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The Manager
Market Announcements Platform
Australian Securities Exchange Limited

ACQUISITION OF HOME MEDICINES REVIEW PLATFORM HIGHLY STRATEGIC & COMPLEMENTARY

Highlights

- Acquisition of first-to-market Home Medicines Review software platform, a marketplace that connects general practitioners (“GPs”) to pharmacists
- Expected to be cash flow positive post synergies, and contribute profitability to the Company for FY24
- Fast-growing adoption with a revenue run rate of \$300k p.a., up 200% over the prior corresponding period (pcp)
- Highly strategic and complementary to existing operations:
 - with c.400 GPs currently on the platform, Careteq is able to introduce this offering to its network of c.5,000 GPs
 - Ability to introduce and cross-sell Careteq’s assistive living technologies to the expanding home care market

Careteq Limited (ASX: CTQ) (“Careteq”, “CTQ” or “the Company”), an emerging health-tech company with a focus on delivering best in class technology solutions for the health and aged care sector, is pleased to advise it has entered into a binding agreement to acquire the business and assets of New Medical Enterprises Pty Ltd trading as HMR Referrals for total consideration of \$250k cash and \$250k in ordinary shares at 2.5c per share (“Acquisition”).

Overview of the HMR Referrals Platform

Established in 2016, HMR Referrals is a marketplace platform that securely simplifies and streamlines the Home Medicines Review processes for GPs and accredited pharmacists.

Currently GPs not using HMR Referrals’ platform adopt inefficient processes such as fax or paper-based systems for the transmission of referrals to pharmacists and collection of the final Home Medicines Review reports. In many circumstances, due to the inefficiency of current processes, many GPs don’t participate in the Government funded Home Medicines Review program and forego reimbursement opportunities.

HMR Referrals’ platform is a practice management software agent that seamlessly integrates with GPs’ software, connecting them directly with accredited pharmacists through the platform to deliver Home Medicines Reviews.

The platform is the first to market and is gaining rapid traction with GPs and pharmacists alike, with c.80 GP clinics, c.400 GPs and c.335 pharmacists currently using the marketplace platform. The revenue run rate is c.\$300k p.a., up 200% over pcp.

Revenue is generated by charging an origination fee and submission fee to accredited pharmacists once a GP submits Home Medicines Review referrals to the platform.

Background

Approximately 250k Australians are hospitalised each year because of medication error, misuse, and misadventure and another 400k presentations to emergency departments are likely to be due to medication-related problems. This costs Australia approximately \$1.4 billion in hospital admissions alone of which 50% of this harm is preventable. Over 90% of patients have at least one medication-related problem post-discharge from hospital. One in five people are suffering an adverse medication reaction at the time they receive a Home Medicines Review.¹

The Home Medicines Review program was introduced into the Medical Benefits Schedule in October 2001 to support the quality use of medicines and reduce the incidence of medication misadventure which ultimately improves elderly health outcomes.

GPs are reimbursed for their referral through the Medical Benefits Scheme and pharmacists through the Pharmaceutical Benefits Scheme to establish a collaborative approach to medication management for each eligible patient.

Careteq's EHS business undertakes residential medication management reviews, the equivalent of Home Medicines Reviews for the residential aged care market. HMR Referrals provides Careteq with a scalable marketplace platform to facilitate the delivery of Home Medicines Reviews in the home care market.

Strategic rationale

The Acquisition is highly complementary and strategic in nature.

Post synergies the Acquisition is expected to be cash flow positive and contribute to Careteq's overall profitability for FY24.

Careteq is pleased with organic revenue growth in HMR Referrals, especially given their network of c.400 GPs across c.80 GP clinics. This presents Careteq with a promising opportunity to expand the platform across its extensive network of c.5,000 GPs.

Moreover, there is an opportunity for Careteq to cross-sell its Sofihub assistive living technology solutions whilst also exposing pharmacists to residential medication management reviews via the EHS division.

Careteq Executive Chairman, Mark Simari, said: *The acquisition of HMR Referrals aligns with our medication management business as well as our health technology portfolio, creating a full service offering within our verticals. We believe that integrating HMR Referrals into Careteq will strengthen our market position and contribute to our long-term success.*

¹ <https://www.psa.org.au/2022-world-patient-safety-day-pharmacists-key-to-reducing-medicine-harm/>

This ASX announcement has been authorised by the Board of Careteq Limited (ASX: CTQ)

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About Careteq Limited (ASX: CTQ)

Careteq Limited (ASX: CTQ) is an Australian-headquartered Healthtech company that has developed and commercialised a proprietary Assistive Living Technology platform. The company is now using its early-mover advantage in the Assistive Living Technology sector to revolutionise aged and disability care across the globe.

Careteq's revenues are derived from assistive passive technology products powered by Sofihub. The product suite on the Careteq Assistive Living Technology platform delivers better quality of life and productivity outcomes to a broad-based target addressable market, comprised of both patients (the elderly, disabled and vulnerable individuals), and their carers.

Careteq provides a range of solutions including continuous non-invasive monitoring, fall detection and mobile alarms. Careteq products are today widely available through their online store, industry leading distributors and specialist retailers, both in Australia and overseas.

To learn more, please visit: www.careteq.com.au/

Forward-looking statements

This announcement contains or may contain forward-looking statements that are based on Careteq's beliefs, assumptions, and expectations and on information currently available to Careteq. All statements that address operating performance, events, or developments that Careteq or its directors expect or anticipate will occur in the future are forward-looking statements, including, without limitation, statements as to the expectations of Careteq or the market it operates in.

Careteq believes that these forward-looking statements are reasonable as and when made. You should not place undue reliance on forward-looking statements because they speak only as of the date when made. Careteq does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No assurance or guarantee is, or should be taken to be, given in relation to, and no reliance should be placed on, the future business performance or results of Careteq or the likelihood that the current assumptions, estimates or outcomes will be achieved. Actual results, developments or events could differ materially from those disclosed in the forward-looking statements.

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