

19 August 2024

ACQUISITION OF REMAINING SHARES IN EHS

Profitable outlook post-acquisition

Careteq Limited (ASX: CTQ) (“Careteq” or “the Company”) is pleased to announce the acquisition of the remaining 45% of Embedded Health Solutions Pty Ltd (EHS) for \$2.4 million. The strategic acquisition solidifies the Company’s focus exclusively on medication management and clinical governance in the health, aged, and home care sectors.

Financial Impact

The acquisition is structured as a vendor-financed transaction, with payments spread over eight quarterly instalments.

FY24 underlying EBITDA for EHS is \$1.5 million (unaudited).

With the Sofihub business now divested, **the Company expects Careteq to be profitable at the group level.**

Strategic Direction

Owning 100% of EHS allows Careteq to fully integrate HMR Referrals. This is expected to unlock synergies, especially with respect to driving Residential Medication Management Reviews (RMMR), where EHS is a market leader in medication management. This integration will enable Careteq to:

- **Enhance its offerings:** Combine the strengths of EHS’s residential medication management services with HMR Referrals’ platform to offer comprehensive solutions.
- **Drive revenue growth:** Leverage cross-selling opportunities and expand service offerings to existing and new customers.
- **Deliver operational efficiencies:** Streamline processes, leading to margin expansion and better patient outcomes.

Mark Simari, Executive Chairman of Careteq, commented, *“This acquisition is a key step in our strategy to focus on our core strengths in medication management. By fully integrating EHS, we are positioned to achieve profitability and deliver sustained value to our shareholders.”*

Appendix: Key Terms of EHS Acquisition

Term	Details
Purchase Price	\$2,400,000
Payment Structure	8 quarterly payments in arrears with 12% annual interest
Completion Date	31 August 24
Vendor Finance Terms	Interest of 12% per annum, secured by a Personal Property Securities Register (PPSR) registration
Restraint Period	Up to 3 years in Australia
Key Synergies	Enhanced service offerings, revenue growth, operational efficiencies

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 specialising in innovative medication management solutions. The core focus is on enhancing healthcare outcomes through Embedded Health Solutions (EHS) (55% owned) and HMR Referrals. EHS delivers comprehensive residential medication management services. HMR Referrals streamlines Home Medicines Reviews (HMRs) and Residential Medication Management Reviews (RMMRs). By leveraging proprietary technology and a deep understanding of healthcare needs, Careteq is committed to improving patient care in the health and aged care sectors.

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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