



2024 AGM PRESENTATION

Constant care, everywhere

November 2024



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AGM agenda

Executive Chairman presentation



MARK SIMARI
Executive Chairman

- Over 16 years' Board experience in a diverse range of organisations.
- Co-Founded and served as Managing Director of Paragon Care (ASX: PGC) from 2008 to 2018, leading its transformation into one of Australia and New Zealand's premier independent healthcare equipment and supplies providers.
- Extensive experience in finance, investment, equity capital markets and M&A



Careteq overview

Updates

Group priorities and outlook

AGENDA



Company overview

We are Australia's leading medication management business.

We provide clinical governance and medication management services coupled with marketplace software to drive scale.



Medication Management
(Aged Care)

SERVICES:

Australia's largest provider of medication management services and Quality Use of Medicine to Residential Aged Care and Community Care.

Revenue model:

Residential Medication Management Review (RMMR) and Quality Use of Medicines (QUM) Income via Government funded program

Target Markets:

The Australian residential aged care sector with ~698 operators managing 2,622 facilities and 219,965 beds nationwide



Medication Management
(Home Care)

MARKETPLACE SOFTWARE:

Matching GPs' Home Medication Review Referrals with Accredited Pharmacists to provide continuity of care and improve clinical outcomes for your patients.

Revenue Model:

Marketplace referral origination and submission fees

Target Markets:

Australian Home care and public/private hospital discharge programs



The problem we solve



Medication misadventure

Medication-related harm is a critical issue in healthcare, encompassing adverse drug reactions, medication errors, and complications that jeopardise patient safety and lead to increased healthcare costs.

1 in 2

People aged 65+ are
taking 5+ medications

88%

Likelihood of an adverse
drug reaction if taking 5+
medications

66%

Reduction in falls risk
when removing high-risk
medications



How we solve it

Our Accredited Pharmacists conduct Medication Management Reviews to assess a patient's medication regimen and ensure it's appropriate and safe:



01.

Review patient's medications

Review all patient's current medications, including prescribed, over-the-counter, and complementary medications. Also review patient's past medication orders and administration records.

03.

Considers the patient's experience

Consider whether the patient has experienced any adverse drug reactions (ADRs) or has risk factors for them.

02.

Evaluate the safety and effectiveness of medications

Assess whether the patient's medications are safe, appropriate, and effective, and if they're being used as recommended.

04.

Recommends improvements & report

Provide a report to the GP, their patient, and aged/home care provider that contains recommendations to improve the patient's medication management. This report is also uploaded to the patient's My Health Record.

The Medication Management Review process helps to:

Reduce the risk of adverse medication events

Improve the quality of medical care

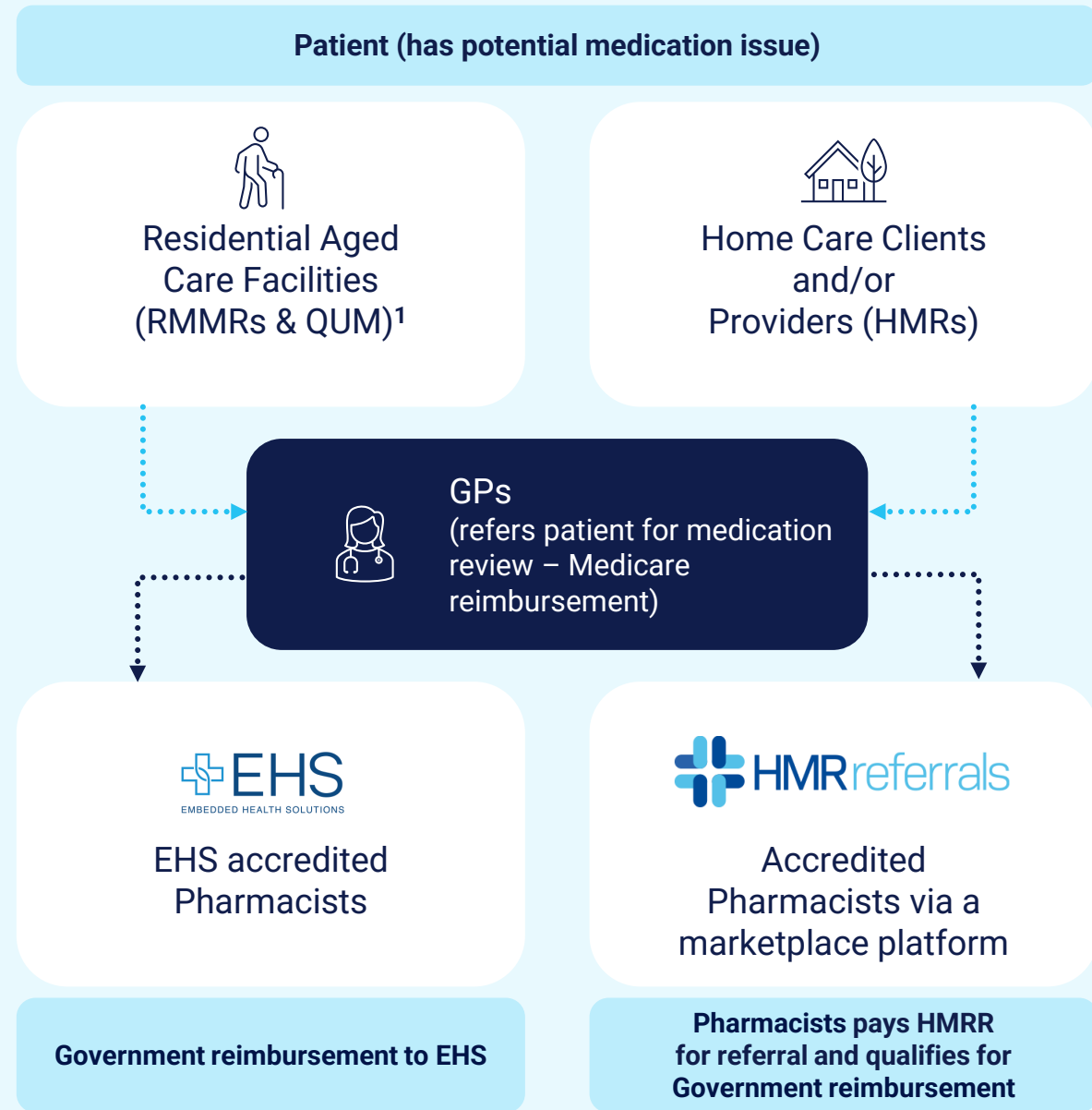
Ensure that residents are taking the best medications for their needs



Key stakeholders and business model

Our value proposition:

Reduction in medication-related harm, reduction in hospitalisations of patients, continuity of care for patients, and increased revenue for GPs and GP clinics.





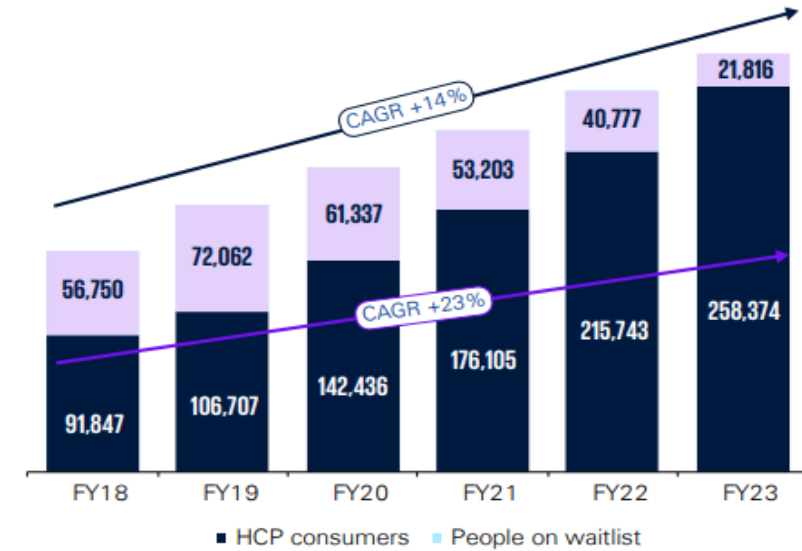
Market growth

The Australian home care market is experiencing rapid expansion, driven by an ageing population and government policies prioritising "ageing in place."

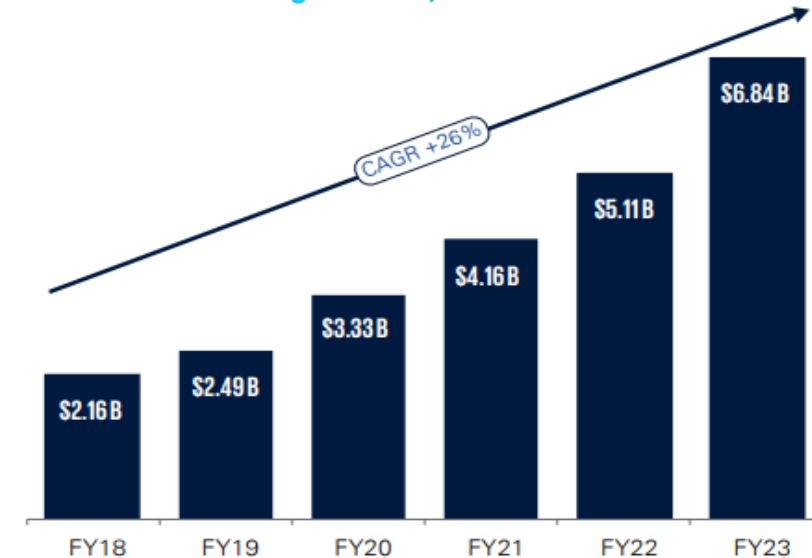
From FY18 to FY23, the number of people accessing Home Care Packages (HCPs) grew at a compound annual growth rate (CAGR) of 23%, with a 20% increase in FY23 alone.

Government investment in HCPs has mirrored this demand. Total funding has increased by a CAGR of 26% over the same period, reaching \$6.84 billion in FY23, highlighting the sector's importance in the national aged care strategy.

Number of home care recipients + waitlist, FY18 – FY23¹



Government funding for HCP, FY18 – FY23¹



Q FY24 achievements

Business was reshaped in FY24 through strategic execution of acquisitions and divestment of loss-making assisted living division.



ACHIEVEMENT 1: Divestment of Sofihub

Summary: Strategically divested Sofihub for \$0.6m to focus on profitable medication management. This move is expected to improve annual cash flow by \$0.8 million, enabling a sharper focus on core growth areas.

ACHIEVEMENT 2: Acquisition of remaining 45% of EHS

Summary: Now 100% owned. Full ownership enables Careteq to maximise EHS's value, drive operational efficiencies, and strengthen its focus on medication management.

EHS's strong performance in residential medication services set a solid foundation for scalable growth.

ACHIEVEMENT 3: Acquisition of HMR Referrals

Summary: In December 2023, Careteq acquired HMR Referrals, enhancing its ecosystem with a platform that connects GPs and pharmacists for HMRs and RMMRs. This acquisition extends Careteq's reach into homecare and disability services and is an important pillar of the medication management strategy moving forward.

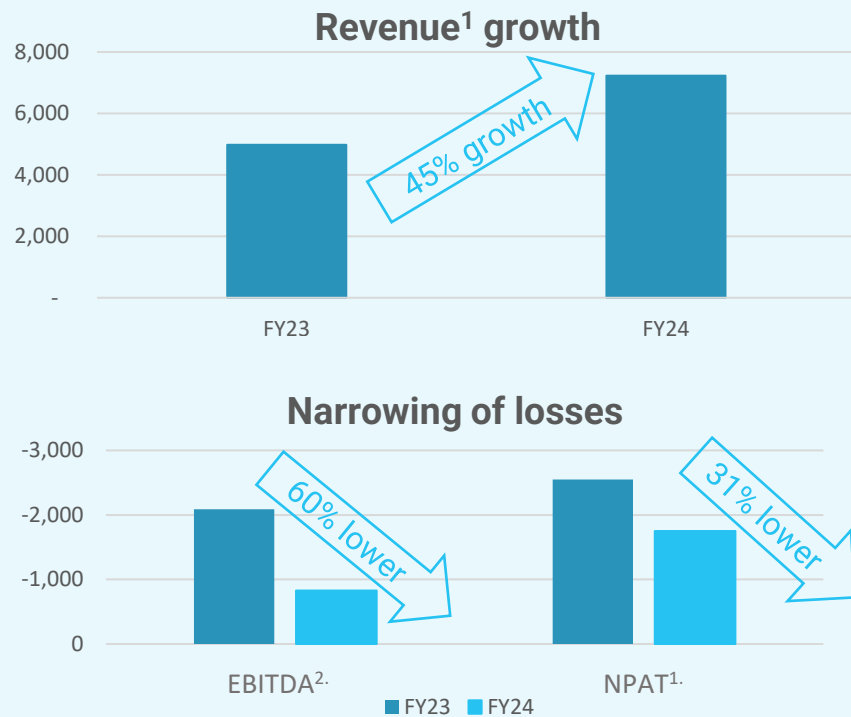
PRIORITY 4: Integration

Summary: Integration across EHS and HMR Referrals is underway. The goal is to create a cohesive medication management platform across aged, home, and disability care. This alignment is expected to unlock synergies, streamline services, and support scalable growth through its marketplace platform.



Financial summary (continuing operations)

FY24 vs. FY23



Strong Revenue growth:

Revenue¹ increased 45% to \$7.2m, up from \$5.0m in FY23.

Improving Profitability:

Significant narrowing of EBITDA loss¹ in FY24 (\$0.8m) vs FY23 (\$2.1m) and NPAT loss¹ in FY24 (\$1.8m) vs FY23 (\$2.6m).

Strategic review outcomes executed:

At the end of FY24 the company undertook a strategic review of operations.

This resulted in plans to restructure the business and reduce ongoing management costs by \$0.8m through the divestment of Sofihub and the acquisition of the remaining 45% ownership of EHS. These plans were executed during Q1 FY25.

Solid Foundation for growth:

EHS delivered \$1.5m Underlying EBITDA³ in FY24, which with HMR Referrals and a leaner management structure, now provides a foundation to achieve profitability and positive cash flows at the group level.



EHS and HMRR Referrals Synergies

Dedicated and laser focused medication management and clinical governance company

The 100% ownership of EHS enables us to create a market-first integrated platform streamlining both Home Medicines Reviews (HMRs) and Residential Medication Management Reviews (RMMRs).

This unified approach through EHS and HMR Referrals establishes a complete medication management ecosystem spanning residential and home care market.

01

Integrated medication management platform

Combining EHS's residential services with HMR Referrals' home review platform creates a seamless, end-to-end solution across aged care, homecare, and disability sectors.

03

Operational efficiency

System integration unlocks material cost synergies to be realised during FY25 by streamlining operations across both platforms while enhancing overall service quality and profitability.

02

Expanded reach and service offering

EHS's clinical governance expertise complements HMR Referrals' capabilities, enabling us to provide comprehensive medication management from residential facilities to home-based clients.

04

Expanded GP and pharmacist network

With the combined strengths of EHS's clinical governance expertise and HMR Referrals' GP and pharmacist network connections, Careteq solidifies its competitive edge as a leading medication management provider. This synergy supports scalable growth and reinforces our leadership in delivering innovative, patient-centered healthcare solutions.

Q FY25 – repositioning for growth & profitability

Strategy Execution →



01

During Q1-FY25, the board executed on its strategic plan as follows:

- Sold loss-making assistive living technology business
- Acquired the remaining shares in Embedded Health Solutions (EHS), now 100% owned
- Sales and operational synergies between EHS and HMR Referrals commenced with full effects to be enjoyed second half of FY25 onwards.

02

Repositioning of the Company

- Expected to accelerate the path towards breakeven on an underlying basis (excluding one-off items and discontinued operations).

03

The ATO position paper remains ongoing. Board has engaged experienced advisers to assist with the matter and continues to work with the ATO to attempt to resolve the matter:

- RSM – R&D Department
- Minter Ellison – Legal

04

Board FY25 expectations

- 1-System project completed during Q4 – expected to deliver substantial system savings
- The Company (now consisting of EHS and HMR Referrals) is trading well and ahead of budget YTD with reviews, revenue and EBITDA growth expected in FY25



Corporate overview

CAPITAL STRUCTURE

235,547,292

Shares on issue

0.012

Share price (22/11/2024)

56.9%

Top 20 ownership

\$2.8m

Market capitalisation

\$1.3m

Cash (30/09/2024)

BOARD OF DIRECTORS



MARK SIMARI
Executive Chairman

Over 16 years' Board experience in a diverse range of organisations.

Co-Founded and served as Managing Director of Paragon Care (ASX: PGC) from 2008 to 2018, leading its transformation into one of Australia and New Zealand's premier independent healthcare equipment and supplies providers.

Extensive experience in finance, investment, equity capital markets and M&A



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



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 financial management, change management, compliance and governance.

Previously Chief Financial Officer of Paragon Care Limited



Thank You



MARK SIMARI

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