

26 July 2023

CARETEQ ANNOUNCES CAPITAL RAISING OF \$2.47 MILLION VIA ENTITLEMENT OFFER

Careteq Limited (ASX: CTQ) (**Careteq** or the **Company**), an emerging leader in assisted living technology, is pleased to announce a capital raising of approximately \$2.47 million (before costs) via an accelerated non-renounceable pro-rata entitlement offer.

Highlights

- The Company is seeking to raise approximately \$2.47 million (before costs) via an accelerated non-renounceable pro-rata entitlement offer, at a ratio of 4 new fully paid ordinary shares in the Company (**Shares** and such Shares, **New Shares**) for every 5 existing Shares at an issue price of \$0.025 per New Share (the **Offer**).
- The Offer is managed by Sequoia Corporate Finance Pty Ltd (**Lead Manager**) which has procured advance commitments for any potential shortfall under the Offer.
- The Company is forecasting its 55% owed Embedded Health Solutions (EHS) business will generate \$1.5 million in EBITDA in FY24.
- CARETEQ is targeting 15,000+ recurring Sofihub subscribers in FY24, resulting in a cash flow breakeven run-rate (on an operating basis).
- Following completion of the Offer, the Company's cash position will be \$4.0 million.

Capital Raising – Accelerated non-renounceable pro-rata entitlement offer

The Offer of approximately \$2.47 million is being undertaken via an accelerated non-renounceable pro-rata entitlement offer at a ratio of 4 New Shares for every 5 existing Shares comprised of:

- an accelerated institutional entitlement offer (**Institutional Entitlement Offer**); and
- a retail entitlement offer (**Retail Entitlement Offer**).

All New Shares will be issued at an issue price of \$0.025 per New Share (**Issue Price**), representing a:

- 28.6% discount to the last close price on 24 July 2023 of \$0.035;
- 38.5% discount to the 15-day VWAP of \$0.041 per Share; and
- 18.2% discount to the Theoretical Ex-Rights Price (**TERP**) of \$0.031.

The Offer will result in the issue of up to 98.85 million New Shares, representing approximately 80% of the current issued share capital. The New Shares will rank equally with existing Shares as at their date of issue.

Proceeds from the Offer are expected to be used as follows:

- \$0.6M (24%) – investment in software development
- \$0.7M (28%) – investment in sales and marketing
- \$1.0M (41%) – general working capital and Offer costs
- \$0.2M (7%) – costs of the Offer

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer, which will commence on Wednesday, 26 July 2023. Eligible institutional shareholders can choose to take up all, part or none of their entitlement.

Any Shares not taken up under the Institutional Entitlement Offer will form part of the Shortfall Offer (see further below).

The current trading halt in respect of the Company's Shares will continue while the Institutional Entitlement Offer is being conducted. The Company expects to announce the outcome of the Institutional Entitlement Offer prior to the commencement of trading on Thursday, 27 July 2023 and will remain in trading halt until this time.

Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in the Retail Entitlement Offer at the same Issue Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 10.00am (Melbourne) on Wednesday, 2 August 2023 and close at 5.00pm (Melbourne time) on Friday, 11 August 2023 (**Offer Closing Date**).

Eligible retail shareholders will be those with registered addresses in Australia and New Zealand as at the Record Date of 7.00pm (Melbourne time) on Friday, 28 July 2023.

Eligible retail shareholders can choose to take up all, part or none of their entitlements. Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet (**Offer Booklet**) and accompanying personalised Entitlement and Acceptance Form which are expected to be despatched on or around Wednesday, 2 August 2023. Copies of the Offer Booklet will be available on the ASX website (www.asx.com.au) from Wednesday, 2 August 2023.

Any Shares not taken up under the Retail Entitlement Offer will form part of the Shortfall Offer (see further below).

Shortfall Offer

The Offer will include a shortfall offer under which the Directors may place any New Shares not taken up by eligible shareholders (**Shortfall Shares**) within 3 months after the Offer Closing Date in accordance with the *Corporations Act 2001* (Cth) and the ASX Listing Rules, and at the Issue Price (**Shortfall Offer**).

Eligible retail shareholders, who take up their full entitlement, may apply for Shortfall Shares under the Shortfall Offer. However, there is no guarantee that they will receive all or any of the additional New Shares they apply for under the Shortfall Offer. Further details will be set out in the Offer Booklet.

Directors may, at their discretion, place any New Shares offered under the Shortfall Offer to sophisticated and professional investors, in consultation with the Lead Manager.

In this regard, the Lead Manager has procured advance commitments under the Shortfall Offer for the maximum Offer amount from sophisticated and professional investors. The Directors (in consultation with the Lead Manager) will allocate the Shortfall Shares applied for under the Shortfall Offer (if any) in accordance with the allocation policy detailed in the Offer Booklet.

Indicative Timetable

The timetable below is indicative only and subject to change. The Company reserves the right to alter the dates at its discretion and without prior notice, subject to the ASX Listing Rules, the Corporations Act 2001 (Cth) and other applicable law.

The quotation of New Shares is subject to confirmation from the ASX.

All times below are based on Melbourne time.

Event	Timing
Announcement of Entitlement Offer	Wednesday, 26 July 2023
Institutional Entitlement Offer Opens	Wednesday, 26 July 2023
Institutional Entitlement Offer Closes Announcement of Institutional Entitlement Offer Result	Thursday, 27 July 2023
Record Date for Retail Entitlement Offer	7.00 pm on Friday, 28 July 2023
Allotment and normal trading of New Shares issue under Institutional Entitlement Offer	Tuesday, 1 August 2023
Retail Entitlement Offer Opens Despatch of Offer Booklet and Acceptance Forms	Wednesday, 2 August 2023
Last day to extend the Retail Entitlement Offer Closing Date	Before 12.00 pm (Melbourne time) on Tuesday, 8 August 2023



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

Event	Timing
Retail Entitlement Offer Closes	Friday, 11 August 2023
Announcement of Retail Entitlement Offer Results	Thursday, 17 August 2023
Allotment of News Shares issue under Retail Entitlement Offer	Friday, 18 August 2023
Normal trading of News Shares issue under Retail Entitlement Offer	Monday, 21 August 2023

Further Information

Further details of the Offer are set out in the Investor Presentation also provided to the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Offer. The Offer Booklet will be released to ASX and available on the Company's website and is expected to be dispatched to eligible retail shareholders with entitlement and acceptance forms on Wednesday, 2 August 2023.

Sequoia Corporate Finance Pty Ltd are acting as Lead Manager to the Offer.

This announcement has been approved by the Board of Directors.

For investor and media enquiries, please contact:

E: investors@careteq.com.au

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

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/>.