

30 April 2024

CARETEQ'S Q3 FY24 ACTIVITIES REPORT AND APPENDIX 4C

Careteq reaffirms EHS guidance and enhances HMR Platform

Careteq Limited (ASX: CTQ) ("Careteq" or "the Company"), a leading innovator in remote monitoring and healthcare technology, is pleased to provide the following quarterly update and commentary on its Appendix 4C for the quarter ending 31 March 2024.

Highlights

- Total cash outflow reduced to (\$0.12 million) for the quarter
- New CEO appointed with strong technology expertise
- HMR Referrals expanded GP and pharmacist numbers by 41% since the acquisition
- Embedded Health Solutions (EHS) remains on track for \$1.5 million EBITDA in FY24
- Sofihub subscribers up 100% over pcp once all devices have been onboarded
- Highly credentialed tax team at RSM has been appointed to advise the Company in relation to the ATO position paper

During the quarter, the Company narrowed its total cash outflow to (\$0.12 million) and its underlying operating cash outflow to (\$0.44 million).

Elizabeth Whitelock was appointed Chief Executive Officer in March 2024. Elizabeth brings a wealth of entrepreneurial experience spanning artificial intelligence, data, business intelligence, analytics, and data privacy.

Since the receipt of the ATO position paper concerning FY21 and FY22 R&D tax refunds, the Company has appointed RSM to advise the Company. RSM's tax team is highly experienced in dealing with R&D tax refund matters.

HMR Referrals: building GP and pharmacist pipeline

Since its acquisition in December 2023, the Company has been focused on growing GPs and Accredited Pharmacists numbers to strengthen the platform's network effect.

	At Acquisition	Added	Total	Growth since Acquisition (%)
GP Clinics	80	31	111	38.8
GPs	400	255	655	63.8
Pharmacists	335	55	390	16.4
Total	815	341	1156	41.8

An agreement has been signed with EHS for the HMR Referrals platform to add residential medication management reviews (RMMRs) capability and then adopted as its operating platform moving forward. This will streamline how the combined client bases will deliver medication reviews, significantly expanding the total addressable market for both businesses. This will in turn deliver cost savings of \$0.3 million to EHS as the two existing platforms are consolidated into a new one.

Additionally, features continue to be added to make it easier for GPs and pharmacists to engage with the platform. These include:

- Batching reviews, dramatically improving efficiency for pharmacists
- Enabling geographic selection by postcode for pharmacists
- Peer reviews amongst pharmacists to increase the quality of medication reviews
- Pricing model restructure to incentivise pharmacists to conduct more reviews at scale
- HMR Referrals platform configured to be used to complete RMMRs

These features are expected to increase the number of reviews being facilitated through the platform, thereby delivering better patient outcomes, and driving increased recurring revenues.

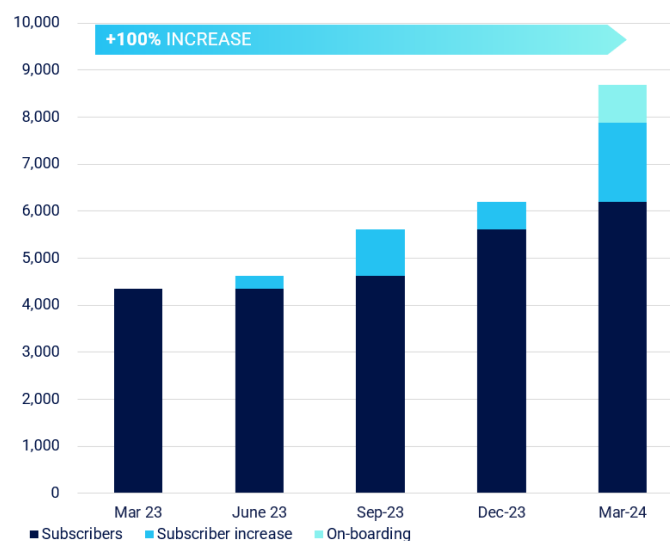
Embedded Health Solutions (EHS) maintains strong FY24 profitability pathway

Embedded Health Solutions (EHS) continues to perform well and remains on target to achieve its \$1.5 million EBITDA FY24 target.

Further upside has been identified in FY25 as HMR Referrals initiatives result in \$0.3 million of cost savings.

Sofihub: 100% subscriber growth over pcp

Sofihub subscribers were 8.7k at 31 March 2024 (once sold devices are onboarded), an increase of 100% over 31 March 2023.



ARR will be \$0.7 million once all sold devices have been onboarded.

Whilst the total pipeline far exceeds the 15k subscriber target, conversion has taken longer than anticipated. The Company now believes it is unlikely to achieve 15k subscribers by 30 June 2024 and it is more likely to be 10k-11k.

Financial position

The Company continues to manage its cash flows efficiently with the current quarter delivering an underlying operating quarterly cash outflow of (\$0.44 million) down from the (\$0.7 million) in the previous quarter)..

Total cash flow for the quarter was (\$0.77 million).

Careteq's cash position closed the March quarter at \$2.1 million. During the quarter, the Company received a \$1.1 million R&D tax refund (\$0.3 million net of the R&D tax refund loan).

In accordance with ASX Listing Rule 4.7C.3, payments to related parties and their associates totalling \$0.19 million outlined in Item 6 of the Company's Appendix 4C relate to director fees, salaries, and superannuation.

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.

For more information

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To learn more about Careteq please click here: <https://www.careteq.com.au/investors-centre/>

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Careteq Limited

ABN

83 612 267 857

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,166	6,127
1.2 Payments for		
(a) research and development	–	–
(b) product manufacturing and operating costs	(174)	(726)
(c) advertising and marketing	(100)	(226)
(d) leased assets	–	–
(e) staff costs	(1,463)	(4,745)
(f) administration and corporate costs	(612)	(1,894)
1.3 Dividends received (see note 3)	–	–
1.4 Interest received	–	–
1.5 Interest and other costs of finance paid	2	1
1.6 Income taxes paid	–	–
1.7 Government grants and tax incentives	1,093	1,130
1.8 Other (provide details if material)	–	–
1.9 Net cash from / (used in) operating activities	912	(333)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	–	(250)
(b) businesses	–	(25)
(c) property, plant and equipment	(29)	(74)
(d) investments	–	–
(e) intellectual property	–	–
(f) other non-current assets	(232)	(616)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	—	—
	(b) businesses	—	—
	(c) property, plant and equipment	—	2
	(d) investments	—	—
	(e) intellectual property	—	—
	(f) other non-current assets	—	—
2.3	Cash flows from loans to other entities	—	—
2.4	Dividends received (see note 3)	—	—
2.5	Other (provide details if material)	—	—
2.6	Net cash from / (used in) investing activities	(261)	(963)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	—	2,471
3.2	Proceeds from issue of convertible debt securities	—	—
3.3	Proceeds from exercise of options	—	—
3.4	Transaction costs related to issues of equity securities or convertible debt securities	—	(202)
3.5	Proceeds from borrowings	—	—
3.6	Repayment of borrowings	(700)	(700)
3.7	Transaction costs related to loans and borrowings	(69)	(69)
3.8	Dividends paid	—	—
3.9	Other (provide details if material)	—	—
3.10	Net cash from / (used in) financing activities	(769)	1,500

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,173	1,853
4.2	Net cash from / (used in) operating activities (item 1.9 above)	912	(333)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(261)	(963)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(769)	1,500
4.5	Effect of movement in exchange rates on cash held	–	(2)
4.6	Cash and cash equivalents at end of period	2,055	2,055

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,055	2,173
5.2	Call deposits	–	–
5.3	Bank overdrafts	–	–
5.4	Other (provide details)	–	–
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,055	2,173

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	190
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	–	–
7.2 Credit standby arrangements	–	–
7.3 Other (please specify)	–	–
7.4 Total financing facilities	–	–
7.5 Unused financing facilities available at quarter end		–
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	912
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,055
8.3 Unused finance facilities available at quarter end (item 7.5)	–
8.4 Total available funding (item 8.2 + item 8.3)	2,055
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:30th April 2024.....

Authorised by:By the Board of Directors of Careteq Limited.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.