

29 April 2025

CARETEQ'S Q3 FY25 ACTIVITIES REPORT AND APPENDIX 4C

Platform Integration Nears Completion, Revenue Growth Exceeds Projections, and Strategic Partnerships Expand

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 March 2025.

Highlights

- Integration of the 1-System platform for Embedded Health Solutions (EHS) and HMR Referrals is progressing well with completion and roll-out slightly delayed and expected to be completed during Q4;
- Net cash outflows from operating activities contained at \$(0.25) million, reflecting continued operational discipline and setting the foundation for further efficiencies;
- Year-to-date revenue from continuing operations exceeding growth projections, while overhead costs reduced by approximately 10% compared to prior year;
- Maintained positive underlying EBITDA from continuing operations with momentum expected to carry through Q4 and into FY26;
- Expanding business pipeline evidenced by the strategic Medic Alert partnership and increased engagement from aged care providers and GP networks during the quarter;
- Quarter-end cash balance of \$0.53 million, with strategic cash flow management supporting key growth initiatives.

Embedded Health Solutions (EHS) and HMR Referrals

The strategic integration of EHS and HMR Referrals has entered its final phase, with the 1-System platform deployment scheduled for late Q4. This milestone will enable the decommissioning of legacy systems, generating substantial cost efficiencies across the organisation heading into FY26.

These structural improvements are expected to drive positive operational cash flow and increased overall profitability, creating sustainable long-term value for Careteq and its shareholders.

Business development

Careteq has accelerated its market penetration strategy during the March quarter, evidenced by increased traction across multiple networks within the healthcare sector. The Company's strategic partnership with Medic Alert represents a cornerstone achievement, extending Careteq's medication management offering to a broader population.

This quarter has seen an encouraging increase in interest and engagement from aged care providers seeking comprehensive medication management solutions. Several aged care groups are in discussions with our business development and clinical team, with potential to materially grow contracted agreed care beds in the coming quarters.

Concurrently, Careteq continues to strengthen its relationships with GP networks, a critical channel for both Residential Medication Management Reviews (RMMRs) and Home Medicines Reviews (HMRs). These expanding connections enhance the Company's marketplace offering, connecting healthcare providers more efficiently with accredited pharmacists through the integrated platform.

ATO position update

The ATO position paper remains ongoing with the feedback from the ATO anticipated to be received over the May/June period. The Board continues to work closely with its advisers, Minter Ellison and the ATO to attempt to resolve the matter.

Financial overview

The Company continues to track positively towards its goal of sustainable profitability, supported by its streamlined operations, enhanced service offerings, and disciplined financial management.

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

Key priorities for Q4 FY25 include:

- Realising cost synergies post 1-System platform roll out
- Continue to expand strategic partnerships in the aged care and home care sectors
- Introduce new service offerings leveraging the 1-System platform capabilities
- Implementing further operational efficiencies to extend cash runway

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:

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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 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,846	6,313
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(22)	(108)
(c) advertising and marketing	(15)	(70)
(d) leased assets	-	-
(e) staff costs	(1,579)	(5,573)
(f) administration and corporate costs	(467)	(1,328)
1.3 Dividends received	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	(10)	(41)
1.6 Income taxes paid	-	(2)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(247)	(806)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	(300)
(c) property, plant and equipment	(75)	(95)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	(25)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(75)	159

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	847	1,252
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(247)	(806)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(75)	159

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	2	12
4.6	Cash and cash equivalents at end of period	527	527

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	527	847
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)	527	847

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	

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.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>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.</i>		
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)	(247)
8.2 Cash and cash equivalents at quarter end (item 4.6)	527
8.3 Unused finance facilities available at quarter end (item 7.5)	–
8.4 Total available funding (item 8.2 + item 8.3)	527
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.1
<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>	
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:29th April 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. Dividends paid may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity. During the quarter, our subsidiary Embedded Health Solutions Pty Ltd declared and paid a total dividend of \$200,000. As this is a consolidated report, the 55% received by Careteq Limited is eliminated in consolidation. The amount shown in item 3.8 'Dividends paid' represents the 45% paid to external shareholders of Embedded Health Solutions Pty Ltd.
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.