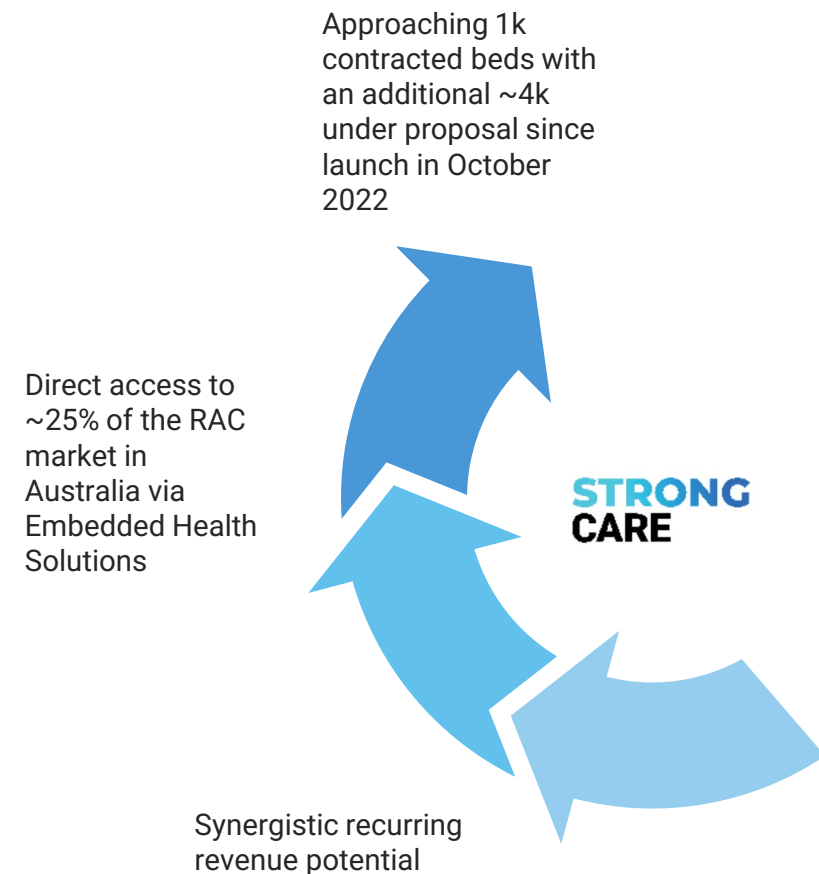
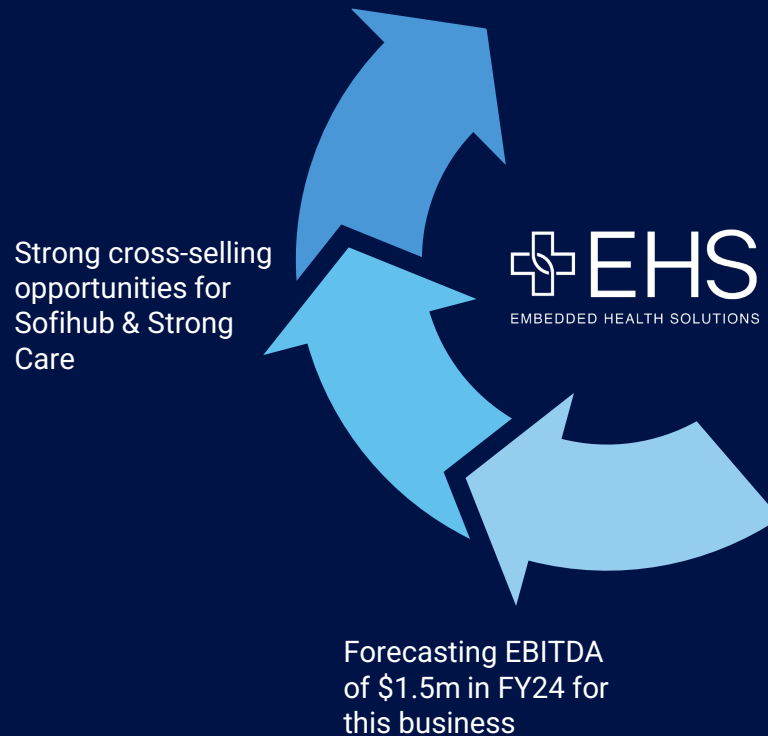
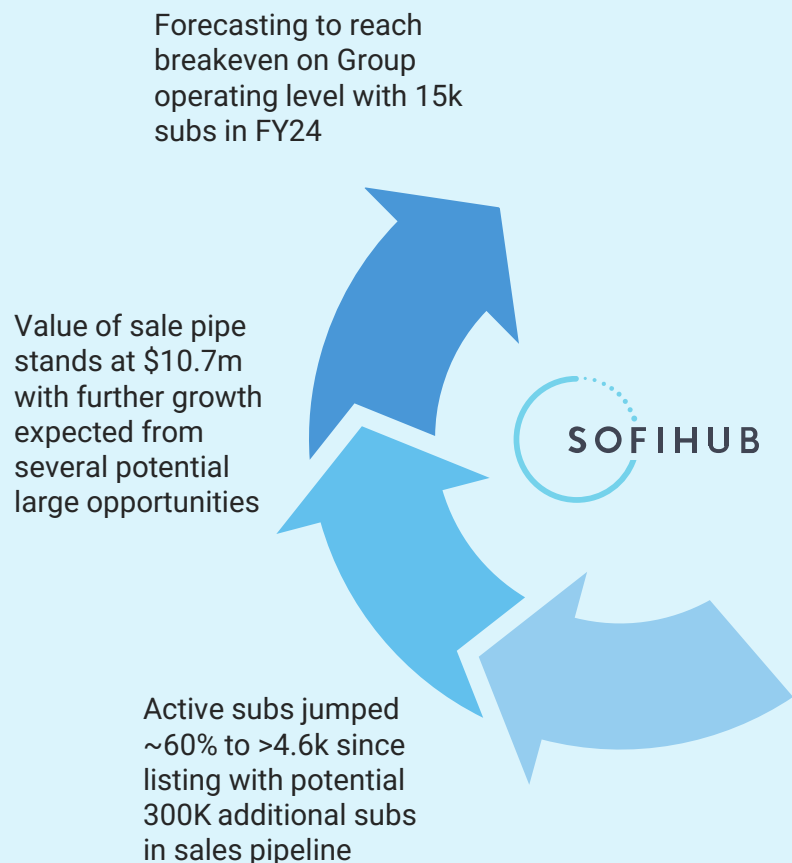
Global market estimated at US\$362B in 2022 & growing at 8% CAGR (2023-2030)²



- 1) <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>
- 2) <https://www.grandviewresearch.com/industry-analysis/home-healthcare-industry>

Q Positive Outlook

Rapidly approaching earnings inflection point





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 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

SAMANTHA THOMPSON

Investor Relations

samantha.thompson@careteq.com.au

Corporate Address

CARETEQ

Level 10

99 Queen Street

Melbourne, 3000

Constant care, everywhere