

15th August 2022

The Manager
Market Announcements Platform
Australian Securities Exchange Limited

EXCLUSIVE AGREEMENT WITH STRONGROOM AI

Highlights:

- **Careteq secures exclusive rights to promote and sell StrongRoom AI's digital medication management solutions for residential aged care facilities in Australia, Strong Care**
- **The deal is an enticing opportunity for Careteq due to the large addressable market, government incentives, cross-selling synergies, significant cost savings for users and increasing compliance regulations in aged care**
- **StrongRoom AI will enhance Careteq's assistive living technology offering and strengthen its market leading position in the aged care sector**
- **The exclusive agreement is for five years with the option to extend it for another 5+5 years**

Careteq Limited (ASX: CTQ, "Careteq" or the "Group") is pleased to announce that it has signed an exclusive reseller agreement with leading drug management solutions provider, **StrongRoom AI** (StrongRoom), that will expand the Group's Assistive Living Technology offering for aged and disability care.

StrongRoom uses artificial intelligence (AI) and facial recognition to reduce the risk of preventable adverse drug events and improve patient outcomes and medical workflow.

Careteq has the exclusive rights to sell StrongRoom's suite of Aged Care solutions (Strong Care) in Australia under the five-year agreement, which can be extended for another five plus five years.

While it is too early to ascertain the financial impact of the agreement on Careteq, the deal represents a significant opportunity for the Group because of the:

- **Government incentives:** In the wake of the Aged Care Royal Commission findings, the federal government is encouraging and incentivising Residential Aged Care Services (RACS) to transition their paper-based medication management system to a digital platform to reduce adverse drug reactions rates and Improve productivity. The government has put aside \$45.4 million over four financial years to FY25 for implementation of the initiative and up to \$30 million¹ (exclusive of GST) is made available via a grant for RACS to adopt Transitional or Electronic National Residential Medication Charts (eNRMC) Products, which includes StrongRoom's solutions.

The federal government has additionally announced \$345.7 million of funding for on-site pharmacists in government funded residential aged care facilities (RACFs). To access Government funding for an on-site pharmacist, aged care homes participating in the new measure will be required to adopt an eNRMC such as StrongRoom's solution.

- **Synergies with Ward MM:** There are strong synergies between StrongRoom solutions and Careteq's Ward MM business, which is one of the largest medication management providers in Australia. Most of the largest residential aged care operators along the east coast and Victoria are clients of Ward MM. This will enable Careteq to cross-sell StrongRoom to its large and established client base.
- **Significant savings to clients:** Apart from government incentives and grants, there are significant financial savings for RACFS organisations. Analysis conducted by StrongRoom's medical board estimates the platform delivers an 80% time saving per facility and that the cost savings for a 100-bed facility will be over \$100,000 a year. The increase in productivity is particularly relevant to the industry that has long struggled to find or afford sufficiently trained staff, and this does not include the additional benefit of drastically increasing the provider's monitoring and reporting capabilities to enable them to uphold the increased Residential Medication Management Review (RMMR) responsibilities that came into effect on 1 January 2022.

The Executive Chairman of Careteq, Mark Simari commented:

"StrongRoom's suite of Aged Care solutions (Strong Care) is an ideal addition to Careteq's suite of technologically advanced platform solutions as it uses artificial intelligence to reduce adverse drug events within aged care facilities. This exclusive agreement between Careteq and StrongRoom enhances our value proposition to a key customer base and allows us to leverage our market leading position in the aged care industry."

The Managing Director of StrongRoom AI, Max Mito commented:

"Careteq's unique suite of products and solutions strongly aligns with StrongRoom AI's values of creating a seamless and consolidated platform for our customers. Furthermore, their team has deep clinical expertise that will enable us to accelerate our product maturity to become the gold standard for digital medication management solutions. This agreement signifies our enhanced joint value with Careteq, and we are ready to work hard to provide the best possible solution to the industry."

The Board of Directors have approved this announcement.

About StrongRoom AI

StrongRoom AI is a Melbourne-based med-tech company that provides an AI-driven medication management platform aimed at reducing adverse drug events within Community Pharmacy, Hospital and Aged Care Facility settings. StrongRoom AI specialises in digital health, AI analytics and Facial Recognition technology solutions with the aim of digitising workflows and providing unique insights to healthcare providers. For more information, visit <https://strongroom.ai/strong-care>



Careteq Limited

ACN 612 267 857

Level 10, 99 Queen St

Melbourne 3000

info@careteq.com.au

Phone: 1300 110 366

International: +613 8866 5594

About Careteq Limited

Careteq is an Australian-headquartered health-tech company that has developed and commercialised a suite of products that sit on its proprietary SaaS-based Assistive Living Technology platform for use by the elderly, disabled and vulnerable individuals. Its products and services, which improve outcomes for patients and their carers while increasing productivity, are sold in Australia and internationally through industry leading distributors and specialist retailers. Careteq generates revenues from recurring platform subscriptions, contracted medication management services and sales of its innovated range of sensors and devices that detect falls or unusual behaviour, monitor patient health, provides SOS emergency call functionality and deliver medication reminders. Careteq is using its early-mover advantage in the Assistive Living Technology sector to revolutionise aged and disability care. For more information about Careteq, visit <https://www.careteq.com.au/>.

Subscribe to receive investor updates by emailing: investors@careteq.com.au

For investor and media enquiries, please contact:

Brendon Lau

E: brendon@vantagepointpartners.com.au

M: +61 409 341 613

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.