



CARETEQ LIMITED

ACN 612 267 857

SUPPLEMENTARY PROSPECTUS

Important Information

This is a supplementary prospectus (**Supplementary Prospectus**) which supplements and is intended to be read with the prospectus dated 24 November 2021 (**Prospectus**) issued by Careteq Limited (ACN 612 267 857) (**Company**).

This Supplementary Prospectus is dated 17 December 2021 and was lodged with ASIC on that date.

ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which can be downloaded from the website of the Company at www.careteq.com.au/investor-centre/

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

This Supplementary Prospectus is intended to be read with the original Prospectus dated 24 November 2021 issued by Careteq Limited (ACN 612 267 857).

1. Purpose of this Supplementary Prospectus

The purpose of this Supplementary Prospectus is to provide additional information to investors as set out in section 3 below.

2. No investor action required

The Directors believe that the changes in this Supplementary Prospectus are not materially adverse from the point of view of an investor. Accordingly, no additional investor action is required.

3. Updates to the Prospectus

3.1 Proposed use of funds

- (a) Section 1.6 of the Prospectus discloses the Company's proposed use of funds (**Use of Funds Table**).
- (b) Since the date of the Prospectus, the Board has identified additional internal and external opportunities to improve and expand on the Company's business (as further described at 3.2 below).
- (c) Accordingly, the Use of Funds Table at Section 1.6 of the Prospectus is updated as follows:

Use of funds ^{1, 2}	\$6,000,000 subscription (per Prospectus)	Change
Technology development	\$1,550,000	\$1,970,000 (increase of \$420,000) ³
Sales & marketing	\$1,000,000	\$1,200,000 (increase of \$200,000) ⁴
Operations	\$685,000	No change
Personnel	\$330,000	No change
Working capital/ corporate overheads ⁵	\$1,764,794	No change
Costs of the Offers	\$670,206	No change
Total funds allocated	\$6,000,000	\$6,620,000⁶

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Notes:

1. Expenses paid or payable by the Company in relation to the Offers are set out in Section 8.8 of the Prospectus.
2. Shareholders should note that the above estimate expenditures will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities. Due to market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 4 of the Prospectus), actual expenditure levels may differ significantly from the above estimates.
3. Refer to Section 3.2(a) below of this Supplementary Prospectus.
4. Refer to Section 3.2(b) below of this Supplementary Prospectus.
5. Which includes rent, inventory, office expenses, travel, corporate and governance costs, and insurance.
6. To be funded by a combination of proceeds from the Offers, existing cash, and cash flow generated from operations.

3.2 Additional Opportunities

The Company discloses the following additional information in relation to the further opportunities identified by the Company (resulting in the increased commitments as shown in the revised Use of Funds Table at Section 3.1 above):

(a) ***Development & Automation - Ward Medication Management***

Following the acquisition of the Ward Medication Management business, the Board has continued to assess the business and opportunities available to grow, improve and take advantage of further opportunities available in the medication management adherence market. As part of this assessment, the Company has identified a number of research and development projects that if accelerated would deliver increased benefits to the Company, its team and customers.

The project will deliver increased automation of current systems and processes that will deliver substantial operational efficiencies and allow for the integration of the existing assisted living technologies to be packaged with medication management solutions through the Ward Medication Management client base.

Given the path ahead, the Board have decided to embrace the projects and commence recruiting additional staff to join the team and fast track project execution. This will involve the recruitment of three additional resources, in the form of two additional full stack developers to be employed at an estimated cost of \$150,000 each (\$300,000 total allocation) and a user interface (UI) engineer at an estimated cost of \$120,000.

(b) ***Sales & Marketing - US Expansion***

The Company is currently in negotiations with several new distribution and key channel partners to become distributors of its assistive technology product portfolio across the United States of America (USA). The level of interest has increased and spans areas across both the East Coast and West Coast of the USA.

This Supplementary Prospectus is intended to be read with the original Prospectus dated 24 November 2021 issued by Careteq Limited (ACN 612 267 857).

This has resulted in the Board reassessing its resources in the region and resolving to take steps to scale up sales and marketing operations in order to take advantage of these opportunities. The Company currently has one employee in the USA (VP of Global Sales) who is based in Nevada on the West Coast. The Company will be recruiting a second sales executive early in the 2022 new year to work on the East Coast of the USA with a focus on converting the available opportunities in the US market. The Company has allocated an additional \$200,000 for this role.

It is also envisaged that the sales and marketing team is likely to grow further in future as the Company gains traction in the US market. The Board will assess future financial capacity to add additional roles at the appropriate time, including from cash flow generated by the business.

4. **Ward Second Payment**

Sections 2.8(b) and 7.10 of the Prospectus discloses the consideration paid for the acquisition by the Company of Ward Health Group Pty Ltd ACN 079 817 637 (trading as Ward Medication Management), including a contingent deferred earn out payment to be calculated on the basis of the future performance of that business (**Ward Second Payment**). If required to be paid, the Ward Second Payment is due no later than 15 October 2022.

Whilst the Ward Share Purchase Agreement provides flexibility for the Company to settle any Ward Second Payment in Shares, the Board confirms that it will meet any Ward Second Payment in cash only (with the source including unallocated cash reserves and internal cash flow), and will not issue any equity in satisfaction of the earn out.

5. **Sufficient funding**

The Board confirms that, following the Offers, funding for the additional opportunities disclosed in this Supplementary Prospectus can be met entirely out of unallocated funds (noting that Section 1.6 of the Prospectus only allocated funds available for the proceeds of the Offers, and not existing cash retained by the Company). The Board may however fund these additional opportunities with a mixture of existing cash and cash flow generated by the operations of the Company.

Based on the updated intended use of funds as set out in this Supplementary Prospectus and the intention to satisfy any future contingent Ward Second Payment out of cash only, the Board confirms that:

- (a) the funds raised by the Offers will provide the Company with sufficient working capital for 2 years of operations and to achieve its stated objectives as detailed in the Prospectus and this Supplementary Prospectus; and
- (b) satisfaction of any Ward Second Payment in cash only will not have any impact on the Company's ability to meet its existing commitments and stated objectives.

6. **No impact to Timetable**

The release of this Supplementary Prospectus is not expected to impact the Indicative Timetable set out on page 5 of the Prospectus.

However, the timetable remains indicative only and may change without notice.

The Company reserves the right to vary any and all of the above dates without notice, subject to the Corporations Act, Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible if they wish to invest in the Company.

The Company also reserves the right not to proceed with the Offer at any time before the issue of securities to Applicants. If the Offer is cancelled or withdrawn before settlement, all Application Monies provided under the Offer will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.

7. **Consents**

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

8. **Authorisation**

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent.

This Supplementary Prospectus is signed for and on behalf of the Company by:



Mark Simari
Chairman

Dated: 17 December 2021