

ASX Release

31 October 2024

**Positive ‘normalised’ operating cashflow in September 2024
quarter; additional growth initiatives enacted**

September 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 Appendix 4C Cashflow Report for the quarter ended 30 September 2024 (1Q FY25) along with the accompanying business update.

Key Highlights

- Freedom Care continues to execute on its growth plans, with key areas of the business continuing to grow in the September 2024 quarter
- Freedom Care is now expanding into the Queensland market
- Cash balance of \$2.4 million at 30 Sept 2024 (versus \$3.9 million at 30 June 2024).

Freedom’s total service revenue was \$8.732 million in its 1Q FY25, up 11.5% on its equivalent prior quarter figure of \$7.834 million. Furthermore, when the September 2024 quarter service revenue figure is annualised, it projects a total of \$34.938 million for the year, which is 7.3% above the full-year revenue number reported in FY24 (\$32.539 million). This revenue gain indicates that the Company's growth strategies are increasing its market presence.

Quarter	Jun 24	Sep-24	Change	FY24	Annualised Sept -24	Change
	\$k	\$k	%	\$k	\$k	%
Total Service Revenue	\$7,834	\$8,732	11.5%	\$32,539	\$34,938	7.3%

Freedom reported cash receipts of nearly \$8.7 million in its 1Q FY25. This figure was below Freedom’s expectations, as a NDIS audit initiated in mid-September 2024 momentarily checked revenue growth. The Company estimates that the latter audit likely resulted in a decrease of over \$800,000 in cash receipts. We expect to recover this figure in the current quarter. Additionally, Freedom’s 1Q FY25 included an extra pay period, leading to an additional \$850,000 in staff-related costs, while the Company also incurred an extra \$300,000 in corporate income taxes related to prior periods. Excluding the three above-mentioned drags on cashflow, Freedom would have reported a positive operating cashflow of around \$0.5m (versus the reported figure of -\$1.461 million).

Outlook

Freedom continues to deliver on its stated strategy of growing the Company's market share in the NDIS service provider market segment, with a specific focus on meeting the requirements of 'complex' NDIS participants—those with heightened vulnerability, risk, and support needs that demand extensive assessment, planning, coordination, and monitoring. In addition to these efforts, Freedom is in the process of expanding into the Queensland market and actively working to increase the number of houses it manages on the Central Coast of NSW, further strengthening the Company's commitment to accessible and specialized care.

Financial and Corporate

Payments to the Directors of the Company, comprised of salaries and fees for Executive and Non-Executive Directors, totalled \$280,000 during the September 2024 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: *"We are well-pleased with the solid growth seen in Freedom Care's service revenue base over the September 2024 quarter. It clearly demonstrated that the growth initiatives we continue to implement are gaining traction in our target 'complex cases' segment of the broader NDIS market. Indicative of growth upside in our business on an annual basis, if the 1Q FY25 service revenue print was repeated in each of the remaining three quarters of our FY25, it would deliver a FY25 service revenue figure well up on that reported in FY24. While we reported a negative operating cashflow in the September 2024 quarter, this was attributable to one-off expense items and a NDIS audit, none of which are likely to be repeated in following quarters. Abstracting from the latter one-off items, we would have reported a positive 'normalised' cashflow last quarter of around \$0.5 million. Looking ahead, our growth prospects remain rock-solid. This as Freedom continues to implement an expansion strategy that focuses on the delivery of specialised care that will always be central to Australia's core NDIS ecosystem."*

ENDS

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

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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

91 059 950 337

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,745	8,745
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(3)	(3)
(d) leased assets		
(e) staff costs	(3,666)	(3,666)
(f) administration and corporate costs	(6,048)	(6,048)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	(489)	(489)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,461)	(1,461)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(19)	(19)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(50)	(50)
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(69)	(69)

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,929	3,929
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,461)	(1,461)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(69)	(69)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,399	2,399

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	2,399	3,929
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)	2,399	3,929

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	280
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 <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	(1,461)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,399
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,399
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.6
<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: No. The short-term cashflow has been impacted by delays in receipts as a result of a review by the NDIS.	
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: The Company believes that sufficient short-term funding is available if the NDIS does not meet is stated review completion date.	

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: Yes. As noted in 8.6.2 the Company believes it can access sufficient short-term cash and it does not anticipate the pause in NDIS funding, per 8.6.1, to extend much longer.

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.

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 October 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.