

ASX Release

31 July 2024

Operating cashflow positive in June 2024 quarter; additional growth initiatives are in pipeline

June 2024 Quarterly Report and Appendix 4C

NDIS service provider Freedom Care Group Holdings Limited (**Freedom** or the **Company**) (ASX: **FCG**), is pleased to release its quarterly cashflow for the quarter ended 30 June 2024 (4Q FY24) along with the accompanying business update.

Key Highlights

- The Company continues to execute on its growth plans, with the key areas of the business continuing to grow in the current quarter.
- Freedom Care established a small shareholding sale facility to reduce future admin costs
- Cash balance of \$3.9m at 30 June 2024 (versus \$4.2m at 31 March 2024).

Freedom remains cashflow positive in June 2024 quarter

Quarter	Sep-23 \$m	Dec-23 \$m	Mar-24 \$m	Jun-24 \$m
Cash Receipts	10.702	9.383	9.223	9.197
Net Cash Operating Profit	1.045	0.788	0.581	0.203
One-off abnormal items ¹	-	0.184	0.310	-
Normalised Operating Cashflow²	1.045	0.972	0.891	0.203

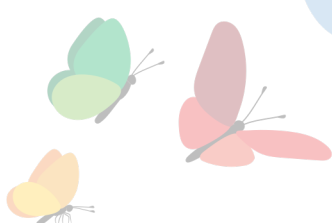
Notes:

1. One-off abnormal items relate to historical accrued costs and IPO costs
2. Normalised Operating Cashflow is Operating Profit less One-off Abnormal Items

Freedom recorded 4Q FY24 cash receipts of almost \$9.2m, with year-to-date cash collection of \$38.5m.

Freedom's recurring revenue base remained high in Q4 FY24, being around 75% of its total revenues.

4Q FY24 headline operating cashflow remained positive at \$0.203m. This amount would have been ordinarily considerably higher but for the timing of cash receipts (in the order of \$1m) that will be collected in the next quarter. Measures have been put in place to reduce the debtors cycle and improve the timing of receipts.



Small shareholding sale facility established

In May 2024, Freedom announced the establishment of a Sale Facility for the almost 1,900 shareholders owning unmarketable parcels of the Company's shares valued at less A\$500 (see ASX announcement dated 23 May 2024).

Under the terms of the Sale Facility, these shareholders were able to sell these unmarketable parcels of Freedom shares without incurring any brokerage or handling costs. This initiative will reduce administration costs incurred by Freedom.

Outlook

Freedom continues to deliver on its stated strategy of growing its market share in the NDIS service provider market segment, with a specific focus on meeting the requirements of "complex" NDIS participants, who have heightened vulnerability, risk, and support needs, requiring extensive assessment, planning, coordination, and monitoring.

This expansion strategy will have both organic and inorganic growth components.

Freedom continues to examine acquisition opportunities that have the following key criteria:

- turnover of \$3m or greater;
- ethical and geographical compatibility;
- identifiable scope for organic growth;
- a need for management and administrative improvements; and
- ongoing owner/founder involvement.

Financial and Corporate

Payments to the Directors of the Company, comprising of salaries and fees for Executive and Non-Executive Directors, totalled \$78,000 during the quarter (see section 6 of the Appendix 4C).

No other payments were made to any related parties or their associates of the entity.

Freedom Care Group Holdings' Non-Executive Chairman Zoran Grujic, said: *“Freedom Care was again operating cash flow positive in the June 2024 quarter. It was also pleasing to see further growth in our core Plan Management and Accommodation segments over the quarter. Now that one-off IPO-related costs have well and truly started to taper off, we are intent on demonstrating both the sustainability of Freedom Care’s existing business and the growth opportunities available to the Company in a currently highly fragmented ‘complex case’s segment of the broader NDIS market. As part of this growth strategy, Freedom Care will continue to target inorganic expansion into every Australian State and Territory and a further diversification of revenue streams – all while keeping an eye on long-term margin performance. The expected realisation of growth initiatives now in the pipeline will align with these strategic objectives.”*

ENDS

This announcement was authorised by the Board of Directors of Freedom Care Group Limited.

Corporate Zoran Grujic Non-Executive Chairman E: zoran.g@freedomcare.au	Corporate Jamal Sabsabi Chief Executive Officer E: jamal@freedomcare.au
Media & Investor Enquiries The Capital Network Julia Maguire P: +61 2 7257 7338 E: julia@thecapitalnetwork.com.au	

About Freedom Care Group Holdings Limited

Freedom Care Group Holdings Limited (ASX:FCG) is a leading provider of NDIS care and support services helping Australians with a disability achieve their goals and live life to the fullest.

Freedom Care Group has a passionate and committed workforce of allied healthcare and disability support professionals, with more than 100 years of collective clinical experience. This team provides a wide range of services, including supported accommodation, allied health therapy, home and community participation services delivered in collaboration with multiple stakeholders.

Freedom Care Group is committed to constant improvement of its already high quality, person-centred NDIS services, striving to stay up-to-date with the latest industry standards, best practices and compliance. Freedom Care Group is now progressing an expansion strategy that is delivering continued growth in both the scale and geographic footprint of its business operations.

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

Appendix 4C

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

Name of entity

Freedom Care Group Holdings Limited

ABN

51 378 883 320

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	9,197	38,505
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(2,557)	(11,083)
(f) administration and corporate costs	(6,294)	(24,164)
1.3 Dividends received (see note 3)		
1.4 Interest received		2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	(143)	(644)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	203	2,616
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(75)	(172)
(d) investments		(1,450)
(e) intellectual property		
(f) other non-current assets		380

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(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)	(360)	(460)
2.6 Net cash from / (used in) investing activities	(435)	(1,702)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		3,200
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		(417)
3.5 Proceeds from borrowings		21
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		(2,899)
3.9 Other (provide details if material)		(149)
3.10 Net cash from / (used in) financing activities		(244)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	4,161	3,258
4.2 Net cash from / (used in) operating activities (item 1.9 above)	203	2,616
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(435)	(1,02)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)		(244)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,929	3,929

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	3,929	4,161
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)	3,929	4,161

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

78

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

Relates to payment of Director wages and Director fees for the quarter.

7. Financing facilities

*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.*

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	-	-
7.2	-	-
7.3	-	-
7.4	-	-

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)	203
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,929
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	3,929
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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:

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:

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:

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:31 July 2024.....

Authorised by:Board of Directors.....
(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.