



# FY24 INTERIM RESULTS PRESENTATION

Constant care, everywhere

February 2024

# Group Overview





## **Group Purpose**

Careteq is positioned to deliver best in class assistive living technologies and medication management solutions to enrich the lives of those that require care.

## **Strategy**

Leverage our significant existing and future customer base to cross sell and expand our diversified technology systems and medication management services.

# Q Company overview

Recurring SaaS & PaaS products complemented by profitable services



Assistive Living  
Technology



## **SOFTWARE:** Sofihub SaaS Platform

Platform that connects best of breed assistive living devices

### **REVENUE MODEL:**

Recurring monthly subscription revenue, plus hardware sales

### **TARGET MARKET:**

- Disability and aged care (in-home or residential aged care)
- Personal security
- Lone worker
- Domestic violence

Marketplace  
Platform



## **SOFTWARE:** Medication Reviews

Marketplace platform connecting pharmacists and general practitioners for medication reviews

### **REVENUE MODEL:**

Platform origination and submission fees

### **TARGET MARKET:**

- Pharmacists
- General practitioners (GPs)
- In-home care

Medication  
Management  
Service



## **SERVICES:** Embedded Health Solutions

Medication management services through its team of pharmacists

### **REVENUE MODEL:**

Contracted revenue (3-year avg) with aged care facilities and paid for by the government (charged by per review)

### **TARGET MARKET:**

- Aged care facilities
- General practitioners (GPs)
- In-home care



# Highlights

## 1H FY24 vs. 1H FY23

**\$4.5m**

Group revenue +76.8% on pcp

**~8000**

Sofihub subscribers +66%  
(once sold devices are onboarded)

**\$0.3m**

HMR Referrals run rate +200%

**(\$0.4m)**

Group EBITDA loss reduced by 80.8%

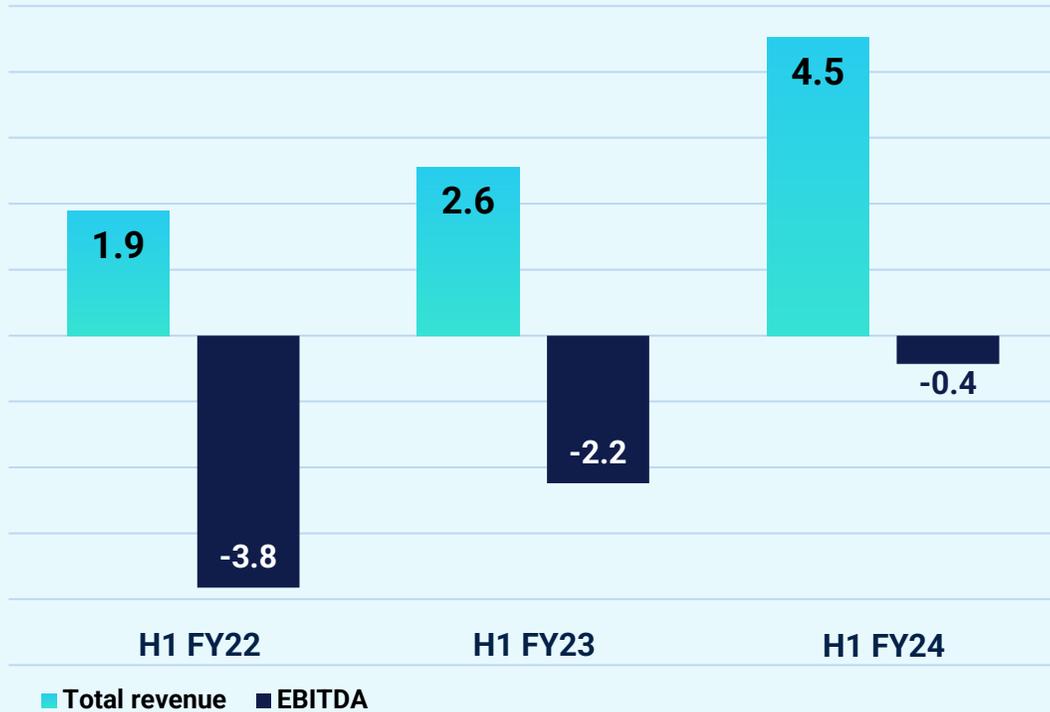
**\$0.8m**

EHS EBITDA  
(On track to deliver \$1.5m FY24 EBITDA)



# Group H1 FY24 result highlights

H1 REVENUE AND EBITDA (\$m)



	H1 FY24	H1 FY23	CHANGE
TOTAL GROUP REVENUE	\$4.5m	\$2.6m	+76.8%
EBITDA	(\$0.4m)	(\$2.2m)	+80.8%
NET PROFIT/ (LOSS)	(\$1.0m)	(\$2.4m)	+60.5%



# Group 1H FY24 result highlights

FY24 has shown strong revenue growth with the rapidly increasing subscriber numbers driving the Company towards profitability. Continuous refinement of operations has delivered a significant improvement in EBITDA.

## REVENUE SPLIT (\$m)





# Assistive Living Technology

TEQ-FallsAlert

POWERED BY SOFIHUB

TEQ-Home

POWERED BY SOFIHUB

TEQ-Secure

POWERED BY SOFIHUB

TEQ-Life

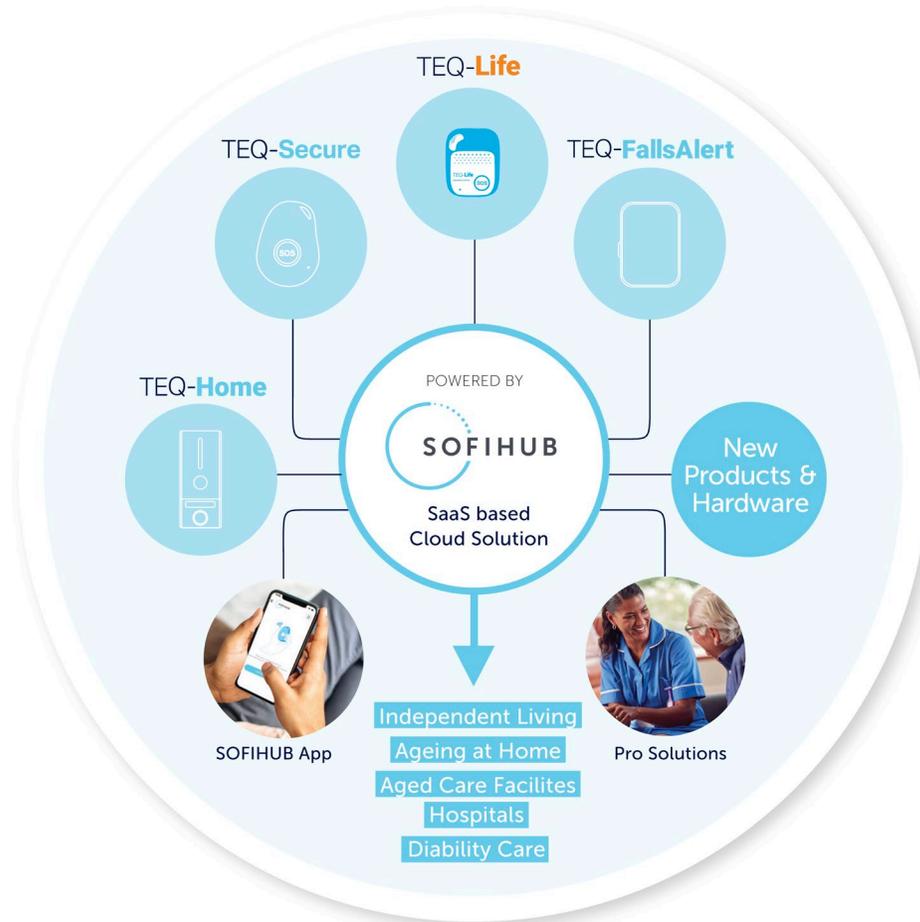
POWERED BY SOFIHUB





# Sofihub ecosystem

Cloud-based platform + smart sensors



TEQ-FallsAlert

POWERED BY SOFIHUB



TEQ-Home

POWERED BY SOFIHUB



TEQ-Secure

POWERED BY SOFIHUB



TEQ-Life

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



# Sofihub

## operational update

Delivering on growth

### Subscriber momentum

SaaS subscribers jumped 111% to c.8,000 with ARR approaching \$0.6m, (includes subscribers in the process of being onboarded).

### Pipeline

Expanding opportunities through channel partners across AU and US continue to evolve, expected to deliver increased Sofihub SaaS subscribers.

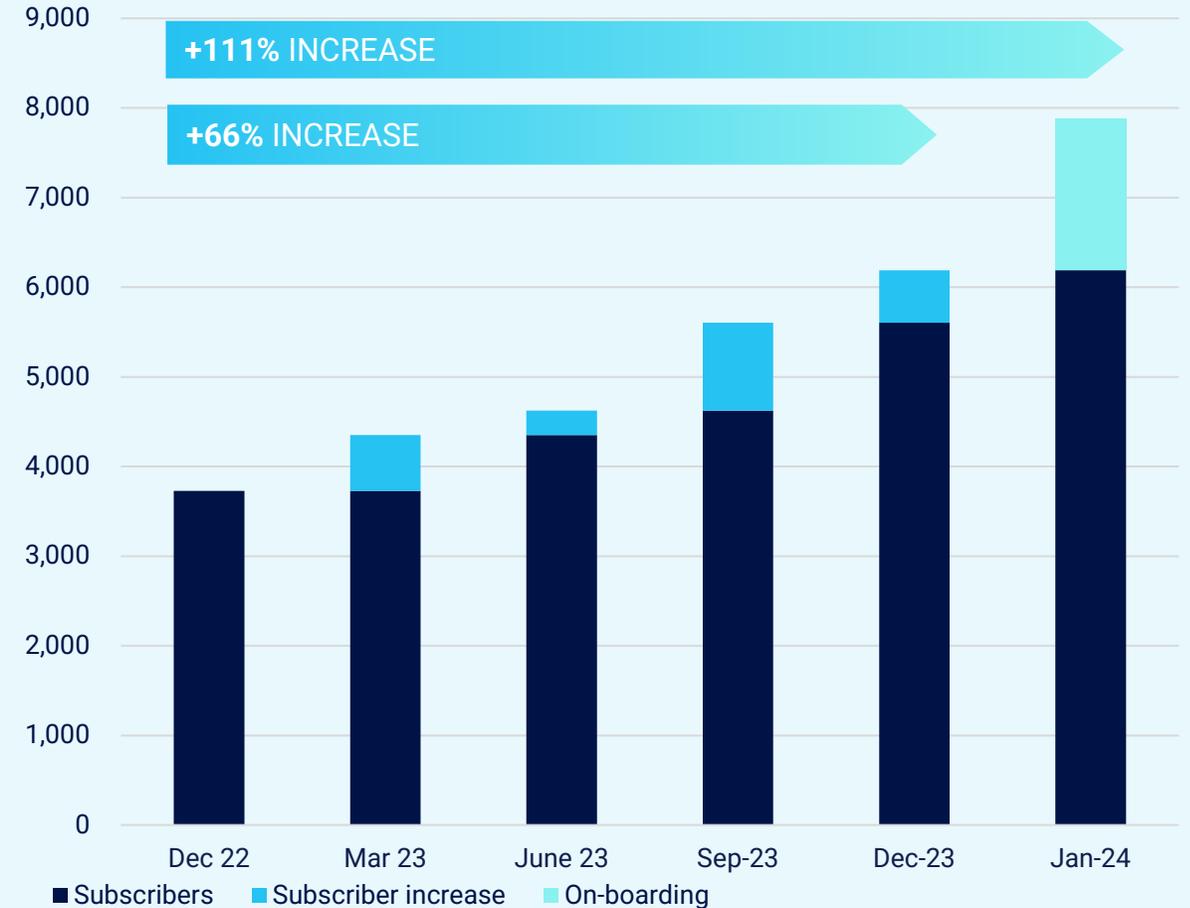
### Low churn

Subscriber churn rate is proving to remain low at 1.8% after an increased level of clients onboarded.

### Outlook

All business units have been integrated and are providing positive sales outcomes. With these synergies we are expecting to reach our target of profitability by the end of the financial year.

## Sofihub subscribers



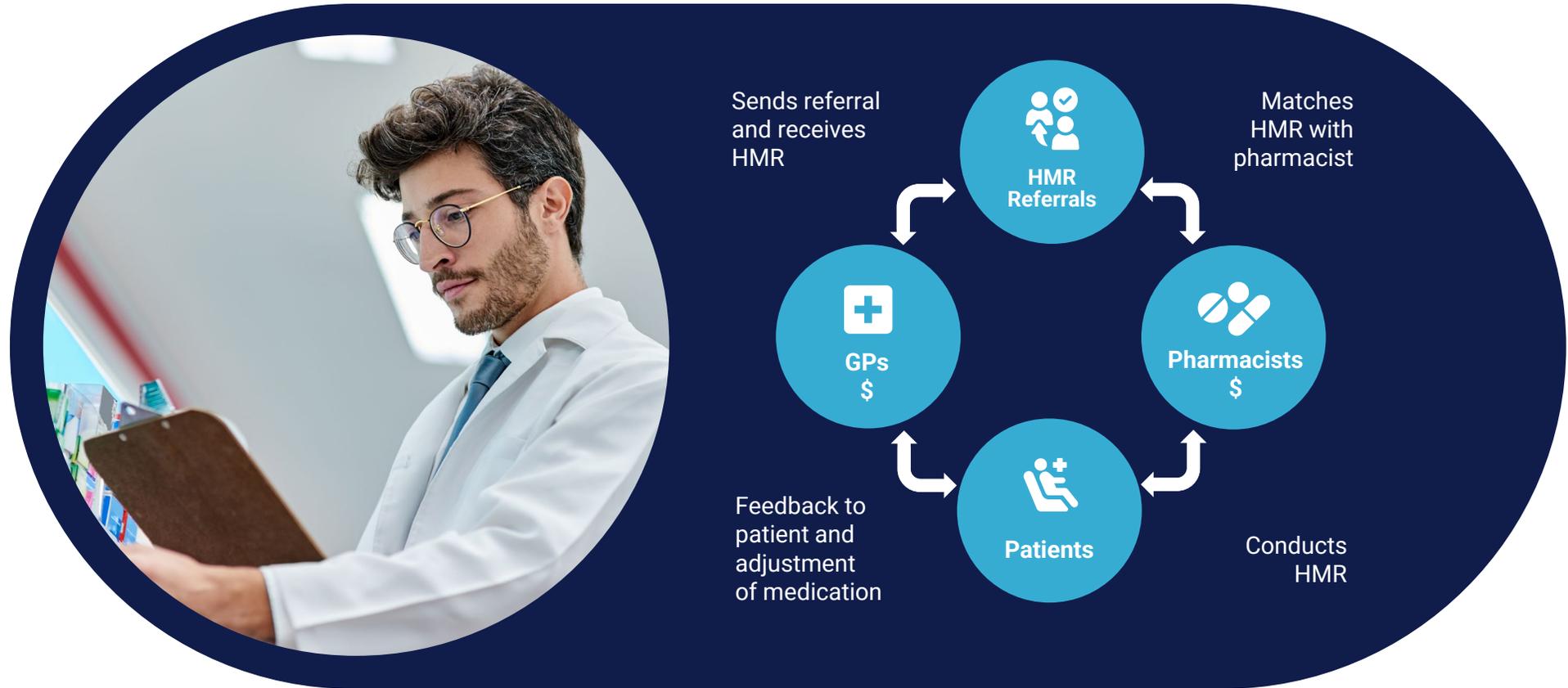


Home Medication Review  
SaaS Marketplace



# HMR Referrals

Marketplace platform securely simplifying and streamlining the home medicines review (HMR) process for GPs and accredited pharmacists.



### Seamless Integration

Connecting GPs' software, directly with accredited pharmacists through the marketplace platform to deliver home medicines reviews

### Reduction in medication errors

Medication reviews support the quality use of medicines and reduces the incidence of medication misadventure, ultimately improving elderly health outcomes

### Reimbursement for GPs

User friendly platform allows GPs to unlock reimbursement opportunities for referring home medication reviews for their patients

### Revenue for Pharmacists

Connecting pharmacists with home medication review referrals to expand their earning potential via the Pharmaceutical Benefits Scheme

### Cross-selling

Ability to introduce and cross-sell Careteq's assistive living technologies to the expanding home care market



# HMR Referrals operational update

Acquisition is highly strategic  
and complementary

Acquisition of first-to-market home medications review software platform, a marketplace that connects general practitioners (“GPs”) to pharmacists.

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.



## Strategic rationale

### Cash Flow Positive

Expected to be cash flow positive post synergies, and contribute to the profitability of the Company for FY24

### Synergies

With c.400 GPs currently on the platform, Careteq can introduce this offering to its network of c.5,000 GPs

### Strong growth

Fast-growing adoption with a revenue run rate of \$300k p.a., up 200% over the last twelve months.



# Embedded **Health Solutions**

Medication Management Services



# Medication management

Delivering on profit

Careteq merged its WardMM business with Mederev into a JV (via non-cash transaction) called Embedded Health Solutions (EHS) in April 2023.

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

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



## Strategic rationale for merger

### Cross-selling

Careteq has the ability to cross-sell Sofihub 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, The Quality Use Of Medications (QUM) Service and on-site pharmacist time.

### Growth Tailwinds

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

### Aged Care Facility Access

JV gives Careteq unparalleled access to leading registered aged care facilities to cross-sell Sofihub's suite of products.



# Q EHS operational update

Strategic JV to significantly boost profitability and productivity

## OPERATIONAL UPDATE

EHS is benefiting from greater economies of scale and cross-selling opportunities.

Dominant post-merger market position:

**54.8k**

contracted  
aged care beds

**5.7k**

aged care  
facilities

**42.4k**

residential medication  
management reviews

Further synergy-related activities are underway:

- Migration to a single operating platform for the combined businesses
- Programs expected to be completed by Q4 FY24 and deliver additional cost savings leading into FY25.

## 1H FY24 PERFORMANCE



**\$0.8m**

EHS business EBITDA in 1HFY24  
+ 559% on 1H FY23 following Mederev merger  
(completed April 2023).



**\$1.5m**

EHS business EBITDA targeted in FY24  
the first full year of the merged EHS JV



# Group Priorities and Outlook





# Group priorities and outlook update

\$1.5m cost reduction



Priority 2 (On track)

Priority 3 (On track)

Priority 4 (On track)

Priority 5 (On track)

## PRIORITY 2:

**Grow Sofihub subscribers to 15,000+ in FY24 (initial target)**

**Update:** Approaching 8,000 subscribers (once all clients onboarded), up 102% over 30<sup>th</sup> September 2023 and a robust pipeline and active channel partners.

Status: on track

## PRIORITY 3:

**EHS JV to deliver \$1.5m in EBITDA in FY24**

**Update:** Successfully extracting synergies post merger and on track to deliver on stated EBITDA target for FY24.

Status: on track

## PRIORITY 4:

**Profitable at the group level on an operating basis**

**Update:** The targeted 15,000+ Sofihub subscribers, the growth in HMR Referrals, combined with the forecast EBITDA of Embedded Health Solutions is expected to assist the company in achieving profitability leading into FY25.

Status: on track

## PRIORITY 5

**Grow HMR Referrals' user base by onboarding GPs and Pharmacists**

**Update:** Post synergies the acquisition is expected to be cash flow positive and profitable. Current network of c.5,000 GPs will also assist with growth initiatives

Status: on track



# Outlook

“

Our first half performance was extremely pleasing, delivering a vastly improved financial performance and a material increase in SaaS subscribers.

Additionally, the consolidation of our medication management businesses and the recent acquisition HMR Referrals is expected to contribute significantly to our financial goals heading into FY25.

”



**MARK SIMARI**  
Executive Chairman

# Appendix





# Corporate overview

## CAPITAL STRUCTURE

235,547,292

Shares on issue

0.023

Share price (23/02/2024)

62.4%

Top 20 ownership

\$5.4m

Market capitilisation

\$2.2m

Cash (31/12/2023)

NIL

Debt

\$3.2m

Enterprise value

## BOARD OF 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



### 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, commercial and financial management, change management, compliance and governance.

Previously Chief Financial Officer of Paragon Care Limited



### 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. Board member of Paragon Care for 9 years including the role of Marketing Manager.

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



### 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)



# Profit and Loss

Account	31 Dec 2023	31 Dec 2022	VAR (%)
<b>Trading Income</b>	<b>\$Am</b>	<b>\$Am</b>	
Total Trading Income	4.16	2.40	+73.43
<b>Other Income</b>			
Total Other Income	0.37	0.16	+126.48
<b>Total Income</b>	<b>4.53</b>	<b>2.56</b>	<b>+76.77</b>
<b>Less Direct Costs</b>			
Total Direct Costs	(2.36)	(1.32)	+78.70
<b>Gross Profit</b>	<b>2.17</b>	<b>1.24</b>	<b>+74.73</b>
GP Margin	47.95 %	48.51%	
<b>Operating Expenses</b>			
Total Operating Expenses	(2.60)	(3.48)	+25.47
<b>EBITDA</b>	<b>(0.43)</b>	<b>(2.24)</b>	<b>+80.80</b>
Depreciation and Amortisation	(0.20)	(0.18)	+11.40
<b>EBIT</b>	<b>(0.63)</b>	<b>(2.42)</b>	<b>+73.82</b>
Interest	(0.09)	0.00	+3704.59
<b>Profit/(Loss) Before Tax</b>	<b>(0.72)</b>	<b>(2.42)</b>	<b>+70.14</b>



# Balance sheet

Assets	
<b>Current Assets</b>	<b>\$Am</b>
Cash at Bank	2.17
Trade and Other Receivables	1.99
Inventories	0.21
Contract Assets	0.65
Other Current Assets	0.16
<b>Total Current Assets</b>	<b>5.18</b>
<b>Non-current Assets</b>	
Property, Plant and Equipment	0.05
Intangibles	3.77
Right of Use Assets	0.21
Other	0.09
<b>Total Non-Current Assets</b>	<b>4.12</b>
<b>Total Assets</b>	<b>9.30</b>

Liabilities	
<b>Current Liabilities</b>	<b>\$Am</b>
Trade and Other Payables	2.00
Lease Liabilities	0.06
Borrowings	0.70
Employee Benefits	0.56
Contract Liabilities	0.45
<b>Total Current Liabilities</b>	<b>3.77</b>
<b>Non-current Liabilities</b>	
Borrowings	0.01
Employee Benefits	0.14
Lease Liabilities	0.16
<b>Total Non-current Liabilities</b>	<b>0.31</b>
<b>Total Liabilities</b>	<b>4.08</b>
<b>Net Assets</b>	<b>5.22</b>
<b>Equity</b>	
Issued Capital	25.46
Reserves	0.50
Accumulated Losses	(22.33)
Non-controlling interest	1.59
<b>Total Equity</b>	<b>5.22</b>



# Cash flow statement

	31 Dec 2023	31 Dec 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$Am</b>	<b>\$Am</b>
Receipts from customers (inclusive of GST)	3.96	2.49
Government grants and tax incentives	0.03	0.96
Payments to suppliers and employees (inclusive of GST)	(5.20)	(4.39)
<b>Net cash used in operating activities</b>	<b>(1.21)</b>	<b>(0.94)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments in relation to business acquisitions	(0.28)	0.00
Payments for property, plant and equipment	(0.04)	(0.01)
Payments for intangible assets – Sofihub R&D	(0.38)	0.00
Disposal of property, plant and equipment	0.00	0.00
<b>Net cash used in investing activities</b>	<b>(0.70)</b>	<b>(0.01)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	2.47	0.00
Share issue transaction costs	(0.20)	0.00
Payments of lease liabilities	(0.04)	0.00
Interest and other finance costs paid	0.00	0.00
<b>Net cash from/(used in) financing activities</b>	<b>2.23</b>	<b>0.00</b>
Net increase / (decrease) in cash and cash equivalents	0.32	(0.95)
Cash and cash equivalents at the beginning of the financial half-year	1.85	4.50
Effects of exchange rate changes on cash and cash equivalents	0.00	0.00
<b>Cash and cash equivalents at the end of the financial half-year</b>	<b>2.17</b>	<b>3.55</b>



# Additional Growth Opportunities

New medium-term drivers

## New Products

Currently evaluating complementary products and services.

Vital signs monitoring

Seniors' technology

Progress and care notes application for use in RACFs

## 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 2030<sup>1</sup>

## Hospital-in-the-Home

Hospital-in-the-Home is rapidly growing and presents a new significant opportunity for Careteq

Is in discussions with prominent healthcare groups within Australia

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



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**SAMANTHA THOMPSON**

Investor Relations

[samantha.thompson@careteq.com.au](mailto:samantha.thompson@careteq.com.au)

**MARK SIMARI**

Executive Chairman

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

**CORPORATE ADDRESS**

CARETEQ, Level 10, 99 Queen Street  
Melbourne, 3000