

29 July 2025

## CARETEQ'S Q4 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 30 June 2025.

#### Highlights

- Operating cash outflow reduced to \$(0.07m) – the fourth consecutive quarterly improvement and an 85 % reduction on Q1.
- Receipts from customers ~\$2m, FY25 revenue at \$8.3m up 2% YOY despite the Sofihub divestment in Q1.
- Balance-sheet strengthened via a \$0.5m convertible note with Antanas Guoga and \$0.125 m in director loans, lifting quarter-end cash to \$1.03 million and extending the funding runway for the company.
- Integration of the 1-System platform for Embedded Health Solutions (EHS) and HMR Referrals delayed due to requirement to transition to new outsourced development team.
- ATO R&D – Amended assessment received during the quarter. Company strongly disputes this assessment and has lodged a formal objection with the ATO.

#### Operational Improvements

The company demonstrated strong operational improvements with operating cash outflow significantly reduced to \$(0.07m), representing material improvement in operating cash flows. This substantial improvement occurred alongside solid revenue performance, with customer receipts reaching \$8.3m for the year, reflecting a 2% year-on-year increase.

#### Embedded Health Solutions (EHS) and HMR Referrals

The 1-System platform deployment scheduled for late Q4 has been delayed as it entered what we had planned to be its final phase. Unfortunately, the existing outsourced team have had to reduce their capacity across all their clients due to matters out of their control and we are currently transitioning to new development team to complete this final phase.

Timing of release of the new platform is under review and will be established once a full gap analysis is completed by the new team. The planned benefits from this new platform have not changed and will still enable the decommissioning of legacy systems, generating substantial cost efficiencies across the organisation heading into FY26 once it is completed and implemented.

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.

### **Capital Management**

On 10 June 2025 the Company announced a \$0.50m convertible note with technology investor Antanas Guoga (Tony G) and parallel Director & Company Secretary loans totalling \$0.125m. The convertible notes convert at \$0.01 per share and matures on 4 June 2026, providing working-capital flexibility while Careteq transitions to sustained positive cash generation.

### **ATO position update**

The Company received an amended assessment on the 29<sup>th</sup> May 2025. Company strongly disputes this assessment and has lodged a formal objection with the ATO. The Amended Assessments follow a review by the ATO of Careteq's R&D Tax Incentive claims for the financial years FY21, FY22 & FY23.

While the specific grounds for the ATO's adjustments are being thoroughly reviewed with Careteq's tax and legal advisors, they generally relate to the ATO's re-evaluation of the eligibility of certain R&D activities and associated expenditure. This aligns with the ATO's recently intensified focus on R&D Tax Incentive compliance.

Careteq maintains its strong conviction in the eligibility of its R&D activities for the R&D Tax Incentive scheme and the validity of its R&D Tax Incentive claims for the periods in question. The Company considers that it has always acted in good faith, relying on professional advice and maintaining what it believes to be robust documentation to substantiate its R&D expenditure. Accordingly, the Board has formally lodged an objection to the Amended Assessments. The objection process involves an independent internal review by the ATO objections team with timelines to be determined by the ATO.

The Company will continue to engage constructively with the ATO throughout the objection process, supported by its legal advisor MinterEllison. Should the objection be unsuccessful, Careteq will consider seeking further external review of the ATO's decision.

The Board will keep shareholders, and the market informed as appropriate.

### **Financial overview**

The Company continues to track positively towards its goal of sustainable positive cash flow and 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 \$63k outlined in Item 6 of the Company's Appendix 4C relate to director fees, salaries, and superannuation.

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## Outlook

### Key priorities for FY26 include:

- Deliver consistent positive operating cash flow for the year
- Realise cost synergies post completion and roll out of its new 1-System platform
- Continue to expand strategic partnerships in the aged care and home care sectors
- Introduce new service offerings leveraging the 1-System platform capabilities
- Finalise the ATO R&D dispute

The Company's streamlined operations strengthened capital position 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)**

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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/](http://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.

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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**Follow us on [LinkedIn](#)To learn more about Careteq please click here: <https://www.careteq.com.au/investors-centre/>

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## 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")**

30 June 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,015	8,328
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(30)	(139)
(c) advertising and marketing	(12)	(82)
(d) leased assets	-	-
(e) staff costs	(1,584)	(7,157)
(f) administration and corporate costs	(436)	(1,764)
1.3 Dividends received	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	(13)	(53)
1.6 Income taxes paid	-	(2)
1.7 Government grants and tax incentives	(5)	(5)
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(65)</b>	<b>(871)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	(300)
(c) property, plant and equipment	(41)	(135)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	(25)

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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	—	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)	—	—
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(41)</b>	<b>119</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	—	-
3.2	Proceeds from issue of convertible debt securities	500	500
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	110	110
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)	—	—
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>610</b>	<b>520</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	527	1,252
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(65)	(871)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(41)	119

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

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)	610	520
4.5	Effect of movement in exchange rates on cash held	(4)	7
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,027</b>	<b>1,027</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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	1,027	527
5.2	Call deposits	—	—
5.3	Bank overdrafts	—	—
5.4	Other (provide details)	—	—
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,027</b>	<b>527</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	63
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. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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 <b>Total financing facilities</b>	–	–
7.5 <b>Unused financing facilities available at quarter end</b>		–
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. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(65)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,027
8.3 Unused finance facilities available at quarter end (item 7.5)	–
8.4 Total available funding (item 8.2 + item 8.3)	1,027
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	15.8
<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: .....29<sup>th</sup> July 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 first 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.