

31 January 2025

CARETEQ'S Q2 FY25 ACTIVITIES REPORT AND APPENDIX 4C

EHS integrated with synergies to follow

Careteq Limited (ASX: CTQ) ("Careteq" or "the Company"), a clinical healthtech company specialising in innovative medication management and clinical governance solutions, is pleased to provide the following quarterly update and commentary on its Appendix 4C for the quarter ending 31 December 2024.

Highlights

- Integration of Embedded Health Solutions (EHS) and HMR Referrals is progressing well, driving operational efficiencies and expanding service offerings
- Net cash from operating activities improved from (\$0.45 million) to (\$0.1 million), with further EHS integration synergies to follow
- 1H FY25 unaudited revenue for continued operations of \$4 million, up 14% over pcip
- 1H FY25 unaudited EBITDA for continued operations \$0.4 million (excluding one off costs)
- Continued focus on key partnerships and business development initiatives to capture growth in the aged care and home care sectors.
- Cash balance of \$0.85 million at the end of the quarter, with disciplined cost management supporting strategic investments.

Embedded Health Solutions (EHS) and HMR Referrals integration

The integration of EHS and HMR Referrals continued to progress during the quarter. At an operational and sales/marketing level, the teams operate as one with a number of initiatives actioned to drive growth in the businesses. 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.

The software platform integration is on track for roll out during March this year. Following this, further synergies are expected to be unlocked as one platform will deliver an integrated solution across residential aged care, home care, and disability sectors and high costing legacy platforms are decommissioned.

Key operational highlights include increased uptake in Residential Medication Management Reviews (RMMRs) and Home Medicines Reviews (HMRs), supported by the combined pharmacy and GP networks of both platforms. The integrated approach has enabled Careteq to provide a seamless end-to-end service offering, driving growth and enhancing patient outcomes.

Integrated Operating Platform initiative

The rollout of the new integrated operating platform remains on track for Q4 FY25. As part of the integration plan, customers on the previous Mederev platform have been transitioned to the Ward MM platform, strengthening our cybersecurity and enabling the continuation of our high service standards. We expect the Mederev platform to be decommissioned during February delivering \$50,000 annualised savings with the Ward MM platform forecast to deliver additional and ongoing savings once transferred to the new platform.

Business development

Careteq continued its focus on strategic growth through targeted business development efforts. Partnerships with key home care providers are advancing, and new collaboration opportunities have been identified to expand service delivery. The Company's partnership with the Pharmaceutical Society of Australia (PSA) has also bolstered its presence in pharmacist training and referral pathways.

ATO position update

The ATO position paper remains ongoing with further work provided to the ATO in support of historical R&D claims before Christmas. The Board is expecting to hear back from the ATO in the next few months and has engaged experienced advisers to assist with the matter and continues to work with the ATO to attempt to resolve the matter.

Financial overview

Careteq continued to enhance its financial position during the December quarter. The Company recorded strong cash receipts of \$2.3 million for the quarter, driven by consistent and growing demand for its medication management solutions. Net cash used in operating activities was (\$0.1 million).

Net cash used in investing activities was \$0.3 million relating to a quarterly vendor finance instalment for EHS.

Non-operation costs continue to be managed tightly with the final Sofihub business operating and disposal costs having been incurred in the first quarter.

The Company's cash balance was \$0.85 million at the end of the period.

In accordance with ASX Listing Rule 4.7C.3, payments to related parties and their associates totalling \$85K outlined in Item 6 of the Company's Appendix 4C relate to director fees, salaries, and superannuation.

Outlook

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.

The Company's 1H FY25 unaudited revenue from continued operations is \$4 million and underlying EBITDA for continued operations to be \$0.4 million (excluding one off costs).

The improved FY25 result will be driven by the divestment of loss-making business units, the acquisition of profitable business units and the continued growth of these units.

Further upside lies in the full integration of EHS and HMR Referrals. Key priorities for the coming quarter include:

- finalising the integrated operating platform rollout
- expanding strategic partnerships; and
- scaling operations to meet increasing demand in the aged care and home care sectors.

The Company's streamlined operations and disciplined cost management ensure it is well-positioned to deliver sustained growth and shareholder value.

This ASX announcement has been authorised by the Board of Careteq Limited (ASX: CTQ)

For further information, please contact:

Careteq Limited (ASX: CTQ)

Mark Simari
Executive Chairman
P: +61 3 8866 5594
E: info@careteq.com.au

About Careteq Limited (ASX: CTQ)

Careteq Limited (ASX: CTQ) is an Australian healthtech company focused on innovative medication management solutions. The Company is dedicated to improving healthcare outcomes through its fully owned Embedded Health Solutions (EHS) and HMR Referrals platforms. EHS provides comprehensive aged care medication management solutions through Residential Medication Management Reviews (RMMRs), while HMR Referrals streamlines Home Medicines Reviews (HMRs).

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 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,267	4,467
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(27)	(87)
(c) advertising and marketing	(14)	(55)
(d) leased assets	-	-
(e) staff costs	(1,916)	(3,994)
(f) administration and corporate costs	(397)	(861)
1.3 Dividends received	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	(25)	(31)
1.6 Income taxes paid	(2)	(2)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(111)	(560)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	(300)	(300)
(c) property, plant and equipment	(2)	(20)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	(25)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	—	—
	(b) businesses	—	579
	(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)	—	—
2.6	Net cash from / (used in) investing activities	(302)	234

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 (Note 3)	—	(90)
3.9	Other (provide details if material)	—	—
3.10	Net cash from / (used in) financing activities	-	(90)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,249	1,252
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(111)	(560)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(302)	234

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(90)
4.5	Effect of movement in exchange rates on cash held	11	11
4.6	Cash and cash equivalents at end of period	847	847

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	847	1,249
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)	847	1,249

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	85
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)	(111)
8.2	Cash and cash equivalents at quarter end (item 4.6)	847
8.3	Unused finance facilities available at quarter end (item 7.5)	—
8.4	Total available funding (item 8.2 + item 8.3)	847
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <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>	7.6
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:31st January 2025.....

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. 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 – e.g. 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".
4. 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.