CARETEQ

Prospectus

CARETEQ Limited

ACN 612 267 857

For an offer of 30,000,000 Shares at an issue price of $0.20 each to raise $6,000,000 (before costs).

This Prospectus has been issued to provide information on the offer of 30,000,000 Shares to be issued at a price of $0.20 per Share to raise $6,000,000 (before costs) (**Broker Offer, the Institutional Offer and the Priority Offer**).

This Prospectus also incorporates the offer of the Lead Manager Options if $6,000,000 is raised to be issued to the Lead Manager (or its nominees) pursuant to the Lead Manager Mandate (**Lead Manager Offer**).

It is proposed that the Broker Offer, Institutional Offer, Priority Offer and the Lead Manager Offer (together, **Offers**) will close at 5.00pm (AEDT) on 16 December 2021. The Directors reserve the right to close the Offers earlier or to extend this date without notice. Applications must be received before that time.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

Investment in the Securities offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 4 for a summary of the key risks associated with an investment in the Securities.

Lead Manager: Canaccord Genuity

Important Information

Prospectus

This Prospectus is dated, and was lodged with ASIC on, 24 November 2021. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm AEDT on that date which is 13 months after the date this Prospectus was lodged with ASIC. No Securities will be issued on the basis of this Prospectus after that expiry date.

Application will be made to ASX within seven days of the date of this Prospectus for Official Quotation of the Shares the subject of the Offers.

No person is authorised to give any information or to make any representation in connection with the Offers, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

Electronic Prospectus and Application Forms

This Prospectus will generally be made available in electronic form by being posted on the Company's website at www.careteq.com.au. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Company as detailed in the Corporate Directory. The Offers constituted by this Prospectus is only available to persons receiving this Prospectus and relevant Application Form within Australia or, subject to the provisions outlined in Section 1.16 certain investors located in Hong Kong, Singapore, New Zealand and the UK.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus or in its paper copy form as downloaded in its entirety from www.careteq.com.au. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Securities under the Offers should complete the relevant Application Form. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Offers outside Australia

No action has been taken to register or qualify the Securities the subject of this Prospectus, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside Australia, other than as is set out in Section 1.16. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus except to the extent permitted below.

Speculative Investment

The Securities offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Securities offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Securities or that there will be an increase in the value of the Securities in the future.

Prospective investors should carefully consider whether the Securities offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 4 for details relating to the key risks applicable to an investment in the Securities.

Using this Prospectus

Persons wishing to subscribe for Securities offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Securities offered pursuant to this Prospectus. If persons considering subscribing for Securities offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as 'believes', 'estimates', 'expects', 'targets', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 4. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Contents

Third-Party Publications

The Company Overview in Section 2 and the Industry Overview in Section 3 of this Prospectus includes attributed statements from books, journals and comparable publications that are not specific to, and have no connection with the Company. The authors of these books, journals and comparable publications have not provided their consent for these statements to be included in this Prospectus, and the Company is relying upon ASIC Corporations (Consents to Statements) Instrument 2016/72 for the inclusion of these statements in this Prospectus without such consent having been obtained.

No cooling off rights

Cooling off rights do not apply to an investment in Shares offered under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application.

Miscellaneous

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated.

Conversions may not reconcile due to rounding. All references to '$' or 'A$' are references to Australian dollars.

All references to time in this Prospectus are references to AEDT, being the time in Sydney, New South Wales, unless otherwise stated.

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 10.

Letter from the Chairman

Dear Investor,

On behalf of the Board of Directors, it is my pleasure to offer you the opportunity to become a shareholder in Careteq Group Limited (Careteq). Careteq's goal is to significantly improve the lives of the elderly and those with disabilities living independently or in residential care by offering the most comprehensive and innovative range of technologies and services to the market today.

We are extremely well placed to become a leader in this fast-growing space through our unique assistive living technology solutions. We have developed a range of devices and sensors that are currently sold through some of the country's leading retailers. These products work with our proprietary Sofihub platform to monitor vital signs and to understand a user's behaviour so that the system can automatically raise alerts if it detects an accident or a behaviour out of place.

Our solutions empower the elderly and those with physical disabilities and cognitive challenges to continue living at home at a time when most of us are choosing to live independently. It isn't only the elderly that prefer receiving care in the comforts of the home.

Additionally, Careteq's assistive living technology offering can be applied in residential facilities to lift productivity and standards of care, particularly given the severe staff shortage facing the industry. The Sofihub platform functions as a SaaS model, delivering recurring revenue streams. Due to its ease of operability, scalability and a growing suite of products, these streams will continue to develop as markets are targeted aggressively and new devices are introduced. Careteq is committed to developing the platform further to increase the options available to customers.

Careteq is well placed to become a leader in this rapidly developing assistive living technology market and our strategic acquisition of a leading medication management company, Ward Medication Management, will bolster our position given the strong synergies between the businesses, as detailed in the prospectus. Ward Medication Management is the largest medication management business in Australia and services 374 residential aged care facilities with over 34,000 beds in New South Wales, Victoria, Queensland, and South Australia. There are multiple cross-selling opportunities that exist between both businesses and Careteq is in a position to be able to offer the most comprehensive range of complementary services to its key target markets.

The Offer is to raise $6 million through the issue of 30 million Shares at $0.20 per Share and will be used to fund growth initiatives for the Group including organic growth opportunities, cross-selling opportunities between Ward Medication Management and assistive living technology businesses, development of new products, features and applications and Careteq's international expansion strategy. On Careteq's international expansion strategy and new market applications, Careteq is partnering with the not-for-profit SiTa Foundation in the United States to develop a safety device that can be used against the alarming increase in domestic violence.

On completion of the Offer, new investors in the Company are expected to hold approximately 24.3% of the Shares on issue, Directors and executives will hold a combined 3.3% of the shares on issue and the remainder will be held by other Existing Shareholders.

This Prospectus contains further details about the Offer, the industries that Careteq operates in, the Group's businesses, financial information and growth strategy. The key risks associated with investing in Careteq are covered in Section 4.

I encourage you to read the Prospectus carefully and in its entirety, and to consult with your independent professional adviser in connection with the Offer.

On behalf of the Directors, I thank you for considering an investment in Careteq and look forward to welcoming you as a shareholder in Careteq.

Yours sincerely,

Mark Simari
Chairman
Careteq Limited

Key Offer Details

Key Details of the Offers[1]	
Offer Price	$0.20
New Shares to be issued under the Broker Offer, Institutional Offer and Priority Offer	30,000,000
Total proceeds of the Broker Offer, Institutional Offer and Priority Offer	$6.0m
Number of Shares to be held by existing shareholders[2]	64,224,745
Number of Shares to be held by noteholders on completion of the Offers	29,341,196
Number of Options being issued under the Lead Manager Offer[3]	3,936,513
Number of Options being issued to Directors and employees[4]	7,651,134
Total number of Shares on issue on completion of the Offers	123,565,941
Market capitalisation at Offer Price[5]	$24.7m
Pro forma net cash (as of 30 June 2021)[6]	$8.9m
Implied enterprise value at the Offer Price[7]	$15.9m

Notes:

1. Please refer to Section 1.8 for further details relating to the proposed capital structure of the Company.
2. Excluding any Shares acquired under the Offer.
3. See Section 1.4 for further details relating to the Lead Manager Offer. See Section 8.2 for the terms and conditions of the Lead Manager Options.
4. See Section 8.2 for the terms and conditions of the Options issued to Directors, Company secretary and employees.
5. Calculated as the total number of Shares on issue on completion of the Offer multiplied by the Offer Price.
6. Calculated as the pro forma cash and cash equivalents less borrowings at 30 June 2021.
7. Calculated as the market capitalisation at the Offer Price, less pro forma net cash as at 30 June 2021.

Indicative Timetable

Event	Date
Lodgement of this Prospectus with ASIC	24 November 2021
Opening Date for the Offers	2 December 2021
Closing Date for the Offers	16 December 2021
Issue Date	4 January 2022
Despatch of holding statements	5 January 2022
Expected date for quotation on ASX	10 January 2022

Note:

The above dates are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular the Company reserves the right to vary the Opening Date and 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 after the Opening Date if they wish to invest in the Company.

Investment Overview

This Section is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

Topic	More Information
Introduction	
Who is the Company and what does it do? Careteq is an Australian 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. In August 2021, Careteq acquired Ward Medication Management, which is Australia's largest medication management service provider of its kind with a dominant market share along the east coast of the country, and South Australia.	Section 2
What industry does the Company operate in? Careteq offers SaaS-based assistive living technology and services focused on meeting the needs in the health, aged and home care sectors globally. Careteq's offerings are also relevant across other related verticals. These include in-home disability care, mental health and anti-domestic violence solutions.	Section 3
What products and services are offered by the Company? Careteq developed the Sofihub assistive living platform and mobile app that allows users, carers and family to control and manage a range of devices and sensors sold by the Company. These devices/sensors include: (a) **Home:** a personalised and proactive digital companion, which uses natural spoken reminders to encourage positive living. (b) **Secure:** a lightweight mobile personal alert system that can issue an emergency SOS to multiple people at the touch of a button. (c) **Pro Solutions:** a partnership programme where Careteq works with selected businesses to integrate its product suite into their specific business requirements. (d) **Eazense** (Powered by Sofihub Portal): an automatic sensor that detects falls. Careteq's wholly owned subsidiary, Ward Medication Management, provides expert geriatric clinical pharmacy decision support to general practitioners.	Sections 2.5 and 2.8
How are the Company's products and services sold and marketed? The Company has secured several distribution agreements with leading specialist retailers in Australia, New Zealand and the United States to sell its assistive living technology hardware. These include Harvey Norman, Officeworks and Global Distribution. Careteq has also partnered with ADT New Zealand and Threat Protect Limited (Australia) to sell its Pro Solutions products. Ward Medication Management is Australia's leading medication management services business with an internal marketing and sales team. The business will continue to leverage on its strong industry reputation and recognisable brand name to grow its market share.	Sections 2.10 and 2.8

Topic	More Information
Who are the Company's competitors? There are several companies that offer assistive living technology solutions, but this is a large and fragmented market with no dominant competitor. Careteq believes it is well positioned to become a leader in key niche segments of the industry, focusing on falls detection and vital signs monitoring. Careteq's Ward Medication Management business is one of the largest service providers in its field. There are two main competitors of similar size, with the remainder of the market comprising a number of smaller competitors.	Section 3.9
What are Careteq's key competitive advantages? Careteq has invested approximately to $2.7 million developing its proprietary assistive living technology platform. The Company is in a strong position to become a leader in the assistive living technology market due to its early mover advantage, complete service offering and comprehensive feature set offered by its technology platform and hardware. Careteq's Ward Medication Management business unit also provides a significant advantage as it enjoys one of Australia's largest medication management databases. This gives Ward Medication Management the enviable capability to undertake ground breaking R&D and develop best practices and standards for the industry.	Sections 2.11
What are the advantages of investing in the Company? The Directors of Careteq are of the view that an investment in the Company will provide benefits that include: (a) exposure to the relatively new and fast-growing assistive living technology targeting the health, aged and home care industries; (b) stable and defensive income stream that is largely funded by federal/state governments and insurers; (c) sufficiently funded health tech company that can continue to invest in R&D to further develop its offerings (subject to the Company successfully completing the Offers); and (d) access to a company that is currently generating revenue from its suite of commercially available products and services.	Sections 2.12 and 2.13
What is the Company's sources of revenue? Careteq has three primary revenue streams: (a) **Hardware Sales:** Upfront revenue from the sale of devices in Careteq's product range, namely Home, Secure, Pro Solutions and Eazense, through distributors or online sales; (b) **Recurring Subscription Revenue (SaaS):** Monthly subscription for accessing the Sofihub online monitoring portal; and (c) **Contractual Recurring Revenue:** Sales from Careteq's Ward Medication Management division that are secured by an average three-year contract with Residential Aged Care (RAC) operators. See Section 2.12 for further details.	Section 2.12

Topic	More Information
What is the Company's growth strategy? Following Careteq's listing on ASX, the three main areas Careteq will focus its attention in order to accelerate growth and expand its market presence are: (a) **Sales & Marketing** (i) expand the Australian business development and sales team; (ii) further develop the advertising and marketing of its product suite; (iii) promote cross-selling opportunities within the Group; (iv) invest further in its website and online presence; (v) leverage distribution partnerships to increase Careteq's share of the B2B market; (vi) work with its enterprise partners to develop customised outcomes for the aged and healthcare industries; and (vii) undertake its international expansion strategy. (b) **Product Development** (i) continued product enhancement and innovation through upgrading functionality and interoperability of the assistive living technology products with third-party platforms; and (ii) further develop its product hardware by including biometric sensing of health conditions and produce highlight technical and sensitive sensors to detect more subtle motions. (c) **Operational refinements** (i) enhance support services for clients using the Careteq suite of products and services; and (ii) developing an operational management system to ensure end to end coordination of funds and eliminate operational inefficiencies. (d) **Acquisitions** explore organic and inorganic opportunities to expand its product offering to ensure it meets its clients requirements.	**Sections 2.13**
What are the Company's key objectives after listing on the ASX? Careteq's key objectives upon listing on the ASX are as follows: (a) capitalise on its early mover advantage in the assistive living technology space; (b) pursue organic growth opportunities in the markets that it already has a presence in, including cross-selling opportunities between the Ward Medication Management and assistive living technology businesses; (c) expand into new markets and territories, such as commercialising a solution for domestic violence victims; and (d) update and launch new features, products and services.	**Section 2.13**

Topic	More Information
What are the key dependencies of the Company's business model? The key factors impacting the Company's ability to meet its objectives are: (a) the successful completion of the Broker Offer, the Institutional Offer and the Priority Offer; (b) the ongoing commercial arrangements; (c) management's ability to execute on marketing and sales strategy to attract new contracts with retirement living and home care providers; and (d) continual development and updates to Careteq's technology and platform.	Section 2.17
Who are Careteq's target customers and how large are the Company's addressable markets? The assistive living technology market is global, fragmented and multi-faceted. The Company is specifically targeting niche applications within this big market where large rivals have limited penetration. As a whole, the global ambient assistive living market size can reach US$13 billion by 2027, according to the latest report by Market Research Future (MRFR)[1]. Careteq operates in areas that large global players have limited or no presence, and targets niche applications where it has a stronger value proposition compared to its direct competitors. These include: (a) **Elderly-at-Home:** The number of Australians aged 65 years and older is projected to nearly double to 6.7 million people in 2042, and most have a strong preference for aging at home. Demand for technologies that can allow the elderly to live independently for longer is only expected to increase significantly. This trend is also evident in several other countries. (b) **Aged Care:** The Royal Commission into Aged Care Quality and Safety – Final Report was released in February 2021 with 148 recommendations to transform the future of aged care. One of the key findings was the increased investment recommended in pre-certified assistive technologies and smart technology to support care and functional needs of older people. As a result, the Federal Government announced a $17.7B reform package for aged care. (c) **Accident Rehab:** There is a similar preference for those recovering from an accident to undergo rehabilitation at home. There is also a large number of Australians in this category. For instance, 160,000 Australians aged 15-64 have a head injury, stroke or acquired brain injury; while on average 39,755 people suffer from serious road accident injuries a year. (d) **Disability Care:** There are more than 4 million Australians who live with a disability, which represents around 17.7% of the population. The prevalence of disability increases with age. (e) **Security:** The security system monitoring and surveillance industry is a $1 billion market in Australia alone. The domestic segment of this market is estimated at $150 million. Careteq also owns and operates one of the largest medication management services company in Australia. The business currently services those living in residential aged care and there are 335,889 people living at these facilities on 30 June 2020. More than 95% of these residents report at least one problem with their medication and there is an 88% chance of them experiencing adverse drug events if they are on five or more medications.	Section 3

1. https://www.globenewswire.com/en/news-release/2021/02/18/2177943/0/en/Ambient-Assisted-Living-Market-Has-Generated-USD-2-Billion-in-2017-and-is-Expected-to-Reach-a-Market-Value-of-USD-13-Billion-By-2027-Growing-With-19-CAGR-Market-Research-Future.html

Topic	More Information

What is the Company's financial position?

Investors should be aware that the Company is currently making a loss. A summary of the Company's financial information is included in Section 6 and the Investigating Accountant's Report (included in Annexure A).

More Information: Section 6 and Annexure A

What is the proposed capital structure of the Company?

Following completion of the Offers under this Prospectus, the proposed capital structure of the Company will be as per below and as further detailed in Section 1.8.

Existing Shares (post-split)[1]	64,224,745
IPO Shares	30,000,000
Total Shares issued to noteholders[1]	29,341,196
Lead Manager Options	3,936,513
Options issued to Directors, Company secretary and employees	7,651,134
Shares on listing	123,565,941
Indicative market capitalisation based on IPO price of $0.20 per share	$24,713,188

1. This includes the convertible notes that convert at IPO.

More Information: Section 1.8

What is the proposed use of funds raised under the Broker Offer, Institutional Offer and Priority Offer?

The proceeds of the Broker Offer, the Institutional Offer and the Priority Offer will be utilised for the following:

Item	Based on $6 million raised under the IPO
Technology development	$1,550,000
Sales & marketing	$1,000,000
Operations	$685,000
Personnel	$330,000
Working capital/corporate overheads	$1,764,794
Costs of the offer	$670,206
Total	**$6,000,000**

More Information: Section 1.6

Topic	More Information
Summary of key risks	
Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks. The risk factors set out in Section 4, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative.	
Limited operating history The Company has a limited operating history on which to evaluate its business and prospects and is currently making a loss. The Company's operations are subject to all of the risks inherent in a recently formed business enterprise. The Company has no significant history of operations and there can be no assurance that the Company will be able to generate or increase revenues from its existing and proposed products or avoid losses in any future period.	Section 4.1(a)
Future capital requirements The Company may require further financing in the future, in addition to amounts raised pursuant to the Broker Offer, the Institutional Offer and Offer and the Priority Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.	Section 4.1(b)
Product development Careteq's approach of constantly improving its software to incorporate further services, features and interoperability with a growing range of platforms requires a broad investment in research and development. This is required to stay ahead of market demands and deliver leading technological enhancements. Without achieving a constant expansion to the software and its services, which may be caused by a number of factors including delays in product development, Careteq's financial position and prospects will be adversely affected.	Section 4.1(d)
Intellectual property risks Careteq seeks to protect its intellectual property through trademarks, trade secrets and know how. Whilst there are always risks of unauthorised use of its intellectual property, these security measures are consistently and constantly reviewed with comprehensive testing in place to prevent or identify any such breaches.	Section 4.1(e)

Topic	More Information
Reliance on third-party technology risk The Company's platform is hosted on third-party software and the Careteq App runs on third-party software. Any changes to external platforms, systems or devices that give preference to competing products or adversely impact on the functionality of the Company's products may render consumers less likely to use the Company's products, which may have a detrimental impact on the Company's financial performance. If third-party providers restrict the ability of consumers to access their networks via the Company's products, this is likely to detrimentally affect the Company's financial performance. Similarly, the Company relies on open source licensing agreements. While the Company considers it highly unlikely that the open source licenses will be revoked, the revocation of such licences would affect the Company's ability to provide services to clients, which in turn would have a detrimental effect on the Company's financial performance.	Section 4.1(f)
Dependence on internet and telecommunication infrastructure The success of the Company's products and services will depend to some extent on: (a) the availability and stability of telecommunications infrastructure; (b) the infrastructure over which devices directly communicate with each other; and (c) the Internet. The utility of both connectivity and the Internet carrying communications between devices can be adversely impacted upon because of the rapidly increasing demands for bandwidth, data security, reliability, cost, accessibility and quality of service. Delays in the development or adoption of new standards and protocols to handle these increased demands may impact on the adoption of the Company's products and services and ultimately the success of the Company. The performance of the Internet is at time harmed by "viruses", "worms" and similar malicious programs, and the Internet has experienced a variety of outages and other delays because of damage to portions of its infrastructure.	Section 4.1(h)
Competition and new technology risk As products of this nature are relatively new offerings to the industry, there is currently only a handful of direct competitors in the market. Careteq's performance could be adversely affected if existing or new competitors reduce Careteq's market share, or its ability to expand into new market segments. Careteq's existing or new competitors may have substantially greater resources and access to more markets in comparison to Careteq. Careteq may find itself in competition with channel partners and other close entities who have had historical relationships with Careteq. These partners have limited access to Careteq's intellectual property but may gain access to its trade secrets and other key information. Competitors may succeed in developing alternative products and services which are more innovative, easier to use or more cost effective than those that have been or may be developed by Careteq. This may cause pricing pressure on Careteq's product offering and may impact on the ability to retain existing customers/partners as well as attract new customers/partners.	Section 4.1(i)

Topic	More Information
Product liability risk The Company may be exposed to liability claims if its products or services are provided in fault and/or cause harm to its customers. As a result, the Company may have to expend significant financial and managerial resources to defend against such claims. The Company has various insurance policies in place to mitigate this risk (see Section 4.1(l)). If a successful claim is made against the Company, the Company may be fined or sanctioned, and its reputation and brand may be negatively impacted, which could materially and adversely affect its reputation, business prospects, financial condition and results of operation.	Section 4.1(k)
Growth strategy and execution risk Careteq's growth strategy for the coming years includes the expansion of its sales and marketing team to capitalise on the market opportunity and the ever-growing sales pipeline. This will include developing a technical support and pre-sales arm so that Careteq will be able to service a broader market base and develop further revenue streams. This will in turn reduce the reliance on its primary market sector.	Section 4.1(m)
Security Breach Careteq employs a range of robust and frequently reviewed security measures to protect both its intellectual property and the integrity of its customer data. A data breach could result in both reputation damage and financial loss to the Company, through regulatory sanctions or customer loss.	Section 4.1(n)
Reliance on key personnel Careteq's operational success will depend substantially on the continuing efforts of senior executives. The current management team has a proven record in the healthcare sector in a listed and unlisted environment. The restructure of the Company has increased the ability to transfer knowledge should key personnel depart.	Section 4.1(p)
Maintenance of key relationships Careteq will rely on relationships with key business partners and professional organisations (including, aged/disability care providers and security organisations) to enable it to continue to promote its products. These relationships are growing each quarter as Careteq enjoys continued market penetration. This will be built upon with further campaigns to cross-sell additional features and continue their revenue growth.	Section 4.1(q)
Regulatory risks There is presently no obligation for the Company to obtain any licences or other regulatory approvals to undertake its business. The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately the financial performance of the Company and its Securities.	Section 4.1(s)

Topic	More Information
Government funding risks Several of the Company's key customer target markets (such as aged and disability care) are reliant on government funding and subsidies. Any change in government budgets could have an adverse impact on Group sales.	Section 4.1(t)
Further risks For further information on general risks, please see Section 4.2.	Section 4.2
Directors, Related Party Interests and Substantial Holders	
Who are the Directors? As at the date of this Prospectus, the Board comprises of: (a) Mr Peter Scala – CEO & Managing Director; (b) Mr Mark Simari – Non-Executive Chairman; (c) Mr Brett Cheong – Non-Executive Director; (d) Mr Alex Boyd – COO & Executive Director; and (e) Mr Stephen Munday – Non-Executive Director.	"Corporate Directory" and Sections 5.1 and 5.2
Who are the key management personnel? As at the date of this Prospectus, the Company's key management personnel comprises: • Mr Peter Scala – Managing Director & CEO; • Mr Alex Boyd – Chief Operating Officer; and • Mr David Lilja – Chief Financial Officer and Company Secretary.	Sections 5.2 and 5.3
What benefits are being paid to the non-Executive Directors? The non-Executive Directors of the Company are Mark Simari, Brett Cheong and Stephen Munday. Mark Simari as Chairman will be paid $120,000 and each of the non-Executive Directors will receive an annual remuneration of $36,000.	Section 7.6
What benefits are being paid to the CEO & Managing Director? Peter Scala will receive an annual remuneration of $242,000 including a short-term incentive in the amount of 30% of his base salary on successful achievement of Board approved short-term incentive targets.	Section 7.2

Topic	More Information

What interests do the Directors and key management personnel have in the securities of the Company?

On Admission the Directors and key management personnel and their related entities will hold the following interests:

Director/key management personnel	Shares	Options
Peter Scala	457,142	1,578,101[1]
Mark Simari	3,067,278	1,168,965[1]
Brett Cheong	250,000	584,482[1]
Alex Boyd	150,000	1,578,101[1]
Stephen Munday	100,000	–
David Lilja	1,203,402	292,242[1]

Note:

1. See Section 8.2 for the terms and conditions of the Options.

More Information: Section 5.5

What important contracts with related parties is the Company a party to?

The Company has not entered into any related party transactions.

More Information: Section 5.6

Who will be the substantial holders of the Company?

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows:

Name	Number of Shares	% of Shares
Dempsey Capital Pty Ltd	11,466,383	17.85%
JMT Investment Group Vic Pty Ltd and JMT Investment Group Vic Pty Ltd <John Turner Superannuation Fund>	7,500,000	11.68%
Growth Endeavours Pty Ltd and Ascent Super Fund Pty Ltd	6,334,294	9.86%
Deakin University	4,995,571	7.78%
Ian Heraud Holdings Pty Ltd	4,074,008	6.34%

Please refer to Section 8.4 for the breakdown of persons who will, on Admission, have an interest in 5% or more of the Shares on issue in the Company.

More Information: Section 8.4

What fees are payable to the Lead Manager?

The Lead Manager will receive a capital raising and management fee of 5% of the gross proceeds raised under the Offer, being $300,000 less a monthly fee of $10,000 per month from 1 October to the Issue Date if $6,000,000 is raised.

More Information: Section 1.7(a)

Topic	More Information
What interests will the Lead Manager have in the Securities of the Company upon Admission? The Company agrees to issue to the Lead Manager an options package equal to 3.0% of the fully-diluted shares in the capital of the Company at completion of the Offer, consisting of: (a) a number of Options equal to 1.0% of the Company's post-Offer fully-diluted shares outstanding, exercisable at 40% premium to the Offer Price on or before a date four years from the date of issue; (b) a number of Options equal to 1.0% of the Company's post-Offer fully-diluted shares outstanding, exercisable at a 60% premium to the Offer Price on or before a date four years from the date of issue; and (c) a number of Options equal to 1.0% of the Company's post-Offer fully-diluted shares outstanding, exercisable at a 80% premium to the Offer Price on or before a date four years from the date of issue, (collectively, the **Lead Manager Options**).	Section 1.7(b)
What is the Broker Offer, the Institutional Offer and the Priority Offer?	
What is the Broker Offer, the Institutional Offer and the Priority Offer? The Company is offering 30,000,000 new Shares at the Offer Price, being $0.20 per Share to raise $6,000,000 (before associated costs), comprising: (a) a **Broker Offer** which is open to Australian retail clients of participating Brokers that have a registered address in Australia and received an invitation from a Broker to acquire Shares; and (b) an **Institutional Offer** which is open to certain Institutional Investors in Australia, New Zealand, Hong Kong, Singapore and the United Kingdom; and (c) a **Priority Offer** which is open to selected retail investors and Institutional Investors in Australia and to Institutional Investors only in New Zealand, Hong Kong, Singapore and the United Kingdom who have received an invitation under the Priority Offer. No general public offer of Shares will be made under the Offers.	Section 1.2 and 1.16
What is the Offer Price under the Broker Offer, the Institutional Offer and the Priority Offer $0.20 per Share.	Sections 1.2
Will the Shares be quoted? The Company will apply to the ASX for its admission to the Official List within seven days of the date of this Prospectus.	"Corporate Directory" and 1.12
What is the purpose of the Broker Offer, Institutional Offer and Priority Offer? The purposes of the Broker Offer, the Institutional Offer and the Priority Offer are to: (a) raise an amount of $6,000,000 (before associated costs of the Offers); (b) meet the costs of the Offers; and (c) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List.	Section 1.3

Topic	More Information

What are the conditions of the Offers?

The Offers under this Prospectus are conditional upon the following events occurring:

(a) the Company raising $6,000,000 under the Broker Offer, the Institutional Offer and the Priority Offer;

(b) to the extent required by ASX or the Listing Rules, certain persons entering into a restriction agreement imposing such restriction on trading on the Securities as mandated by the Listing Rules; and

(c) ASX providing the Company with a list of conditions which, once satisfied, will result in ASX admitting the Company to the Official List.

If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Offers in accordance with the Corporations Act.

Section 1.5

Are there any escrow arrangements?

ASX will classify certain existing Securities on issue in the Company as being subject to the restricted securities provisions of the Listing Rules. Restricted securities will be required to be held in escrow for up to 24 months and will not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior approval of ASX.

Prior to the Company's Shares being admitted to quotation on the ASX, the Company will enter into escrow deeds with the recipients of any restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of any Securities required to be held in escrow.

During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

As at the date of this Prospectus the Company expects approximately 3.4 million Shares and 8.8 million Options (being all Options to be held by Directors and the Lead Manager) to be subject to 24 months escrow post listing, 1.3 million Shares to be subject to 12 months escrow post listing and 5.8 million Shares to be subject to 12 months escrow post issue, if the amount of $6,000,000 is raised.

Additionally, as at the date of this Prospectus, 26.6 million Shares will be subject to voluntary escrow for 6 months post listing and 26.6 million Shares will be subject to voluntary escrow for 12 months post listing.

Section 1.17

What is the Broker Offer, Institutional Offer and Priority Offer period?

Event	Date
Prospectus Lodged	24 November 2021
Opening Date	2 December 2021
Closing Date	16 December 2021
Issue Date	4 January 2022
Despatch of holding statements	5 January 2022
Expected date for quotation on ASX	10 January 2022

The above dates are indicative only and may change without notice.

"Indicative Timetable"

Topic	More Information
Is the Broker Offer Institutional Offer and Priority Offer underwritten? No, the Broker Offer, the Institutional Offer and the Priority Offer is not underwritten.	Section 1.18
What is the Lead Manager Offer and what is its purpose? This Prospectus includes a separate offer of the Lead Manager Options if $6,000,000 is raised to be issued to the Lead Manager under this Prospectus. The Lead Manager Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale or transfer of any Options, or any Shares issued upon exercise of any Options into Shares, that are issued under the Lead Manager Offer. The Lead Manager Offer is made to the Lead Manager (or its respective nominees).	Section 1.4
Additional Information	
Will the Company be adequately funded after completion of the Broker Offer, Institutional Offer, and Priority Offer? The Board believes that the funds raised from the Broker Offer, the Institutional Offer and the Priority Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.	Section 1.6
What rights and liabilities attach to the Securities on issue? The rights and liabilities attaching to the Shares are described in Section 8.1. The rights and liabilities attaching to Options are described in Section 8.2.	Sections 8.1, 8.2
Who is eligible to participate in the Offers? The Broker Offer is open to Australian retail clients of participating Brokers that have a registered address in Australia and received an invitation from a Broker to acquired Shares under this Prospectus. The Institutional offer is open to Institutional Investors selected by the Lead Manager. Only the Lead Manager (or its nominees) may accept the Lead Manager Offer. The Priority Offer is open to selected retail investors and Institutional Investors in Australia and to Institutional Investors only in New Zealand, Hong Kong, Singapore and the United Kingdom who have received an invitation under the Priority Offer.	Sections 1.10 and 1.16
How do I apply for Shares under the Broker Offer, the Institutional Offer and the Priority Offer? Applicants under the Broker Offer should follow the instructions of their Broker. Application procedures for Institutional Investors have been advised to the Institutional Investors by the Lead Manager. Applicants under the Priority Offer must apply using the Priority Offer Application Form and in accordance with the instructions provided in their invitation to participate in the Priority Offer.	Section 1.10

Topic	More Information
What is the allocation policy? The Directors, in conjunction with the Lead Manager, will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward. Specifically, the allocation of Shares between the Broker Offer, Institutional Offer and Priority Offer will be determined by the Lead Manager and the Company having regard to the allocation policy outlined in Section 1.14. For the Broker Offer, the Lead Manager and the Brokers to the Offer will determine how Brokers allocate Shares among their clients. Shares to be allocated to Brokers for allocation to their Australian resident clients will be issued or transferred to the applicants nominated by those Brokers (subject to the right of the Company and the Lead Manager to reject, aggregate or scale back applications). It will be a matter for each Broker as to how they allocate Shares among their retail clients, and they (and not the Company or the Lead Manager) will be responsible for ensuring that retail clients who have received an allocation from them, receive the relevant Shares. Institutional Offer allocations will be determined by the Company in consultation with the Lead Manager. For the Priority Offer, the Company in consultation with the Lead Manager, will determine the allocation of Shares among Applicants. There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied.	Section 1.14
When will I receive confirmation that my application has been successful? Holding statements confirming allocations under the Broker Offer, the Institutional Offer and the Priority Offer will be sent to successful Applicants as required by ASX. Holding statements are expected to be issued to Shareholders on or about 5 January 2022.	"Indicative Timetable"
What is the Company's dividend policy? The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors.	Section 2.18
How can I find out more about the Prospectus or the Offers? By speaking to your sharebroker, solicitor, accountant or other independent professional adviser or by contacting the Company on investors@careteq.com.au.	"Corporate Directory"

1. Details of the Offers

1. Details of the Offers

1.1 Important Information

This Prospectus contains details of the Offers to apply for Securities in the Company. You are encouraged to:

(a) read the contents of this Prospectus carefully, including the risk factors in Section 4; and

(b) obtain independent professional advice from your accountant, lawyer, financial advisor or any other party qualified to provide advice on the contents of this Prospectus.

1.2 Description of the Broker Offer, the Institutional Offer and the Priority Offer

This Prospectus invites investors to apply for 30,000,000 Shares to be issued at a price of $0.20 per Share to raise $6,000,000 (before costs) (**Broker Offer**, **Institutional Offer** and **Priority Offer**).

The **Broker Offer** is open to Australian retail clients of participating Brokers that have a registered address in Australia and received an invitation from a Broker to acquire Shares.

The **Institutional Offer** is open to Institutional Investors in Australia, New Zealand, Hong Kong, Singapore and the United Kingdom.

The **Priority Offer** is a priority offer and is open to selected retail investors and Institutional Investors in Australia and to Institutional Investors only in New Zealand, Hong Kong, Singapore and the United Kingdom who have received an invitation under the Priority Offer. No more than 5,000,000 Shares to raise $1 million (before costs) will be available under the Priority Offer.

No general public offer of Shares will be made under the Offers.

The Shares to be issued pursuant to the Broker Offer, the Institutional Offer and the Priority Offer are of the same class and will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 8.1.

Applications for Shares under the Broker Offer, the Institutional Offer and the Priority Offer must be made on the Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the Broker Offer, the Institutional Offer and the Priority Offer should refer to Section 1.10 for further details and instructions.

1.3 Purpose of Prospectus

The purpose of this Prospectus is to:

(a) raise $6,000,000 pursuant to the Broker Offer, the Institutional Offer and the Priority Offer (before associated costs of the Offers);

(b) meet the conditions to apply for Official Quotation of the Shares on the ASX;

(c) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List; and

(d) allow the sale of the Shares within 12 months after being issued to the Lead Manager following the exercise of the Lead Manager Options by the Lead Manager without further disclosures required pursuant to section 708A of the Corporations Act.

1.4 Lead Manager Offer

This Prospectus includes a separate offer of the Lead Manager Options if $6,000,000 is raised which is to be issued to the Lead Manager (or its nominees) under this Prospectus (**Lead Manager Offer**).

The Company has agreed to issue to the Lead Manager an options package equal to 3.0% of the fully-diluted shares in the capital of the Company at completion of the Offer, consisting of:

(a) a number of Options equal to 1.0% of the Company's post-Offer fully-diluted shares outstanding, exercisable at 40% premium to the Offer Price on or before a date four years from the date of issue;

(b) a number of Options equal to 1.0% of the Company's post-Offer fully-diluted shares outstanding, exercisable at a 60% premium to the Offer Price on or before a date four years from the date of issue; and

(c) a number of Options equal to 1.0% of the Company's post-Offer fully-diluted shares outstanding, exercisable at a 80% premium to the Offer Price on or before a date four years from the date of issue,

(collectively, the **Lead Manager Options**).

The Lead Manager Options are issued to the Lead Manager as partial consideration for the lead manager services provided in connection with the Broker Offer, the Institutional Offer and the Priority Offer.

The terms and conditions of the Lead Manager Options are described in Section 8.2. If the Lead Manager Options are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

Only the Lead Manager (or its nominees) may accept the Lead Manager Offer.

The Lead Manager Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale or transfer of any Options, or any Shares issued upon exercise of any Options into Shares, that are issued under the Lead Manager Offer.

An Application Form in relation to the Lead Manager Offer will be issued to the Lead Manager together with a copy of this Prospectus.

Refer to Section 7.1 for a summary of the Offer Management Agreement (**OMA**).

1.5 Conditional Offers

The Offers under this Prospectus are conditional upon the following events occurring:

(a) the Company raising $6,000,000 under the Broker Offer, the Institutional Offer and the Priority Offer;

(b) to the extent required by ASX or the Listing Rules, certain persons entering into a restriction agreement imposing such restriction on trading on the Company's securities as mandated by the Listing Rules; and

(c) ASX providing the Company with a list of conditions which, once satisfied, will result in ASX admitting the Company to the Official List.

If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Offers in accordance with the Corporations Act.

1.6 Proposed use of funds

Following the Offers, it is anticipated that the following funds will be available to the Company:

Source of funds	$
Existing cash as at the date of this Prospectus	1,960,000
Proceeds from Offers	6,000,000
Total funds available	**7,960,000 (before costs)**

The following table shows the intended use of funds following admission of the Company to the Official List:

Use of funds[1,2]	$6,000,000 subscription
Technology development	$1,550,000
Sales & marketing	$1,000,000
Operations	$685,000
Personnel	$330,000
Working capital/corporate overheads[3]	$1,764,794
Costs of the Offers	$670,206
Total funds allocated	**$6,000,000**

Notes:

1. Expenses paid or payable by the Company in relation to the Offers are set out in Section 8.8.
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), actual expenditure levels may differ significantly from the above estimates.
3. Which includes rent, inventory, office expenses, travel, corporate and governance costs, and insurance.

The Board believes that the funds raised from the Broker Offer, the Institutional Offer and the Priority Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

Based on the intended use of funds detailed above, the amounts raised pursuant to the Broker Offer, the Institutional Offer and the Priority Offer will provide the Company with sufficient funding for 2 years of operations. The Company may require further financing in the future. See Section 4.1(b) for further details about the risks associated with the Company's future capital requirements.

1.7 Lead Manager's interests in securities

Canaccord Genuity (Australia) Limited ACN 075 071 466 (also referred to in this Prospectus as the "Lead Manager" and "Canaccord") has been appointed as the Lead Manager to the Company and is a party to the Lead Manager Mandate summarised in Section 7.1.

(a) Fees payable to the Lead Manager

Pursuant to the Lead Manager Mandate, the Company has agreed to pay Canaccord (or its nominees) a capital raising and management fee of 5.0% of the gross proceeds raised under the Broker Offer, the Institutional Offer and the Priority Offer, being $300,000 less a monthly fee of $10,000 per month from 1 October to the Issue Date if $6,000,000 is raised.

(b) Lead Manager's interests in Securities

The Company agrees to issue to the Lead Manager an options package equal to 3.0% of the fully-diluted shares in the capital of the Company at completion of the Offer, consisting of:

(i) a number of Options equal to 1.0% of the Company's post-Offer fully-diluted shares outstanding, exercisable at 40% premium to the Offer Price on or before a date four years from the date of issue;

(ii) a number of Options equal to 1.0% of the Company's post-Offer fully-diluted shares outstanding, exercisable at a 60% premium to the Offer Price on or before a date four years from the date of issue; and

(iii) a number of Options equal to 1.0% of the Company's post-Offer fully-diluted shares outstanding, exercisable at a 80% premium to the Offer Price on or before a date four years from the date of issue,

(collectively, the **Lead Manager Options**)

(c) Lead Manager's participation in previous placements

The Lead Manager have not participated in a placement of Securities by the Company in the 2 years preceding lodgement of this Prospectus.

1.8 Capital Structure

On the basis that the Company completes the Offers under the terms of this Prospectus, the Company's capital structure will be as follows:

	No. of Shares	% of Shares	No of Options	% of Options
Existing Shares	64,224,745	51.98%	–	–
Total Shares issued to noteholders upon conversion of their convertible notes	29,341,196	23.75%		
Options issued to Directors, Company secretary and employees	–	–	7,651,134[1]	66.03%
Broker & Institutional Offer	30,000,000	24.28%	–	–
Lead Manager Offer	–	–	3,935,751[2]	33.97%
Total	**123,565,941**	**100%**	**11,585,820**	**100%**

Notes:

1. See Section 8.2 for the terms of issue of the Options issued to Directors, Company secretary and employees.
2. See Section 8.2 for the terms of issue of the Lead Manager Options. Based on a capital raising of $6,000,000, the Company's free float at the time of Admission will be not less than 20%.

Based on a capital raising of $6,000,000, the Company's free float at the time of Admission will be not less than 20%.

1.9 Forecasts

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

1.10 Applications

(a) General

Applications for Securities under the Offers can only be made using the relevant Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form.

The Offers may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offers or accept late Applications.

No brokerage, stamp duty or other costs are payable by Applicants.

All Application Monies will be paid into a trust account.

An original, completed and lodged Application Form together with payment for the Application Monies (for applications under the Broker Offer, the Institutional Offer and the Priority Offer), constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final. If your cheque, BPAY® or EFT (Electronic Funds Transfer) payment for the Application Money is different to the amount specified in your Application Form then the Company may accept your Application for the amount of Application Money provided.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

(i) agrees to be bound by the terms of the relevant Offer;

(ii) declares that all details and statements in the Application Form are complete and accurate;

(iii) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;

(iv) declares that the Applicant was given access to this Prospectus (or any supplementary or replacement prospectus), together with an Application Form. (The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus);

(v) authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Securities to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;

(vi) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Securities are suitable for them given their investment objectives, financial situation or particular needs; and

(vii) acknowledges that the Securities have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the Securities may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

(b) Applications under the Broker Offer

The Broker Offer is open to investors who are Australian retail clients of participating Brokers that have a registered address in Australia and received an invitation from a Broker to acquire Shares under this Prospectus. If you are an investor applying under the Broker Offer, you should complete the application procedure advised to you by your Broker. Please contact your Broker for further instructions.

Subject to the allocation policy in Section 1.14 below, an Application may be accepted by the Company in respect of the full amount, or any lower amount than that specified in the Application Form, without further notice to the Applicant.

Acceptance of an Application will give rise to a binding contract.

(c) Applications under the Institutional Offer

The Institutional Offer is open to certain Institutional Investors in Australia, New Zealand, Hong Kong, Singapore and the UK to apply for Shares under this Prospectus. Application procedures for Institutional Investors have been, or will be, advised to the relevant Institutional Investor by the Lead Manager.

(d) Applications under the Priority Offer

If you have received a personalised invitation to apply for Shares under the Priority Offer and you wish to apply for all or some of those Shares, you should follow the instructions on your personalised invitation for how to apply under the Priority Offer.

You may apply for an amount up to and including the amount indicated on your invitation. Applications under the Priority Offer must be for a minimum of $2,000 worth of Shares and in multiples of $500 worth of Shares thereafter.

To make a valid application under the Priority Offer, you must use the Priority Offer Application Form.

Early lodgement of your application is recommended as the Offer may be closed early at the Directors' discretion.

(e) Applications under the Lead Manager Offer

Only the Lead Manager (or its nominees) may accept the Lead Manager Offer. A personalised application form in relation to the Lead Manager Offer will be issued to the Lead Manager together with a copy of this Prospectus.

No monies are payable for the Lead Manager Options under the Lead Manager Offer.

1.11 CHESS and issuer sponsorship

The Company will apply to participate in CHESS. All trading on the ASX will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder reference number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

1.12 ASX Listing and Official Quotation

Within seven days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

The Company will not seek quotation of any of Options, including Options already on issue as at the date of this Prospectus, or the Lead Manager Options.

1.13 Application Monies to be held in trust

Application Monies will be held in trust for Applicants until the allotment of the Shares under the Broker Offer, the Institutional Offer and the Priority Offer. Any interest that accrues will be retained by the Company.

If the Shares to be issued under this Prospectus are not admitted to quotation within a period of three months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) as soon as practicable to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

1.14 Allocation and issue of Shares

The Directors, in conjunction with the Lead Manager, will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward.

Specifically, the allocation of Shares between the Broker Offer, Institutional Offer and Priority Offer will be determined by the Lead Manager and the Company having regard to the allocation policies outlined below.

For the Broker Offer, the Lead Manager and the Brokers to the Offer will determine how Brokers allocate Shares among their clients. Shares to be allocated to Brokers for allocation to their Australian resident clients will be issued or transferred to the applicants nominated by those Brokers (subject to the right of the Company and the Lead Manager to reject, aggregate or scale back applications). It will be a matter for each Broker as to how they allocate Shares among their retail clients, and they (and not the Company or the Lead Manager) will be responsible for ensuring that retail clients who have received an allocation from them, receive the relevant Shares.

Institutional Offer allocations will be determined by the Company in consultation with the Lead Manager.

For the Priority Offer, the Company in consultation with the Lead Manager, will determine the allocation of Shares among Applicants.

Priority Offer Applicants may be eligible to receive a guaranteed allocation up to and including the amount indicated on their Priority Offer invitation or such lesser amount for which they applied. Beyond this, the allocations under the Priority Offer will be at the absolute discretion of the Company in consultation with the Lead Manager.

The Company reserves the right in its absolute discretion not to issue any Shares to Applicants under the Priority Offer and may reject any Application or allocate a lesser number of New Shares than those applied for at its absolute discretion.

There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

Subject to the matters in Section 1.12, Shares under the Broker Offer, the Institutional Offer and the Priority Offer are expected to be issued on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Broker Offer, the Institutional Offer and the Priority Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

1.15 Risks

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 4 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

1.16 Overseas Applicants

No action has been taken to register or qualify the Securities, or the Offers in any jurisdiction outside Australia or otherwise to permit a public offering of the Securities in any jurisdiction outside Australia.

This Prospectus may not be released or distributed in the United States or elsewhere outside Australia, unless it has attached to it the selling restrictions applicable in the jurisdictions outside Australia and may only be distributed to persons to whom the Offers may lawfully be made in accordance with the laws of any applicable jurisdiction.

The distribution of this Prospectus in jurisdictions outside Australia, except to the extent permitted under this Section 1.16, may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of those restrictions. Any failure to comply with the restrictions may constitute a violation of applicable securities laws.

Potential investors should refer to the relevant warning statements below and under 'Important Information' on page 2 of this Prospectus. Each Applicant warrants and represents that:

(a) they are an Australian citizen or resident in Australia, at the time of the application and are not acting for the account or benefit of any person in the United States or any other foreign person; or

(b) they are an overseas Applicant that complies with all laws of any country relevant to his or her application; and

(c) they will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from registration under the US Securities Act 1933 as amended, and in compliance with all applicable laws in the jurisdiction in which the Shares are offered and sold.

This document does not constitute an offer of Securities in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

(a) Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

(b) Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(c) New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The Securities are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;

(d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or

(e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

(d) United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

1.17 Escrow arrangements

ASX will classify certain existing Securities on issue in the Company as being subject to the restricted securities provisions of the Listing Rules. Restricted securities would be required to be held in escrow for up to 24 months and would not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior approval of ASX. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

Prior to the Company's Shares being admitted to quotation on the ASX, the Company will enter into escrow deeds with the recipients of any restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of any Securities required to be held in escrow.

As at the date of this Prospectus the Company expects approximately 3.4 million Shares and 8.8 million Options (being all Options to be held by Directors and the Lead Manager) to be subject to 24 months escrow post listing, 1.3 million Shares and to be subject to 12 months escrow post listing and 5.8 million Shares to be subject to 12 months escrow post issue, if the amount of $6,000,000 is raised.

Additionally, as at the date of this Prospectus 26.6 million Shares will be subject to voluntary escrow for 6 months post listing and 26.6 million Shares will be subject to voluntary escrow for 12 months post listing.

1.18 Underwriting

The Broker Offer, Institutional Offer and the Priority Offer is not underwritten.

1.19 Lead Manager

Canaccord has been appointed as Lead Manager to the Offer on the terms and conditions summarised in Section 7.1 of this Prospectus.

1.20 Brokerage, commission and stamp duty

No brokerage, commission or stamp duty is payable by Applicants on acquisitions of Shares under the Broker Offer, the Institutional Offer and the Priority Offer.

1.21 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal.

1.22 Privacy disclosure

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Shares, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.23 Paper Copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the Application Form to investors upon request and free of charge. Requests for a paper copy from should be directed to the Company Secretary at investors@careteq.com.au.

1.24 Enquiries

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Questions relating to the Offers and the completion of an Application Form can be directed to the Company Secretary at investors@careteq.com.au.

2.
Company Overview

2. Company Overview

Careteq is a health-tech company with two key parts to its business. The first is the development and commercialisation of an assistive living technology platform using a software as a service (**SaaS**) revenue model to provide a suite of independent living and personal security solutions. The other is Australia's leading medication management service called Ward Medication Management.

2.1 Background

Careteq was founded in 2016 in collaboration with Deakin University. In July 2017, Careteq launched its first generation assistive living technology product named "Sofihub". By January 2018, Careteq had successfully completed a pilot project in partnership with the Transport Accident Commission and Monash Health which further validated this technology.

Over the next 18 months, Careteq continued to refine and further develop the suite of products available on the platform through its internal R&D product development as well as industry collaboration. Upon successful testing and implementation, the next generation of assistive living technology products were launched in October 2019.

Careteq has 10 full time personnel working on the assistive living technology business, which includes a team of four senior software developers, one product engineer and two senior sales staff.

Figure 2.1

Company History

FY16 & FY17

- Company formed in collaboration with Deakin University
- SOFIHUB Version 1 launched
- Partnership with TAC

FY18 & FY19

- Achieved NDIS Registered Supplier
- Wearable introduced
- On-going product development

FY20 & FY21

- Restructure of Board and Executive Team
- Company rebranded to Careteq Limited
- Distribution agreements with leading channel partners
- Launched automated SaaS business model I
- Focused product development to match market demands
- Introduced new technologies

FY22

- Commercialisation expansion across Aust, NZ and USA
- Acquisition of Ward Medication Management
- Expansion of product portfolio through integration of best-in-class new technologies
- Partnership with SiTa Foundation
- ASX Listing

In August 2021, Careteq acquired Ward Health Group Pty Ltd ACN 079 817 637 trading as Ward Medication Management. Ward Medication Management is Australia's largest medication management service provider of its kind with a dominant market share along the east coast of Australia and South Australia.

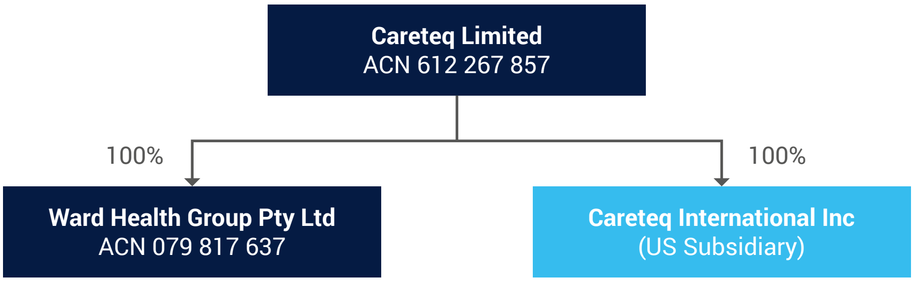
The acquisition added 54 staff members to the Group made up of 24 full-time employees, 28 part-time employees and two casuals.

Ward Medication Management started in 1997 as a medication review business servicing the aged care sector. It has since grown to be the largest provider of clinical pharmacy services to aged care in Australia with a team of clinical pharmacists who care for over 34,145 elderly Australians.

The Ward Medication Management business is highly complementary to Careteq's assistive living technology offering and provides additional growth opportunities for the Group.

2.2 Corporate structure and business divisions

Figure 2.2:



2.3 Key highlights

- **Best-in-class proprietary platform:** proprietary platform utilises a smart infrastructure to integrate a portfolio of best-in-class health and aged care solutions sold through leading channel partners.
- **Significant industry tailwinds for assistive living technologies:** driven by innovation, an ageing population and the recommendations coming out of the Royal Commission into Aged Care Quality and Safety.
- **Exposure to market segments across aged care, health care and personal security:** Careteq is the only company (listed or unlisted) that offers products in the following categories: falls detection (non-wearable), vital signs monitoring in aged care, hospital in the home, assisted living technology solutions, personal security and domestic violence and medication management.
- **Expanding the recurring revenue model:** SaaS recurring revenue through platform subscriptions projected to increase as the business scales and complementary hardware product sales increase (which rely on the platform).
- **Experienced Board and management team:** Board and management have deep expertise within the health and aged care sectors, including within ASX-listed healthcare companies.

2.4 Assistive living technology overview

Careteq has developed proprietary algorithms, hardware and software that represent leading-edge innovation in assistive living technology. Careteq's proprietary platform is designed with statistical analysis to understand a resident's behaviour and raise timely alerts in the case of anomalies, in order to provide peace of mind to carers and families.

2. Company Overview continued

Careteq's assistive living technology platform provides a range of services, including 24/7 analysis of behaviour, coverage inside and outside the home, and a sophisticated, cloud-based portal known as SOFIHUB (**Sofihub Portal**), which enables two-way communication between the monitoring hardware and sensors. This gives carers, families and residents the ability to monitor patterns in behaviour and interact through online and mobile channels.

Careteq is committed to ongoing R&D for its technology platform to incorporate new artificial intelligence (**AI**) offerings and to continually improve and expand on the features and services of the assistive living technology platform. Careteq also continues to develop Application Programming Interfaces (**APIs**) to enable interoperability with other third-party platforms, which allows it to create tailored solutions for B2B clients.

The proprietary platform incorporates a dynamic and responsive cybersecurity program to secure data. A high standard of data sovereignty is achieved by hosting client data in the country or countries that they are located.

2.5 Assistive living technology products

Careteq offers the following assistive living technology product solutions:

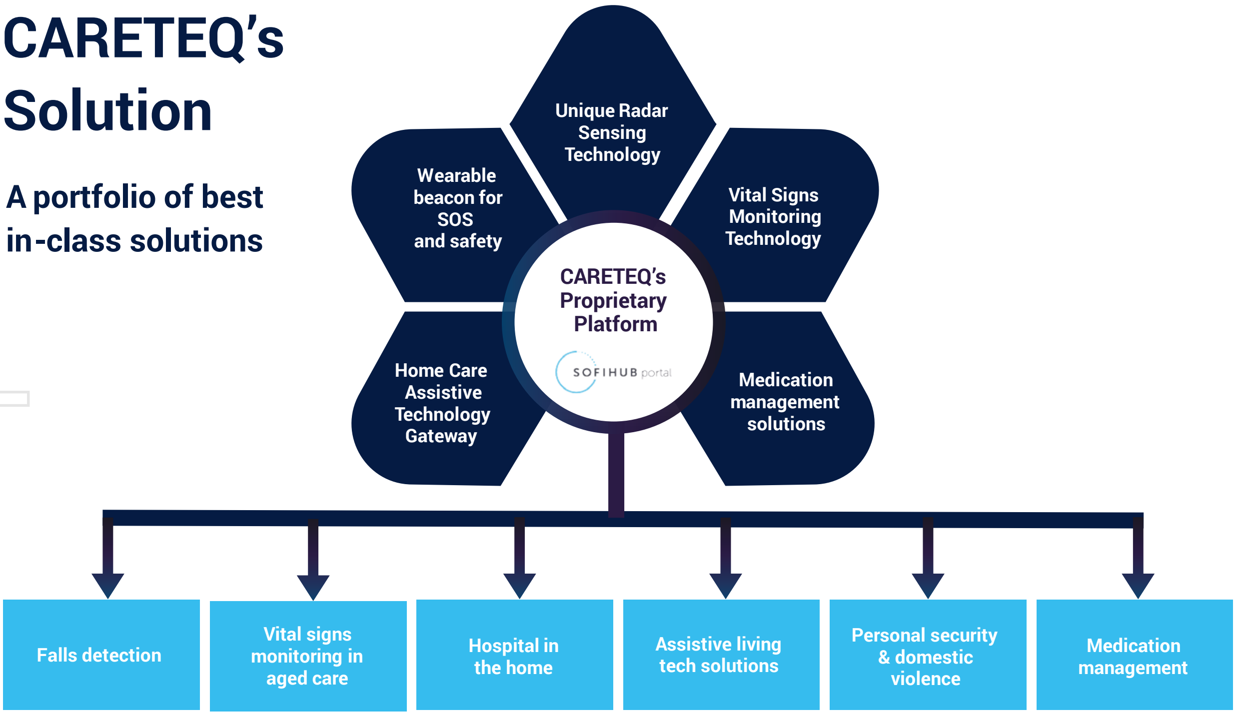
(a) Home;

(b) Secure;

(c) Pro Solutions; and

(d) Eazense (powered by Sofihub Portal).

Figure 2.3:



(a) Home

Home is a personalised and proactive digital companion, which uses natural spoken reminders to encourage positive living and adherence to health-related routines. The Home system comprises a gateway which is linked to several different sensors placed throughout a person's residence. These sensors are designed to observe movement (or lack of movement) throughout the home. Using an intelligent framework and pre-programmed routines, the device is programmed to contact family members or those providing care (Carers) in the event an anomaly is registered. Home provides continuous non-invasive monitoring using 4G or a local Wi-Fi network. Carers are notified of anomalies through SMS and Email. The Home device is available through leading homecare service providers, consumer electronic retail outlets and government support agencies.

(b) Secure

Secure is a lightweight, 3G/4G mobile personal alert system that can issue an emergency SOS to multiple people at the touch of a button. Equipped with global positioning and mobile network technology, it can instantly pinpoint a person's location and raise an alert if a fall is detected or a person ventures outside a dedicated area. Anomalies will enable immediate voice contact via a built-in speaker phone. The Home and Secure devices are available through leading homecare service providers, consumer electronic retail outlets and government support agencies.

(c) Pro Solutions

Pro Solutions is a partnership programme where Careteq works with selected businesses to integrate its product suite into their specific business requirements across unique environments, including the provision of white label and co-branded solutions. These organisations include aged care services, home care services, buildings & infrastructure and security monitoring.

(d) Eazense (powered by Sofihub Portal)

Careteq was awarded a three-year contract, with exclusive rights to distribute the unique Eazense monitoring platform in Australia and New Zealand (with non-exclusive rights in the United States), by its manufacturer, Raytelligence (FRA: RTG), in May 2021.

Eazense provides peace of mind as it automatically monitors residents in their homes 24 hours a day by detecting falls. This is leading edge technology and represents a major expansion in the Company's assisting living technology product solutions range.

Eazense operates through the Sofihub Portal and can be installed as a stand-alone solution or as part of a Home system.

2.6 Sofihub

Supporting the suite of products and solutions is the Sofihub Portal and the Sofihub App.

(a) Sofihub Portal

Sofihub Portal is a cloud based, state-of-the-art interface that provides security and real-time access for users (including carers) to manage the suite of products remotely. Whether it is checking on activity or behaviours, entering reminders or reviewing location history, these functions are available through the intuitive portal. Initial setup of the various systems is completed through the portal by assigning sensors to rooms, nominating carers or emergency contacts, and setting reminders.

(b) Sofihub App

The Sofihub App is the primary interface for those using the Sofihub Portal and offers several features. The app provides an overall view of the status of the resident, such as activity levels and trends. It displays alerts and anomalies, such as failure to take medication or if a resident has spent too long in the bathroom. The app can also be used to message the resident through text-to-voice and to review or change alert parameters.

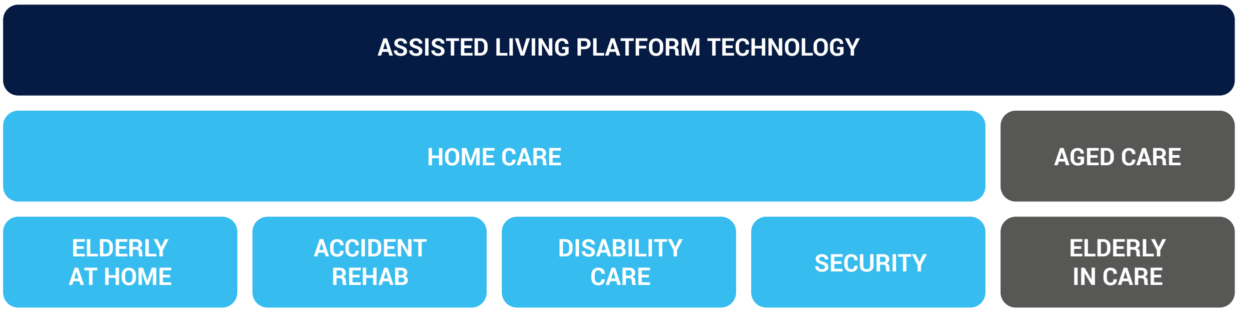
2.7 Target Markets

Careteq has identified four key target markets for our assistive living technology product solutions, being:

1. elderly at home;
2. accident rehab;
3. disability care; and
4. security.

In addition, Careteq is developing products for the elderly in-care market. A more detailed overview of these markets is included in Section 3 (Industry Overview).

Figure 2.4: Careteq's market for its assisted living technology platform



2.8 Ward Medication Management

(a) Business overview

Ward Medication Management is a leading medication management business that provides expert geriatric clinical pharmacy decision support to general practitioners, invests in innovative research projects, delivers medication training to health professionals, and provides individuals with a proactive medication service.

There is a growing need for such services, particularly among the elderly with more than 95% of aged care residents reporting at least one problem with their medications, while most have three issues[2]. The more medication a patient takes, the higher the risk of an adverse drug event occurring, and around 30% of Australian hospital admissions for people over the age of 65 are caused by medications. Half of medication-related harm is preventable[3].

To help mitigate this risk, Australia's leading Residential Aged Care (**RAC**) operators turn to Ward Medication Management's unique medication management services. Ward Medication Management is the largest Australian medication management organisation within the RAC market.

2. Pharmaceutical Society of Australia. Medication Safety: aged care. Canberra: PSA; 2020.
3. Pharmaceutical Society of Australia. Medication Safety: Take Care. Canberra; 2019.

Ward Medication Management services 374 RAC facilities and 34,145 beds in New South Wales, Victoria, Queensland, Western Australia and South Australia. The average contract length for Ward Medication Management's services are three years and renewal rates are high while churn is low (currently 2%). Ward Medication Management owns a 20% shareholding in US-based Assurance Medication Management, which is developing an AI powered medication management solution.

Table 2.1: RAC Operators Using Ward Medication Management

Provider	Coverage	Provider	Coverage
Japara (ACSAG)	National	Medical and Aged Care Group	VIC – not all homes
Allity	National	Villa Maria Catholic Homes	VIC
Estia	National	Homestyle	VIC
Bupa	National	AACG	VIC
Bolton Clarke	QLD & NSW	ACH	SA – not all homes
Arcare	VIC – not all homes	Bene Aged Care	SA
Benetas	VIC	Boneham Aged Care	SA
BlueCross	VIC – not all homes	Infin8 Care	SA & QLD
Arcanola	VIC	Lutheran Homes	SA
Chinese On Luck Nursing Home	VIC	NECH	SA
Chronos Care	VIC	Vales Reynella	SA
CraigCare	VIC & WA – not all homes	Hope Aged Care	VIC
Fronditha	VIC	Luson Aged Care	VIC
Java Dale	VIC	Premier Healthcare	SA

Ward Medication Management has developed Australia's largest Medication Management database, which enables it to undertake ground-breaking research and development (**R&D**) to determine best practice in regard to medications.

The business also employs the largest team of accredited pharmacists in Australia and runs a rigorous continuous professional development program that is constantly updated for best practices.

Ward Medication Management's team of experts work closely with RAC providers to help them make meaningful policy decisions to ensure ongoing accreditation of the organisation.

Ward Medication Management also regularly engages with industry stakeholders, including leading industry publications, to shape the future of the sector and help set standards of care.

(b) Acquisition

Careteq acquired Ward Health Group Pty Ltd ACN 079 817 637 (trading as Ward Medication Management) for $1.85 million in August 2021. The consideration comprised $500,000 paid in cash and the balance in equity (equating to 9% of the Company which is held by the previous vendors of Ward Medication Management). The acquisition was priced at 4.6 times Ward Medication Management's FY21 earnings before interest, tax, depreciation and amortisation (**EBITDA**), and the vendors are entitled to an earn out of 4 times FY22 EBITDA of the Ward Medication Management business unit (less the upfront consideration). For more information on the Ward Medication Management Acquisition, refer to Section 7.10.

(c) Opportunities

Ward Medication Management will expand Careteq's recurring revenue base and provide the Group with additional opportunities to grow sales.

Ward Medication Management's partnerships are with most of Australia's leading aged care facility operators, including Bupa, Allity, Japara, Estia Health and Benetas, and offer Careteq an opportunity to cross-sell its assistive living technology product solutions to enterprise customers. In a complementary way, while Careteq can offer Ward Medication Management's solutions to other geographies and verticals where Careteq has a more active presence, such as in-home care.

Furthermore, there is the ability to introduce a greater level of automation to the medication management review process through integration with the Careteq technology platform.

Additionally, there is a correlation between growth in the medication management market and healthcare automation, as outlined in the Industry Overview Section (see Section 3). The increasing use of technology, such as assistive living technology, is noted by the Royal Commission as a key growth driver for medication management services.

Being able to offer a more complete range of services will also provide Careteq with an important and powerful competitive advantage in this age of big data and subsequent machine learning. Careteq is in a good position to gain deeper insights into its users, which will be useful in developing future AI features for Sofihub.

Finally, combining assistive living technology with medication management gives Careteq a strong foothold to expand into telehealth services in the future, either through partnerships or acquisitions.

2.9 Additional growth opportunity: collaboration against domestic violence

Careteq entered into a commercial agreement with The SiTa Foundation on 3 November 2021 to establish a collaborative relationship to project manage the development of a new hardware device utilising Careteq's technology.

The SiTa Foundation is a non-profit organisation, based in the United States, that assists victims of violence to rise up against repeated abuse by empowering them, building confidence, and increasing safety through the use of technology that engages allies.

Domestic violence is the wilful intimidation, physical assault, battery, sexual assault, and/or other abusive behaviour as part of a systemic pattern of power and control perpetrated by one intimate partner against another.

More than 10 million adults in the US experience domestic violence annually and on a typical day, domestic violence hotlines receive over 19,000 calls. Intimate partner violence in the US is estimated to cost society more than US$8.3 billion a year[4].

The SiTa Foundation is developing, in collaboration with Careteq, a small and discreet device that uses one-way cellular communication to record and transmit audio when activated. The normally powered-off device turns on only when activated, with no need for frequent charging, allowing a victim to hide the device from their attacker.

The market opportunity for this device is significant and the SiTa Foundation has a go-to-market strategy to liaise with law enforcement, social services and other areas of support to distribute the device. When the product is launched, the device will be registered on the Sofihub Portal and Careteq will be paid a monthly fee of AU$4 per device. Under the agreement with the SiTa Foundation, Careteq will be paid a total of AU$137,000 in consulting fees for product development and project management.

4. National Coalition Against Domestic Violence (NCADV) https://assets.speakcdn.com/assets/2497/domestic_violence-2020080709350855.pdf?1596828650457

2.10 Distribution agreements

Careteq has secured a number of distribution or partnership agreements within Australia, New Zealand and the U.S. that offer the Home, Eazense, Secure and Pro Solutions products.

Careteq has generated approximately $5,186,587 in sales over the last 12 months and has contracted a further $4,702,049 (ex GST).

The distribution agreements in the table below will be used to initially access the key market segments outlined above.

Table 2.2: Careteq distribution agreements

Company	Location of the products being distributed	Type of products being distributed	Type of agreement
ADT – New Zealand	New Zealand	Pro Solutions	Pro Solution distribution agreement
Threat Protect	Australia	Pro Solutions	Pro Solution distribution agreement
SiTa Foundation	U.S.	Pro Solutions	Pro Solution agreement
Aidacare	Australia	Home, Secure and Eazense	Distribution/reseller agreement
BMR Group	Australia	Home, Secure and Eazense	Distribution/reseller agreement
Barter Technologies	Australia	Home, Secure and Eazense	Distribution/reseller agreement
Intelligent Homes	Australia	Home, Secure and Eazense	Distribution/reseller agreement
Guardian Safety Pendants	Australia	Home, Secure and Eazense	Distribution/reseller agreement
Harvey Norman Retail	Australia	Home and Secure	Franchise distribution/reseller agreement
Invista	Australia	Home, Secure and Eazense	Distribution/reseller agreement
Harvey Norman Commercial	Queensland & New South Wales	Home and Secure	Commercial distribution/reseller agreement
Premier HiFi	Australia	Home, Secure and Eazense	Distribution/reseller agreement
Cloud Strike	Australia	Home, Secure and Eazense	Distribution/reseller agreement
JB HiFi Solutions	Australia	Home and Secure	Distribution/reseller agreement
Video Pro	Australia	Home, Secure and Eazense	Distribution/reseller agreement
Comfort Keepers (Smart Product Solutions)	Australia	Home, Secure and Eazense	Distribution/reseller agreement
Statewide Home Health	Australia	Home, Secure and Eazense	Distribution/reseller agreement
Global Distribution	U.S.	Home, Secure and Eazense	Distribution/reseller agreement
Lacklands	New Zealand	Home, Secure and Eazense	Distribution/reseller agreement

In total, the above distribution agreements are critical for our future sales and growth, however the company is not reliant on any individual agreement and no single agreement is material.

Ward MM enters agreements with RAC operators, who utilise its medication management services.

2.11 Intellectual property

Careteq has invested approximately $2.7 million developing its proprietary offering, including both hardware and cloud-based software, which provides the foundation of the assistive living technology platform products.

The proprietary algorithms (software) deliver edge-based computing and are supported through a cloud service, hosted on Amazon Web Services. In addition, Careteq developed its own hardware to address specific needs of the marketplace.

Trademarks have been registered for the name “Sofihub” and the suite of hardware products. There is a robust security architecture in place to ensure the protection of the Company’s intellectual property, from contractual provisions to extensive cybersecurity measures.

2.12 Business model

Sources of revenue

Careteq has three primary revenue streams:

(a) **Hardware sales:** Upfront revenue from the sale of devices in Careteq’s product range, namely Home, Secure, Pro Solutions and Eazense, through distributors or online sales;

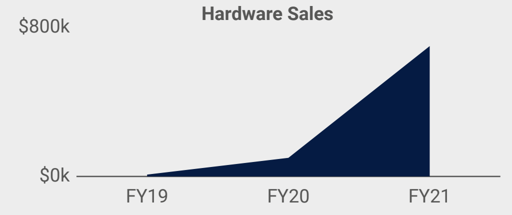
(b) **Recurring subscription revenue:** Monthly subscription for accessing the Sofihub Portal (SaaS); and

(c) **Contractual Recurring Revenue:** Sales from Careteq’s Ward Medication Management division that are secured by an average three-year contract with RAC operators.

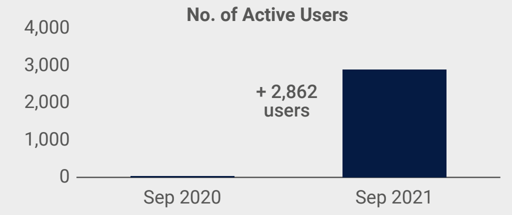
The largest contributor to the Group’s FY21 pro-forma revenue was from contractual recurring revenue, accounting for 86% of total sales of $5.25 million (excluding the Australian government’s research and development grant payments).

Hardware sales contributed 13% of the total while recurring SaaS subscription revenue represented 1% of Group sales. Hardware sales are key to driving growth in SaaS subscriptions as Careteq’s devices can only be used on its assistive living technology platform.

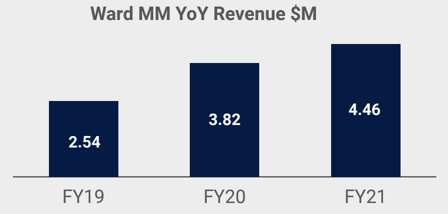
Figure 2.5: Financial Performance



- Careteq makes 15%-20% gross margin on device sales
- Hardware sales grew at 266% CAGR from FY19 to FY21
- Devices are sold through leading channel partners (e.g., ADT, Threat Protect, Aidacare, Total Communications, etc.)
- International distributors include Global Distribution, Moscoe, Raytelligence



- Gross margin on recurring subscription revenue 62% (Cloud) & 45% (SIM)
- Current ARPU of $5.28/mth is expected to increase with new device offerings (including 3rd party devices via API)
- Strong growth in SaaS subscriptions over the last 12 months
- Sticky user base with current churn rate of 2%



- Average 3-year contracts with RACs
- Majority of revenue funded by government services
- Growth drivers: increasing share of fragmented market, bundling sales, expansion into Home Medication Reviews, further automation via Sofihub

2. Company Overview continued

The Company's aim is to lift SaaS subscription revenue to represent around 30% of total revenue in three years, as this recurring revenue generates the highest gross margins for the Group and tends to be "sticky" (long customer lifetime value). This means that Careteq's profit margins should continue to expand over the next few years as SaaS revenue increases as a proportion of Group sales.

Careteq does not use its hardware as a loss leader to achieve this goal. In fact, the Company generates an average gross margin of 15% to 20% on the sales of its equipment.

Meanwhile, contractual recurring revenue is likely to remain the largest contributor to Group sales for the short to medium-term. Due to the maturity of the Ward Medication Management business, its growth rate is not expected to match the assistive living technology product solutions business, although it will provide Careteq with a dependable and stable source of income.

Ward Medication Management signs contracts with RAC operators under the medication management programs administered by the Pharmacy Programs Administrator (**PPA**). The PPA is a division of Australian Healthcare Associates who have been engaged by the Australian Department of Health to administer the program. Careteq is paid by the PPA to undertake residential medication management review, home medicine review and quality use of medicine.

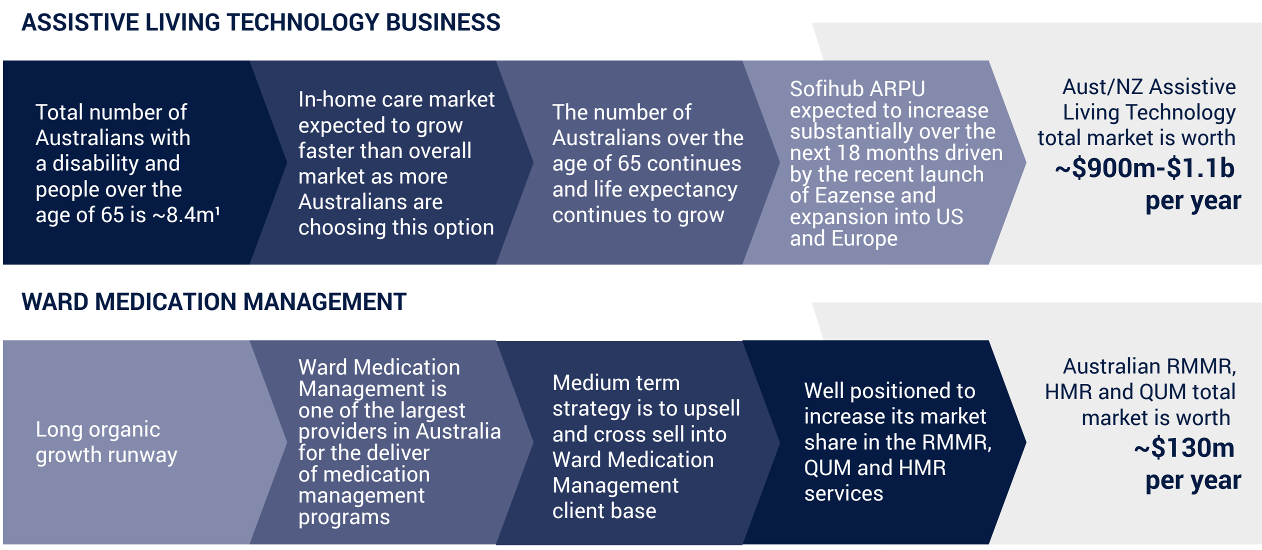
2.13 Growth Strategy

Careteq has several avenues to grow its business over the short to medium term. The core elements of its growth strategy are as follows:

Sales & Marketing	Careteq plans to: • expand the Australian business development and sales team, by having a presence in major capital cities and to capitalise on the rapid growth of the relatively underpenetrated assistive living technology market; • further develop the advertising and marketing of its product suite through online marketing strategies as well as face to face. This would include product and services demonstrations, educational seminars, and product training to key decision makers within the aged care sectors; • promote cross-selling opportunities within the Group by offering the assistive living technology solutions to Ward Medication Management's RAC customer base and vice versa. The end users of products are often the same allowing cross-selling to existing customers, which is often cheaper than new customer acquisition costs; • invest further in its website and online presence to ensure the latest product offering and services are showcased to its clients and to provide ongoing support to its B2B channel partners; • leverage distribution partnerships to increase Careteq's share of the B2B market, through collaborative marketing initiatives and by providing incentivised additional product and or services to existing end clients; and • work with its enterprise partners to develop customised outcomes for the aged and healthcare industries through its Pro Solutions product offering. This would include product and services integration into a facility's existing environment. Careteq currently distributes its assistive technology products in Australia and New Zealand through various distribution and channel partner agreements. Its international expansion strategy is currently focused on several key projects being undertaken. The projects include increasing key channel and distribution partnerships and the SiTa Foundation domestic violence project within the United States. There is also an exclusive distribution agreement with Raytelligence who is based in Sweden. This agreement includes the exclusive distribution rights to Raytelligence for the sale of Careteq's assistive living technology platform and products in both Sweden and Finland.

Product development	Careteq will continue investment in R&D to: • upgrade the functionality and interoperability of the Sofihub Portal; and • develop new products/systems to be sold either independently or as part of an interoperable solution with a modular expansion to the currently offered Home and Secure range of Careteq's products. Further development in Careteq's API's will allow for connectivity with external operating systems or middleware. Over the next 18 months Careteq has a pipeline of new products and services it plans to bring to market. These include biometric sensing of health conditions and high-sensitivity sensors to detect changes in behaviours and motions.
Operational Refinements	Careteq plans to: (a) enhance support services for clients using the Careteq suite of products and services; and (b) develop an operational management system to ensure end to end coordination of funds and eliminate operational inefficiencies.
Acquisitions	Careteq will explore organic and inorganic opportunities to expand its product offering to ensure it meets its clients requirements.

Figure 2.6: Pathway to growth



Australian Institute of Health and Welfare, People with disability in Australia 2020 (ABS 2019a), https://www.abs.gov.au/ausstats/abs@.nsf/0/1cd2b1952afc5e7aca257298000f2e76

2.14 Sources of expenses

The Company expects its expenses will largely comprise:

(a) hardware purchases;

(b) R&D of next generation product offerings;

(c) sales and marketing of existing and new Careteq products; and

(d) working capital and corporate expenses.

2.15 Grants & government certifications

(a) Government certifications

In December 2017, Careteq achieved National Disability Insurance Scheme (**NDIS**) accreditation as an approved provider of its Sofihub platform and products in all States and Territories.

Ward Medication Management is registered as a certified provider of services via "Pharmacy Programs Administrator" portal. This is the primary registration that is required to register the organisation for the government funded program.

In addition, individual pharmacists are required to be accredited by the Society of Hospital Pharmacists of Australia or the American Association of Colleges of Pharmacy and hold a current registration with the Australian Health Practitioner Regulation Agency, which must be renewed annually.

(b) Government grants

In May 2017, Careteq was awarded a $1.3 million Accelerating Commercialisation matched funding grant from AusIndustry to conduct a series of projects to enable and enhance the commercialisation of Sofihub, effective from October 2017. During the 21 months of the program, Sofihub was able to further develop its product suite and develop revenue streams in Australia and New Zealand.

In October 2017, Careteq was awarded a $1 million Disability and Aged Care Services grant from National Aged Care Grants to provide seed funding for adaptive technology projects to enable consumers to stay in their own home. Careteq used this funding to produce multiple units for paid trials throughout the aged care community in Australia.

In August 2020, Careteq was awarded a $20,000 matched funding grant from the Department of Industry, Science, Energy and Resources. These funds will be used to provide additional support in the areas of marketing and further product development.

Careteq is also eligible for the R&D tax refund.

2.16 Supply chain and logistics

Careteq currently has a supply agreement in place with a manufacturer in China as its primary manufacturer of its Home product. Careteq does not consider this agreement a material contract. Careteq also has a business continuity strategy in place to mitigate the risk of this primary manufacturer being unable to manufacture Careteq's products. This involves secondary manufacturers who have been identified, vetted and can replace the primary manufacturer with minimal downtime.

Careteq will focus on increasing the automation of manufacturing resource planning as the Company scales. This will refine the existing logistics, supply chain and stock management in place. Careteq has existing supply agreements with manufacturers and has experienced a reliable supply to date. As Careteq scales, it will continue to seek direct relationships with other key manufacturers and distributors in order to improve discounts, support and supply reliability.

Eazense is manufactured by Raytelligence (FRA: RTG) in Sweden.

2.17 Key dependencies of the business model

The key factors that the Company will depend on to meet its objectives are:

(a) the successful completion of the Broker & Institutional Offer;

(b) the ongoing commercial arrangements, including distribution and supplier agreements;

(c) management's ability to execute on marketing and sales strategy to attract new contracts with retirement living and home care providers;

(d) management's ability to maintain and renew contracts with RAC and to obtain new contracts with RACs; and

(e) continual development and updates to Careteq's technology and platform.

2.18 Dividend policy

The payment of dividends by the Company is at the complete discretion of the Directors. Given the stage of growth and investment, the Directors have no current intention to declare and pay a dividend.

In determining whether to declare future dividends, the Directors will consider Careteq's earnings, overall financial condition, capital requirements and the level of franking credits available. There is no certainty that the Company will ever declare and pay a dividend.

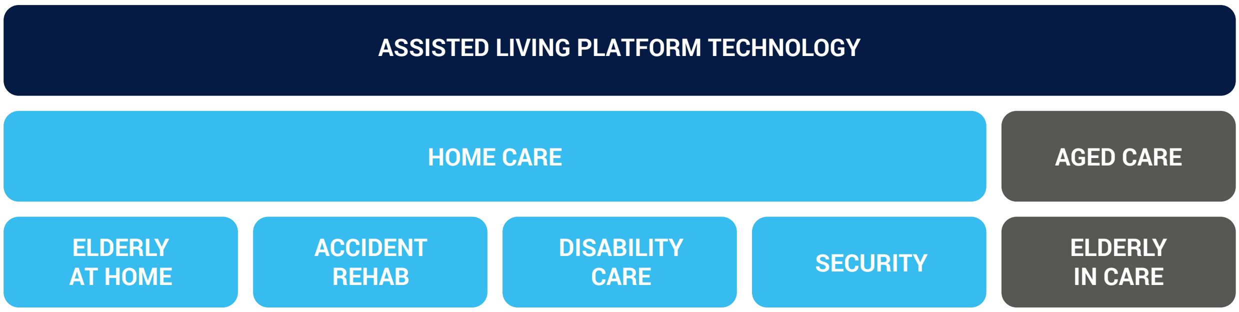
3.
Industry Overview

3. Industry Overview

3.1 Introduction to the assistive living technology market

Careteq is a health-tech company specialising in the development and commercialisation of assistive living technology that helps the elderly and those with disabilities/requiring rehab live better at home or in a managed care facility.

Figure 3.1: Careteq's market for its assisted living technology platform



The market for assistive living technology has grown significantly over the past few years, driven by technology innovation, new target markets and an ageing population. Innovation in sensors and monitoring technology has broadened the appeal of assistive living technology to new industry verticals including acquired brain injury, disability care and personal security, in addition to elderly people wishing to age in place.

The ageing population has also led to ongoing demand for new assistive living technology to support older people in living independently and safely in their homes for longer as well as for new technologies to assist the elderly living in residential aged care.

The government continues to provide support for assistive living technology through direct funding and reimbursement to enable more people to live independently and safely at home instead of in-residential aged care, rehabilitation clinics or hospitals. In addition, there has been an increase in consumer demand for these assistive living technologies through direct-to-consumer electronics retail channels.

3.2 Market size & opportunities

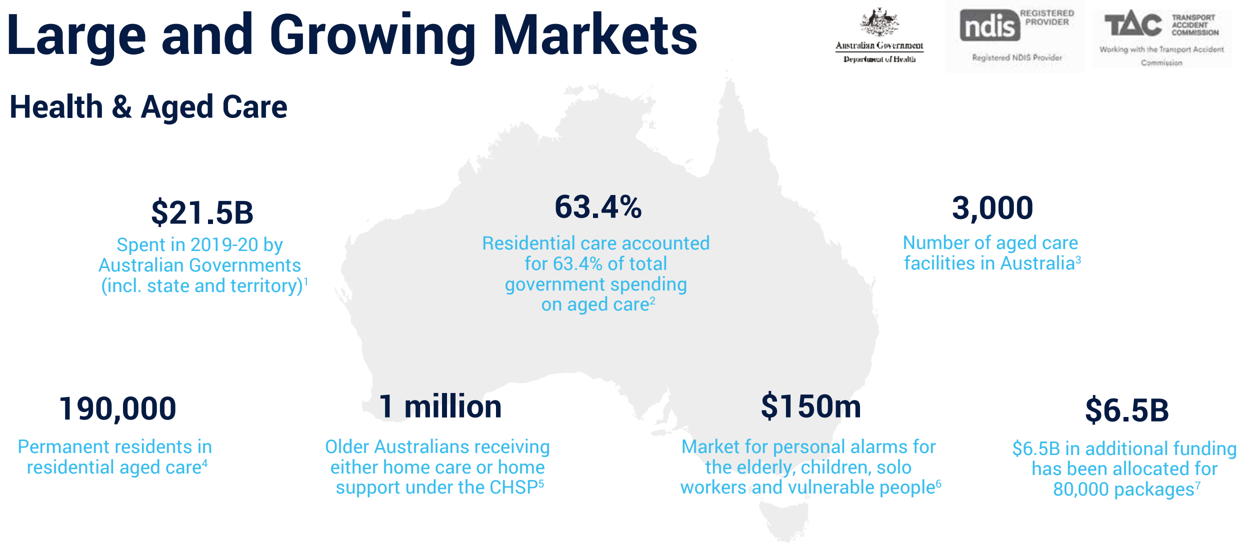
Ambient assistive living technologies form a major part of Careteq's product offering. Globally, these technologies are segmented into a number of market verticals which in-turn present key opportunities for Careteq. These segments include safety and security, medical assistance and communication systems and form part of Careteq's "Serviceable Available Market" (**SAM**). The total assistive living market and Careteq's SAM are outlined below, both globally and for Australia and New Zealand.

Figure 3.2: Total and Serviceable Markets

The assistive living technology market is large and highly fragmented as it comprises different categories of potential users. As a whole, the global ambient assistive living market size is estimated to reach US$13 billion by 2027, according to the latest report by Market Research Future (MRFR)[5].

5. https://www.globenewswire.com/en/news-release/2021/02/18/2177943/0/en/Ambient-Assisted-Living-Market-Has-Generated-USD-2-Billion-in-2017-and-is-Expected-to-Reach-a-Market-Value-of-USD-13-Billion-By-2027-Growing-With-19-CAGR-Market-Research-Future.html

Figure 3.3: The size of the market that Careteq operates in is indicated in the image below.



1. Australian Institute of Health and Welfare, Spending on aged care, Factsheet 2019.
2. Australian Institute of Health and Welfare, Spending on aged care, Factsheet 2019.
3. Australian Institute of Health and Welfare, Providers, services and places in aged care, Factsheet 2019.
4. Australian Institute of Health and Welfare, April 2021.
5. Australian Institute of Health and Welfare, ROACA summary, 2019.
6. IBISWorld Industry Report: Security System Installation and Monitoring in Australia, May 2020.
7. https://www.health.gov.au/news/budget-delivers-177-billion-for-once-in-a-generation-change-to-aged-care-in-australia

The market segments that Careteq is targeting in Australia are outlined below.

(a) Elderly at home

The primary target market for assistive living technology is 'elderly at home' and the ageing population is expected to be the primary driver of demand over the longer term. Older Australians have a strong preference for ageing at home and the number of people aged 65 years and older is projected to nearly double from 3.8 million people in 2017 to 6.7 million people in 2042.[6]

Assistive living technologies appeal to people aged between 65 and 83 years, especially those living alone and whose care needs, can be managed within the home environment via remote monitoring. Of all older Australians, women living in households were almost twice as likely to live alone (33.7%) compared to men (18.1%).[7]

(b) Accident rehab

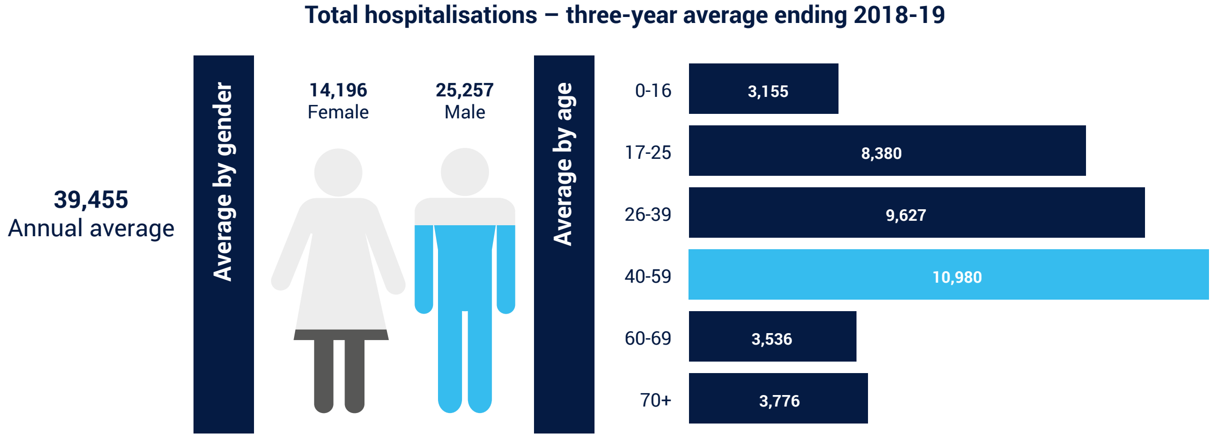
Assistive living technologies will be increasingly in demand post the recommendations of the Royal Commission into Aged Care Quality and Safety – Final Report released in February 2021. One of the key findings was the increased investment needed in pre-certified assistive technologies and smart technology to support care and functional needs of older people; help manage their safety and contribute to their quality of life. As a result, the Federal Government announced a $17.7B reform package for aged care. This is particularly so for those who have an acquired brain injury and are living at home independently. According to the Australian Bureau of Statistics, around 160,000 Australians aged 15-64 have a head injury, stroke or acquired brain injury.[8] The acquired brain injury can be caused by an accident or trauma, stroke, brain infection, alcohol or other drug abuse or by diseases of the brain like Parkinson's disease.[9]

6. Australian Bureau of Statistics (ABS), Population Projections, Australia, 2017 (base) – 2066 https://www.abs.gov.au/articles/population-aged-over-85-double-next-25-years
7. Australian Bureau of Statistics (ABS), Disability Ageing and Carers, Australia: Summary of Findings https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release
8. Australian Bureau of Statistics, Disability, Ageing and Carers, Australia: Disability and the Labour Force https://www.abs.gov.au/articles/disability-and-labour-force
9. Brain Injury Australia; https://www.braininjuryaustralia.org.au/

The Traumatic Brain Injury Mission, an initiative of the Australian Government Department of Health, will invest $50 million over 10 years to improve patient recovery after brain injury. It will support projects that predict recovery outcomes or identify the most effective care and treatments.[10]

Further, there are on average 39,455 people who experience a serious road accident injury per year, according to the latest Australian government statistics for the three years up to FY2019. Most of these patients are males and aged between 40 and 59 years of age[11].

Figure 3.4: Annual hospitalisations for serious road accident injuries



Source: The Bureau of Infrastructure and Transport Research Economics (BITRE).

Funding will be available for new technology providers that provide effective care and treatment for those living independently following a traumatic injury, thus providing opportunities for further growth for those in the assistive living technology industry, which includes the Company.

(c) Disability Care

Australian governments, at both the Federal and State level, aim to ensure that people with a disability and their carers have an enhanced quality of life, enjoy choice and wellbeing, achieve independence, social and economic participation, and full inclusion in the community.

In 2018, there were 4.4 million Australians with disability, which represents around 17.7% of the population. The prevalence of disability increases with age – one in nine (11.6%) people aged 0-64 years and one in two (49.6%) people aged 65 years and over had a disability in 2018.[12]

The purpose of the National Disability Insurance Scheme (**NDIS**) is to provide reasonable and necessary funding to people with a permanent and significant disability so that they may access the supports and services they need. Participants receive individual budgets from which they choose the providers to support them. As at 31 March 2021, the NDIS had 449,998 participants supported by the scheme.[13]

In 2019-20, total government expenditure to the National Disability Insurance Scheme (NDIS) was $17.6 billion, with $16.7 billion paid out in the first nine months of 2020-21.[14]

10. Traumatic Brain Injury Mission https://www.health.gov.au/initiatives-and-programs/traumatic-brain-injury-mission
11. https://app.powerbi.com/view?r=eyJrIjoiZmJlYjY5ODItNGZkNi00ZmZmLWEyMTAtZTI2NzlkNTY4MWI5IiwidCI6ImFhMjFiNjQwLWJhYzItNDU2ZC04NTA1LWYyY2MwN2Y1MTc4NCJ9&pageName=ReportSection56c9c9915d9683432e80
12. Australian Bureau of Statistics (ABS), Disability Ageing and Carers, Australia: Summary of Findings https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release
13. National Disability Insurance Scheme https://data.ndis.gov.au/
14. National Disability Insurance Agency 2019-20 Annual Report https://www.ndis.gov.au/about-us/publications/annual-report

(d) Security

The security system monitoring and surveillance industry is a $1 billion market in Australia. The domestic segment of this industry accounts for around 15% of revenue, which indicates a market size of around $150 million.[15]

The domestic segment has increased as a share of industry revenue over the past five years, reflecting technology innovation and the ability for households to integrate security systems with other systems that control lighting, heating and cooling.[16]

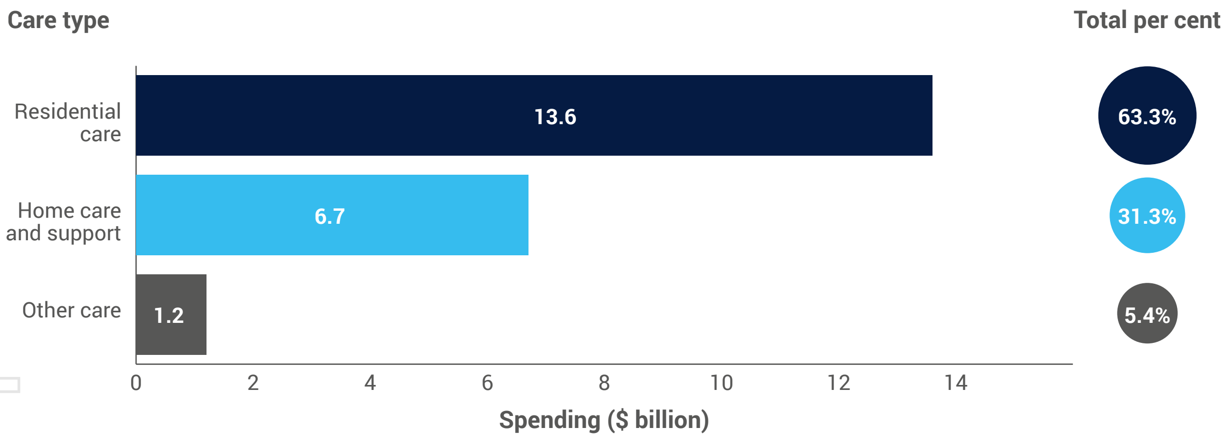
Increased demand for domestic security monitoring and surveillance is driven by households' need to feel secure and the response to both actual and perceived criminal activity. The primary driver of growth in the security industry is the increase in the population aged 50 and over.[17]

(e) Residential Aged Care

Careteq's exposure to the RAC sector is through its wholly owned medication management business, although there are opportunities for the Group to cross-sell products and services to this market. The average age of admission into residential aged care is now 83 years, with an average tenure of 2-3 years, thus effectively transforming residential aged care into an end of life care service.[18] As at 30 June 2020, there were 217,145 operational places in residential care services, 142,436 recipients of Home Care Packages Level 1-4 and 829,193 older clients of the Commonwealth Home Support Program (CHSP).[19]

Total government expenditure reported on aged care services in 2019-20 was $21.5 billion. This comprised expenditure of $13.6 billion on residential care services and $6.7 billion on home care and support services.[20]

Figure 3.5: Government spending on aged care services by spending type, 2019-20



Source: Report on Government Services 2020.

Note: Other care includes flexible care, workforce and service improvement, and assessment and information services.

GEN-agedcaredata.gov.au

Source: https://www.gen-agedcaredata.gov.au/Topics/Spending-on-aged-care

15. IBISWorld Industry Report: Security System Installation and Monitoring in Australia, May 2020.
16. IBISWorld Industry Report: Security System Installation and Monitoring in Australia, May 2020.
17. IBISWorld Industry Report: Security System Installation and Monitoring in Australia, May 2020.
18. Productivity Commission, Housing Decisions of Older Australians, December 2015 https://www.pc.gov.au/research/completed/housing-decisions-older-australians/housing-decisions-older-australians.pdf
19. Productivity Commission; Report on Government Services 2021, Section 14 Aged care services https://www.gen-agedcaredata.gov.au/www_aihwgen/media/Productivity-Commission/rogs-2021-partf-section14-aged-care-services.pdf
20. Productivity Commission; Report on Government Services 2021, Section 14 Aged care services https://www.gen-agedcaredata.gov.au/www_aihwgen/media/Productivity-Commission/rogs-2021-partf-section14-aged-care-services.pdf

3.3 How the medication management industry is connected to assistive living technology

Another key offering of Careteq is medication management, which is a service that helps patients manage prescription schedules, symptoms, and changes. There is an 88% chance of patients experiencing adverse drug events if they are on five or more medications and two-in-three people who are 75 years or older are taking at least five medications.

This is a large and expensive risk that needs to be managed given that around 250,000 hospital admissions for older Australians a year are caused by medications, which costs the taxpayer $1.4 billion annually[21]. Around half of medication-related harm is preventable.

The need for medication management isn't confined to Australia. The global medication management market is expected to grow at a compound annual growth rate of over 15% during the period 2020-2026, according to ResearchAndMarkets.com[22].

The strong growth for this industry is tied to the high adoption rates of technology in healthcare globally, the demand for these systems increasing due to the growing need for remote patient monitoring services across healthcare, the increasing role of digital health, demand for pharmacy automation solutions and active involvement of vendors.

Other growth drivers include increasing scrutiny by regulators on medication errors, how this contributes to rising healthcare costs, and the increase in demand for data from the healthcare industry.

The application of medication management extends to both residential and in-home patients, and Careteq's exposure to this market comes via its acquisition of Melbourne-based Ward Medication Management (see Company Overview Section 2.8 for more details).

In May 2015, the Australian Government and Pharmacy Guild of Australia entered into the Sixth Community Pharmacy Agreement (**6CPA**). Up to $1.26 billion in funding is available under the 6CPA for evidence-based, patient-focused professional pharmacy programs and services.

As part of the 6CPA, there are several continuing programs directed at improving medication compliance through community pharmacies in Australia, one of which is up to $600 million for new and expanded community pharmacy programs.

Of key importance to Careteq are the Medication Management Programs which include Home Medicines Reviews (**HMR**), Residential Medication Management Reviews (**RMMR**); and MedsCheck and Diabetes MedsCheck.

3.4 International Market Opportunities

Careteq's market focus has mainly been in Australia, but the Company's assistive living technology solution is also sold to customers in the United States and New Zealand via key channel partners. These markets represent another significant growth opportunity for Careteq and an overview of the countries' aged care industry is summarised below.

(a) United States

Careteq is a supplier to the Home Care industry, which is one of the fastest-growing healthcare industries in the United States with annual growth projected at 5.7% through to 2024[23]. The strong growth is driven by an ageing demographic, the prevalence of chronic diseases, growing physician acceptance of home care, medical advancements and a movement toward cost-efficient treatment options.

There were an estimated 54 million Americans that are 65 years old or older in 2019, which represented approximately 16.5% of the total population. The proportion of seniors in the country is expected to rise to 20.6% by 2030[24].

Meanwhile, government spending is not keeping pace with demand for aged care services and in-home care is seen as an ideal alternative to ease funding pressures. Patients also prefer home care to institutionalised care, and advances in technology that promote independent living among the elderly is making this option increasingly appealing to both governments and consumers. Families with fewer individuals at home to care for ailing family members are more likely to buy assistive living technologies, which are increasingly enabling more healthcare procedures to be carried out in the home.

21. Pharmaceutical Society of Australia. Medication Safety: Take Care. Canberra; 2019.
22. https://au.finance.yahoo.com/news/outlook-medication-management-global-market-110600271.html
23. Home Care Providers in the US, Industry Report 62161; Dmitry Diment, February 2020; IBISWorld.
24. https://www.statista.com/statistics/457822/share-of-old-age-population-in-the-total-us-population/

(b) New Zealand

Like many other countries, New Zealand is also facing the challenge of an ageing population. The market size of the aged care residential services industry in the country has grown 4.5% per year on average between 2016 and 2021[25]. This means the sector has grown faster than the overall New Zealand economy and is the second largest health care and social assistance industry by market size.

It is easy to understand why this is such a fast-growing industry and this is unlikely to change anytime soon. According to data from the New Zealand government, around one in 4.5 New Zealanders will be aged 65 or older by 2036[26]. That equates to 1.3 million seniors, which is a 77% increase since 2016.

In contrast, the number of its citizens that are under 14 years old is only expected to reach 991,900 by 2036. This is a 7.6% increase since 2016. The over 65s will grow at a rate 10.5 times faster than the under 14s.

3.5 Positive impact from Australia's Royal Commission recommendations

A Royal Commission into aged care quality and safety was established in October 2018 to enquire into the quality of aged care services provided to Australians, how best to deliver aged care services, the future challenges and opportunities for delivering accessible, affordable and high-quality aged care services in Australia and how to deliver aged care services in a sustainable way.[27]

The final report by the Royal Commission, which contains 148 recommendations, was released in February 2021 and the Morrison government announced a five-year $17.7 billion aged care reform package[28] in response to the report. The recommendations from the Royal Commission bode well for the growth of the assistive living technology market as the recommendations seek to:

(a) promote the use and development of technologies and online solutions to improve aged care outcomes for both residential and in-home care;

(b) encourage greater government funding and easier access for in-home care;

(c) expand the availability of resources to include non-elderly Australians with disabilities; and

(d) ensure those in remote communities (including Aboriginal and Torres Strait Islander people) are provided sufficient access to equipment, technologies and services.

The recommendations could lead to greater government funding for the sector that Careteq operates in and expand the addressable markets for the Company.

The table below summarises some of the Royal Commission's key recommendations and the current and future opportunities they present to Careteq.

Chapter/Rec	Recommendation
Chapter 1 Recommendation 3	Key principles that include: i. aim of maintaining or improving older people's physical and cognitive capabilities; ii. Aboriginal and Torres Strait Islander people are entitled to receive support and care that is culturally safe and recognises the importance of their personal connection to community and Country; and iii. support the availability and accessibility of aged care for all older people, including those of diverse backgrounds and needs and vulnerable people.
Chapter 3 Rec 13 & 14	Establishment of a dementia support pathway & specialist dementia care services.

25. https://www.ibisworld.com/nz/market-size/aged-care-residential-services/
26. https://www.superseniors.msd.govt.nz/about-superseniors/media/key-statistics.html
27. Royal Commission into Aged Care Quality and Safety, Terms of Reference https://agedcare.royalcommission.gov.au/about/terms-reference
28. https://www.health.gov.au/news/budget-delivers-177-billion-for-once-in-a-generation-change-to-aged-care-in-australia

Chapter/Rec	Recommendation
Chapter 3 Rec 19	Urgent review of the aged care quality standards.
Chapter 3 Rec 33	Social supports category within the aged care program that provides supports that reduce and prevent social isolation and loneliness among older people.
Chapter 3 Rec 35 and 37	Care at home category and residential care category: calls for payment of subsidies for service provision, aids and equipment within a new care at home category by 1 July 2024.
Chapter 3 Rec 39	Meeting preferences to age in place, which asks the government to make it a priority to cut long wait times for those seeking support for in-home care.
Chapter 8 Rec 54 & 55	Ensuring the provision of aged care in regional, rural and remote areas.
Chapter 9 Rec 61	Short-term changes to the Medicare Benefits Schedule to improve access to medical and allied health services by 1 Nov 2021.
Chapter 9 Rec 63	Access to specialist telehealth services where the government expands access to Medicare Benefits Schedule-funded specialist telehealth services to older people receiving personal care at home by 1 Nov 2021.
Chapter 10 Rec 72	Equity for people with disability receiving aged care. By 1 July 2024, every person receiving aged care who is living with disability, regardless of when acquired, should receive through the aged care program daily living supports and outcomes (including assistive living technology, aids and equipment) equivalent to those that would be available under the NDIS to a person under the age of 65 years with the same or substantially similar conditions.
Chapter 11 Rec 74	No younger people in residential aged care. By 1 Jan 2022, no person under the age of 65 years enters residential aged care (RAC), while no one under 45 lives in RAC. By 1 Jan 2025, no one under the age of 65 will be living in RAC.
Chapter 15 Rec 107	Aged Care Research and Innovation Fund. Government asked to provide funding equal to 1.8% of total Australian Government expenditure on aged care to the fund each year.

The Royal Commission recommendations should also be considered in the context of the ongoing staffing challenges in the aged care industry, which puts the spotlight on the adoption of technologies to increase productivity and control ballooning costs.

An economic analysis by the Committee for Economic Development of Australia (**CEDA**) found that Australia's aged care sector is facing a shortage of at least 110,000 workers over the next 10 years, reported by SBS News[29].

This means that Australia requires a minimum of 17,000 new direct aged care workers each year over coming decade just to meet basic standards of care, according to the CEDA.

This challenge is unlikely to ease. A Westpac Banking Corporation report[30] noted that the aged care sector is already experiencing a critical shortage of workers and is expected to require around one million staff by 2050 to cope with the increase of Australia's ageing population.

29. https://www.sbs.com.au/news/australia-s-aged-care-workforce-shortage-could-reach-110-000-in-next-decade-new-report-warns
30. https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/bb/Industries/westpac-smart-industry-report-healthcare-Mar212019.pdf

3.6 Market trends

The assistive living technology industry is a niche market within the broader IT software industry. The key success factors for all companies operating in this niche market are:

(a) proprietary algorithms incorporating machine learning and artificial intelligence (**AI**) to provide superior assisting living solutions;

(b) the ability to adapt to technology changes in a fast-growing consumer market;

(c) strong distribution channels and strategic partnerships to access both retail and wholesale customers;

(d) trusted brand and superior customer service to reduce churn and increase contract length; and

(e) data protection and privacy to retain the social license to operate in this industry.

3.7 Government funding

Historically, the availability of government funding for subsidies and reimbursements has played a significant role in the market for assistive living technologies.

The Commonwealth Home Support Programme (**CHSP**) provides entry-level support for older people who need assistance to stay at home. Service providers work with older people to maintain their independence and keep them as well as possible.[31]

The aged care system aims to promote the wellbeing and independence of older people by enabling them to stay in their own homes.

Whilst there will always be a significant role to play for government funding in this industry, there will also be an increased role for direct to consumer sales through consumer electronics retailers and online channels. As the aged care and disability sectors expand to include new market based solutions, a focus on prevention measures, investment in total wellness outcomes and increased consumer choice, it is expected that an increased proportion of revenue will come from direct to consumer purchases.

3.8 Technology business models

The growing market demand for assistive living technology has brought new players to the industry in recent years, with different business models.

These players can be broadly broken down into three categories:

1. those with a proprietary technology platform;
2. system integrators that use off-the-shelf solutions to develop customised applications; and
3. technology resellers that sell solutions developed by other companies.

The characteristics (including pros and cons) of each of these categories are highlighted in the diagram below.

Unique technology platform developed in-house	Customised off-the-shelf technology	Technology Reseller
• High barriers to entry • Significant capital investment to develop technology • Ongoing product innovation required • Ability to white label, co-brand and re-sell through platform • Control supply chain • Higher margin potential	• Medium barriers to entry • Medium capital investment to customise off-the-shelf technology • Depend on product innovation from core technology supplier • Medium control over supply chain • Royalty/subscription fees impact margins	• Low barriers to entry • Low capital investment • Ability to access best of breed technology innovation globally • Reliant upon exclusive distribution agreements • Ability to expand product supply through new agreements • Lower margin potential

31. Australian Government, Department of Health https://www.health.gov.au/initiatives-and-programs/commonwealth-home-support-programme-chsp

3.9 Competitive landscape

The assistive living technology industry is dominated by several global players, such as Honeywell International, Siemens AG and Panasonic Corporation.

Careteq operates in areas that large global players have limited or no presence, and targets niche applications where it has a stronger value proposition compared to its direct competitors.

There are several competitors to the Company in the market offering assistive living technology solutions but there are currently no dominant players in this field. The companies that are seen to be direct competitors in the markets that Careteq is currently operating in are outlined in the table below.

COMPETITIVE LANDSCAPE
Competitor Analysis

	Falls Detection (Non-Wearable)	Vital Signs Monitoring in Aged Care	Hospital In the Home	Assisted Living Technology Solutions	Personal Security & Domestic Violence	Medication Management
Billy Care				✓		
Bolton Clarke				✓		
CARETEQ	✓	✓	✓	✓	✓	✓
Choice						✓
CVS Symphony				✓		
EchoCare	✓					
Essence	✓	✓	✓	✓		✓
Intellicare			✓	✓		
Live Life Alarms					✓	
Livius	✓					
Mederev						✓
Medisafe						✓
Meditrax						✓
Philips Lifeline					✓	

Careteq believes it is in a strong position to become the industry leader due to its more complete service offering and rich feature set offered by its technology platform and equipment.

Ward Medication Management has a dominant market position in the Medication Management sector in Australia and it sustains its leadership by ensuring it has the best expertise and resources to service its clients.

4.
Risk Factors

4. Risk Factors

As with any share investment, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Shares.

Any investment in the Company under this Prospectus should be considered highly speculative.

4.1 Risks specific to the Company

(a) Limited operating history

The Company has a limited operating history on which to evaluate its business and prospects and is currently making a loss meaning it is reliant on raising funds from investors to continue to fund its operations and product development. The Company's operations are subject to all of the risks inherent in a recently formed business enterprise. The Company has no significant history of operations and there can be no assurance that the Company will be able to generate or increase revenues from its existing and proposed products or avoid losses in any future period.

(b) Future capital requirements

The Company may require further financing in the future, in addition to amounts raised pursuant to the Broker & Institutional Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained if required, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing shareholders will be diluted.

(c) Liquidity

At Admission, the Company will have 123,565,941 Shares on issue if the Offers are successfully completed to raise $6,000,000. Based on the minimum amount of $6,000,000 being raised, the Company expects approximately 3.4 million Shares to be subject to 24 months escrow post listing, 1.3 million Shares subject to 12 months escrow post listing and 5.8 million shares to be subject to 12 months escrow post issue, in accordance with Chapter 9 of the Listing Rules, which would be equal to approximately 8% of the Company's issued capital. Additionally, as at the date of this Prospectus 26.6 million Shares will be subject to voluntary escrow for 6 months post listing and 26.6 million Shares will be subject to voluntary escrow for 12 months post listing, which would be equal to approximately 43% of the Company's issued capital. This creates a liquidity risk as a large portion of issued capital may not be able to be freely tradable for a period of time. The ability of an investor in the Company to sell their Shares on the ASX will depend on the turnover or liquidity of the Shares at the time of sale. Therefore, investors may not be able to sell their Shares at the time, in the volumes or at the price they desire.

(d) Product development

Careteq's approach of constantly improving its software to incorporate further services, features and interoperability with a growing range of platforms requires a broad investment in research and development. This is required to stay ahead of market demands and to deliver leading technological enhancements.

Such processes involve a myriad of challenges, ranging from incompatibility to requirements for further development. This can result in further costs or time in order to determine suitability and functionality. Market research and the requirements for such technology are constantly evolving. There is no guarantee that any or all of Careteq's future product development efforts will succeed, which would impact Careteq's short-term growth.

Without achieving a constant expansion to the software and associated services, (which may be caused by a number of factors including delays in product development) Careteq's financial position and prospects will be adversely affected.

(e) Intellectual property

The Company seeks to protect its intellectual property through trademarks, trade secrets and know-how.

Whilst the Company protects its intellectual property through trademarks, contractual arrangements and data security policies and measures, there can be no guarantee that there will not be any unauthorised use or misuse of its intellectual property or reverse engineering of its software by competitors. Further there is no assurance that employees of third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information. Any infringement may be detrimental to Careteq's reputation and may lead to costly and time consuming litigation or adversely affect Careteq's financial performance.

It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against the Company under copyright, trade secrets, patents or other laws. While the Company is not aware of any claims of this nature in relation to any intellectual property rights in which it has, such claims if made may harm, directly or indirectly the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation may be potentially significant and may divert management's attention from normal commercial operations.

Whilst there are always risks of unauthorised use of its intellectual property, these are consistently and constantly reviewed with thorough testing emplaced to prevent any such breaches.

(f) Marketing and promotion risks

The success of the Company will be highly dependent upon the ability of the Company to successfully market its current and future products. No assurance can be given that the Company will be able to successfully market its products or develop new market opportunities for expansion.

(g) Reliance on third-party technology

The Company's platform is hosted on third-party software, notably Amazon Web Services, and the Sofihub App runs on third-party software. For example, the Sofihub App can be utilised by a number of operating systems, internet platforms and other hardware devices.

Any changes to external platforms, systems or devices that give preference to competing products or adversely impact on the functionality of the Company's products may render consumers less likely to use the Company's products, which may have a detrimental impact on the Company's financial performance. Due to the Company's dependence on the Amazon Web Services software, if the pricing arrangements in relation to this software are to materially change then this could adversely affect the Company's financial performance

The Company's products are predicated on consumers being able to access the internet and cellular networks. If third-party providers restrict the ability of consumers to access these networks via the Company's products, this is likely to detrimentally affect the Company's financial performance.

Similarly, the Company relies on open source licensing agreements as set out in Section 7.11. While the Company considers it highly unlikely that the open source licenses will be revoked, the revocation of such licences would affect the Company's ability to provide services to clients, which in turn would have a detrimental effect on the Company's financial performance.

(h) Dependence of internet and telecommunications infrastructure

The success of the Company's products and services will depend to some extent on:

(i) the availability and stability of telecommunications infrastructure;

(ii) the infrastructure over which devices directly communicate with each other; and

(iii) the Internet.

The utility of both connectivity and the Internet carrying communications between devices can be adversely impacted upon because of the rapidly increasing demands for bandwidth, data security, reliability, cost, accessibility and quality of service. Delays in the development or adoption of new standards and protocols to handle these increased demands may impact on the adoption of the Company's products and services and ultimately the success of the Company. The performance of the Internet is periodically impacted by "viruses", "worms" and similar malicious programs, and the Internet has experienced a variety of outages and other delays because of damage to portions of its infrastructure.

For personal use only

(i) Contract Risk

The operations of the Company will require the involvement of a number of third parties including aged care providers, suppliers, manufacturers and customers. With regard to these third parties and despite applying best practice in terms of pre-contractual due diligence, the Company is unable to completely avoid the risk of:

(i) financial failure or default by a participant in any joint venture to which the Company may become a party; and

(ii) insolvency, default on performance or delivery by any operators, contractors or service providers.

(j) Competition and new technologies risk

The industry in which the Company is involved though immature is subject to domestic and global competition which is fast paced and rapidly evolving. Companies that provide a similar product to Careteq include Intelicare; Billy Care; Mimo-Care; Essence; TruSense; and HomeStay Care Ltd (ASX: HSC). Amazon and Google have also recently expressed an interest into entry of proprietary Health Care applications of their own established in-home smart devices which could rapidly increase competition.

The ability of the Company to respond and adjust to changes in the industry will affect its success and ability to remain competitive in the market. The Company's performance could be adversely affected if existing or new competitors reduce Careteq's market share, or its ability to expand into new segments.

While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could result in the Company not being sufficiently differentiated within the markets it operates in.

The Company's existing or new competitors may have substantially greater resources and access to more markets than the Company. The Company may also find itself in competition with channel partners and other close entities who have had relationships with the Company. These partners have limited access to the Company's intellectual property but may gain access to its trade secrets and other key information.

Competitors may succeed in developing alternative products which are more innovative, easier to use or more cost effective than those that have been or may be developed by the Company. This may cause pricing pressure on the Company's product offering and may impact on the ability to retain existing customers/partners as well as attract new customers or partners.

(k) Product liability risk

The Company may be exposed to liability claims if its products or services are provided in fault and/or cause harm to its customers. If the Company's products do not perform as expected, for example they fail to send a notification upon the occurrence of event in which the customer would expect notification and that failure to notify causes damages, there is a risk of harm that a customer may make a claim against the Company.

As a result, the Company may have to expend significant financial and managerial resources to defend against such claims. The Company has various insurance policies in place to mitigate this risk (see Section 4.1(l)).

If a successful claim is made against the Company, the Company may be fined or sanctioned, and its reputation and brand may be negatively impacted, which could materially and adversely affect its reputation, business prospects, financial condition and results of operation.

(l) Insurance risk

The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage.

The Company currently has insurance in place which covers:

(i) public liability;

(ii) product liability;

(iii) privacy and confidentiality;

(iv) consumer protection;

(v) contractual liability;

(vi) liability for contractor acts, errors or omissions;

(vii) libel or slander; and

(viii) liquidated damages.

However, the Company's insurance coverage may be unavailable or inadequate to cover losses or liabilities. This may adversely affect the Company's financial position.

(m) Growth strategy and execution risk

Careteq's growth strategy for the coming years includes the expansion of its sales and marketing team to capitalise on the market opportunity and the ever-growing sales pipeline. This will include developing a technical support and pre-sales arm so that Careteq will be able to face a broader market base and develop further revenue streams. This will in turn reduce the reliance on its primary market sector.

The Company will need to enhance its internal sales, training and management structure to support its growth plans. The ability of the Company to optimally match this investment to the sales growth trajectory, and the speed at which it can achieve market penetration may impact financial performance.

The Company plans to apply funds to increase its sales and marketing team. There is however no guarantee that any sales and marketing campaigns undertaken by the Company will be successful.

(n) Security Breaches

Careteq employs a range of robust and frequently reviewed security measures to protect both its intellectual property and the integrity of customer data.

If the Company's security measures are breached or unauthorised access to customer data is otherwise obtained, the Company may be perceived as not being secure, customers may reduce the use of, or stop using the Company's products, all of which may damage the Company's reputation, and which may result in the Company incurring significant liabilities.

(o) Privacy Concerns

Regulations in various jurisdictions limit tracking and collection of personal identification and information. If the Company breaches such regulations, its business, reputation, financial position and financial performance may be detrimentally affected. External events may also cause regulators to amend regulations in respect of the collection and use of user information. Any amended regulations may introduce controls which make the operation of certain types of tracking technologies unusable which could damage the Company's financial position.

(p) Reliance on key personnel

Careteq's operational success will depend substantially on the continuing efforts of senior executives. The current management team has a proven record in the healthcare sector in both a listed and unlisted environment. The restructure of the Company has increased the ability to transfer knowledge should key personnel depart.

However, the loss of services of one or more senior executives may have an adverse effect on the Company's operations.

(q) Maintenance of key relationships

Careteq will rely on relationships with key business partners and professional organisations (including, aged/disability care providers and security organisations) to enable it to continue to promote its products. These relationships are growing each quarter as Careteq enjoys continued market penetration. This will be built upon with further campaigns to cross-sell additional features and continue their revenue growth.

A failure to maintain relationships could result in a withdrawal of support, which in turn could impact the Company's financial position. The Company may lose strategic relationships if third parties with whom the Company has arrangements are acquired by or enter into relationships with a competitor (which could cause the company to lose access to necessary resources). The Company's current competitors could become stronger, or new competitors could form from consolidations. This could cause the Company to lose access to markets or expend greater resources in order to stay competitive.

(r) Litigation

Legal proceedings may arise from time to time in the course of the business of the Company. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

(s) Regulatory risks

There is presently no obligation for the Company to obtain any licences or other regulatory approvals to undertake its business. The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately the financial performance of the Company and its shares.

(t) Government funding risks

Several of the Company's key customer target markets (such as aged and disability care) are reliant on government funding and subsidies. Any change in government budgets could have an adverse impact on Group sales.

4.2 General Risks

(a) General economic climate

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Company's future income, asset values and share price can be affected by these factors and, in particular, by exchange rate movements.

(b) Policies and legislation

Any material adverse changes in government policies or legislation of Australia any other country that the Company has economic interests may affect the viability and profitability of the Company.

(c) Negative publicity may adversely affect the Share price

Any negative publicity or announcement relating to any of the Company's substantial Shareholders, key personnel or activities may adversely affect the performance of the Company. Examples of such negative publicity or announcements may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions.

(d) Share market conditions

As with all share market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the Offer Price. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of Company's operational performance.

General factors that may affect the market price of Shares include without limitation economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(e) Force majeure

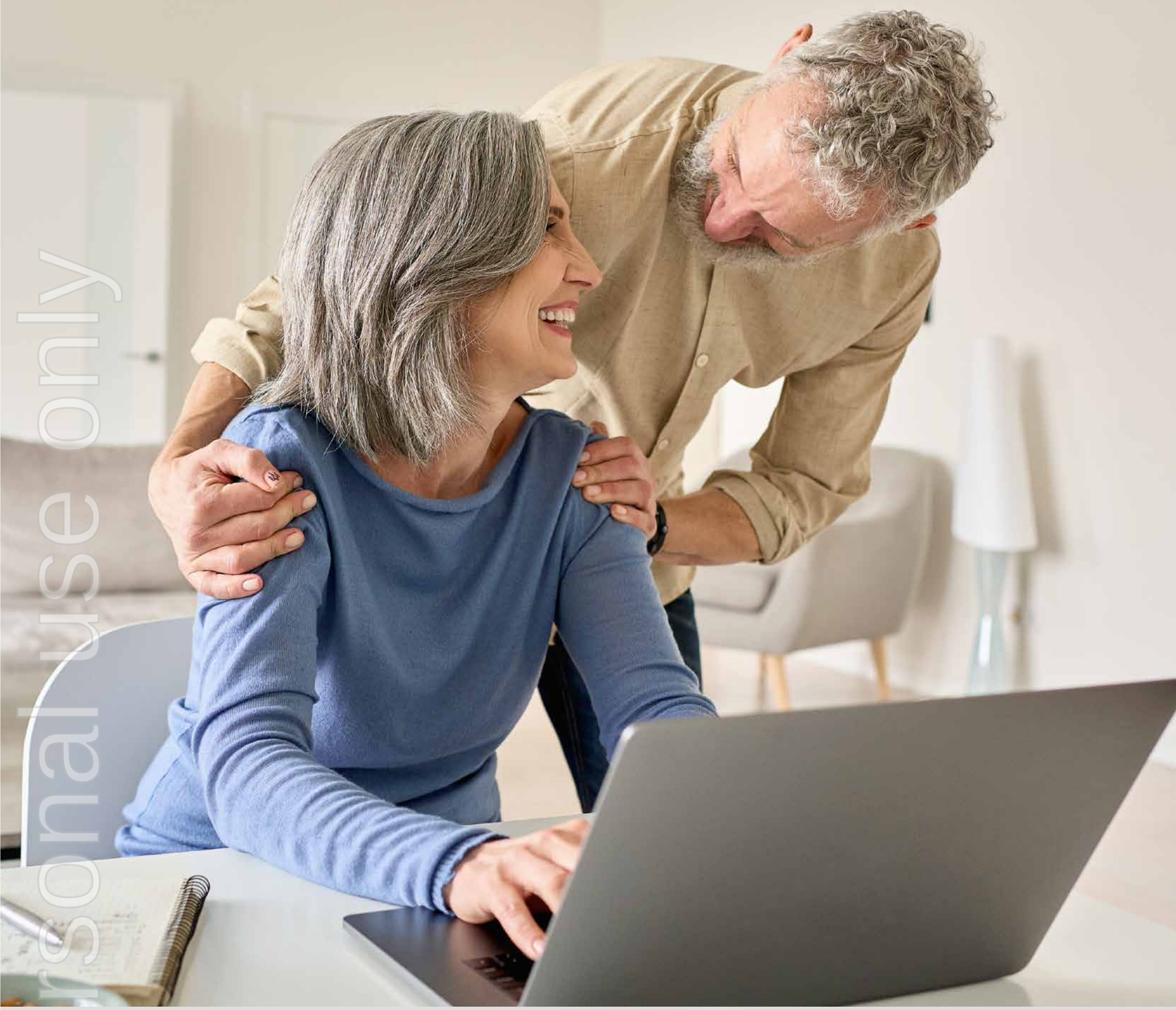
Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events – such as war, acts of terrorism, pandemics, loss of power, cyber security breaches or global threats – or natural disasters – such as earthquakes, fire or floods or the outbreak of epidemic disease – could disrupt the Company's operations and impair deployment of its solutions by its customers, interrupt critical functions, reduce demand for the Company's products, prevent customers from honouring their contractual obligations to the Company or otherwise harm the business. To the extent that such disruptions or uncertainties result in delays or cancellations of the deployment of the Company's products and solutions, its business, results of operations and financial condition could be harmed.

(f) Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.



5.
Board, Management and Corporate Governance

5. Board, Management and Corporate Governance

5.1 Board of Directors

As at the date of this Prospectus, the Board comprises of:

(a) Peter Scala – CEO & Managing Director;

(b) Mark Simari – Non-Executive Chairman;

(c) Brett Cheong – Non-Executive Director;

(d) Alex Boyd – COO & Executive Director; and

(e) Stephen Munday – Non-Executive Director.

5.2 Directors' profiles

The names and details of the Directors in office at the date of this Prospectus are:

(a) Peter Scala – CEO & Managing Director

Peter has over 25 years' experience within the medical device and healthcare industries in Australia. As an accomplished senior executive Peter's experience traverses multiple business disciplines including finance, sales & marketing, and operations. He was appointed as the Company's CEO in July 2019 and shortly after as Managing Director and a member of the Board.

Relevant professional experience:

(i) Company – Managing Director.

(ii) Paragon Care Limited – General manager ANZ (service & technology).

(iii) Electro Medical Group Pty Ltd – Co-founder & executive director.

(iv) Biomedical Applications Pty Ltd – Director.

Education:

(i) Master of Business Administration.

(ii) Diploma of Electrotechnology.

(iii) Graduate Diploma of Business.

(iv) Member of the Australian Institute of Company Directors.

(b) Mark Simari – Non-Executive Chairman

Mark Simari is an experienced and accomplished professional in the health industry and has over 12 years' Board experience in a diverse range of organisations. Mark was the former chief executive officer and managing director and co-founder of Paragon Care (between 2008 and 2018). He was instrumental in Paragon Care becoming one of the largest independent healthcare suppliers in Australian and New Zealand Market, creating a healthcare platform spanning across capital equipment, consumables, devices and service and maintenance.

Relevant professional experience:

(i) Company – Non-executive Chairman.

(ii) Paragon Care Limited (ASX: PGC) – Non-executive director & chair of audit & risk Committee (former managing director between 2008-2018).

(iii) Tali Digital Limited (ASX: TD1) – Non-executive director & chair of audit & risk committee.

(iv) Interprac Financial Planning Limited – Director and shareholder.

(v) DKN Financial Group Ltd (ASX: DKN) – Non-executive director.

Education:

(i) Bachelor of Business, Accounting.

(ii) Diploma of Financial Services.

(iii) Member of the Australian Institute of Company Directors.

(c) Brett Cheong – Non-Executive Director

Brett has over 40 years' experience within the healthcare industry at all levels of management. A former director of Paragon Care (ASX: PGC) for 9 years and former managing director of Axishealth Pty Ltd for 9 years prior to its acquisition by Paragon Care, Brett's depth of experience spans sales and marketing, product design and development and manufacturing and product sourcing.

Relevant professional experience:

(i) Company – Non-Executive Director.

(ii) Paragon Care Limited (ASX: PGC) – Director & marketing manager.

(iii) Axishealth Pty Ltd – Founder & managing director.

(iv) Oxford Medical Pty Ltd – Director.

(d) Alex Boyd – COO & Executive Director

Alex has extensive experience in international operations, procurement, and resource management across multiple sectors at a C-Suite level. Alex's background includes roles as interim managing director leading to a successful trade sale at Fix My Truck and operations director leading to the restructure of a group out of voluntary administration at Fusion Retail Brands. In addition, Alex supervised the integration of three acquired companies at Idox Plc, UK.

Relevant professional experience:

(i) Company – COO and Executive Director.

(ii) Fix My Truck, Australia – Interim managing director.

(iii) Fusion Retail Brands, Australia – Program manager.

(iv) Idox Plc, UK – Operations director.

Education:

(i) Graduate, Australian Institute of Company Directors – 2012.

(ii) Master of Arts, Sports & Fitness Management, University of San Francisco – 1998.

(iii) Bachelor of Arts (Hons), Modern and Medieval History, University of Birmingham – 1991.

(e) Stephen Munday – Non-Executive Director

Stephen is an experienced financial and commercial professional and has over 25 years' experience on or working directly with Boards in a diverse range of organisations. Stephen has over 30 years business experience in Australia and North America including chief financial officer & company secretary positions in several listed companies over that time. Stephen's experience includes a wide range of responsibilities in a variety of management functions including marketing, business development, supply management, commercial management, financial management and change management.

Relevant Professional Experience:

(i) Paragon Care Limited (ASX: PGC) – Chief financial officer (2019 to present).

(ii) Paragon Care Limited (ASX: PGC) – Chief financial officer & company secretary (2015 – 2017).

(iii) Greencap Limited (ASX: GCG): Chief financial officer & company secretary (2010 – 2014).

(iv) Green Invest Limited (ASX: GNV): Chief financial officer (2008 – 2009).

(v) Senetas Corporation Limited (ASX: SEN) Chief financial officer & company secretary (2001 – 2006).

(vi) CTAM Pty Ltd – Non-executive director (2001 – 2006).

(vii) Datum Group Operations Pty Limited – Non-executive director (2002 – 2006).

(viii) Pauls Victoria Limited – Company secretary (1994 – 1999).

Education:

(i) Chartered Accountant, CA.

(ii) Fellow Governance Institute of Australia, FGIA.

(iii) Fellow Chartered Governance Institute – Chartered Secretary, Chartered Governance Professional, FCG (CS CGP).

(iv) Graduate Member Australian Institute of Company Directors, GAICD.

(v) Bachelor of Business, Accountancy.

(vi) Master of Business Administration.

5.3 Senior Management

Other than the Directors, the Company's other key senior management members are set out below:

(a) David Lilja – CFO and Company Secretary

David is a qualified accountant and company secretary with over 20 years' experience within the professional services industry working across a wide range of industries. David will supply his services through his firm, DLK Advisory Pty Ltd, which provides a breadth of support to its clients including outsourced CFO and Company secretary services. Careteq does not consider that its current level of operations justifies it retaining a full time CFO and Company secretary.

Relevant Professional Experience:

(i) DLK Advisory Pty Ltd – Founder and director.

(ii) Opyl Ltd (ASX: OPL) – Outsourced chief financial officer and company secretary.

(iii) Company – Outsourced chief financial officer and former company secretary.

(iv) Registry Direct Ltd (ASX: RD1) – Outsourced chief financial officer and company secretary.

(v) Nimbus Cloud Group – Outsourced chief financial officer and company secretary.

(vi) Crowe Horwath – Partner.

(vii) EY – Executive Director.

Education:

(i) Bachelor of Business, Accounting.

(ii) Master of Taxation.

(iii) MBA.

(iv) Corporate Tax Advisor.

(v) Member of Institute of Public Accountant.

5.4 Disclosure of Directors

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares. No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer, or within a 12 month period after they ceased to be an officer.

5.5 Security holdings of Directors and key management personnel

The Directors, key management personnel and their related entities have the following interests in Securities as at the date of this Prospectus:

Director/Company secretary	Shares	% of total Shares on issue	Options[1]	% of total Options on issue
Peter Scala	357,142	0.56%	1,578,101	20.63%
Mark Simari	1,686,307[2]	2.63%	1,168,965	15.28%
Brett Cheong	150,000	0.23%	584,482	7.64%
Alex Boyd	–	–	1,578,101	20.63%
Stephen Munday	–	–	–	–
David Lilja	785,7142	1.22%	292,242	3.82%

Notes:

1. See Section 8.2 for the terms and conditions of the Options.
2. Mark Simari will be issued 1,230,971 Shares in the Company on Admission following conversion of the convertible notes Mark Simari currently holds and David Lilja will be issued 317,668 Shares in the Company on Admission following conversion of the convertible notes David Lilja currently holds.

Based on the intentions of the Directors and key management personnel at the date of this Prospectus in relation to the Offers, the Directors, key management personnel and their related entities will have the following interests in Securities on Admission:

Director/Company secretary	$6,000,000 subscription			
	Shares	% of total Shares on issue	Options[1]	% of total Options on issue
Peter Scala	457,142	0.37%	1,578,101	13.62%
Mark Simari	3,067,278	2.48%	1,168,965	10.09%
Brett Cheong	250,000	0.20%	584,482	5.04%
Alex Boyd	150,000	0.12%	1,578,101	13.62%
Stephen Munday	100,000	0.08%	–	–
David Lilja	1,203,402	0.97%	292,242	2.52%

Notes:

1. See Section 8.2 for the terms and conditions of the Options.

5.6 Remuneration of Directors

Details regarding the current remuneration received by Directors have been set out below:

Director	Remuneration (A$)
Peter Scala	$242,000 per annum
Mark Simari	$120,000 per annum
Brett Cheong	$36,000 per annum
Alex Boyd	$205,700 per annum
Stephen Munday	$36,000 per annum

5.7 Related Party Transactions

At the date of this Prospectus, the Company has not entered into any related party transactions.

5.8 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are detailed below. The Company's full corporate governance plan is intended to be made available in a dedicated corporate governance information section of the Company's website at www.careteq.com.au.

(a) Board Charter

The Board has adopted a board charter which sets out the responsibilities of the Board in greater detail, including the following responsibilities:

(i) delegating appropriate powers to executive Directors and senior management to ensure the effective day-to-day management of the business and monitoring the exercise of these powers;

(ii) appointing, monitoring, replacing and where appropriate removing, senior executives and the company secretary;

(iii) establishing and monitoring executive succession planning;

(iv) demonstrating leadership, defining the Company's purpose and setting the Company's strategic direction, objectives and goals;

(v) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;

(vi) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;

(vii) ensuring timely, accurate and effective communication with, and reporting to, Shareholders, the market and relevant regulatory bodies;

(viii) satisfying itself that the Company has in place an appropriate risk management framework for both financial and non-financial risks;

(ix) approving the Company's remuneration policies and satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;

(x) evaluating and adopting, with or where appropriate without modification, the ASX Corporate Governance Principles; and

(xi) supervising compliance with the Company's corporate governance policies.

The composition of the Board, its performance and the appointment of new Directors will be reviewed from time to time by the Board. Election of Directors is substantially the province of Shareholders in general.

(b) Audit and risk committee

The audit and risk committee is currently comprised of:

- Stephen Munday (Chair);
- Mark Simari; and
- Brett Cheong.

The role and responsibilities, composition and membership requirements of the audit and risk committee are documented in the audit and risk committee charter.

The purpose of the audit and risk committee is to assist the Board with:

(i) oversight of the Company's discharge of its responsibilities with respect to the adequacy of the Company's corporate reporting processes and internal control framework;

(ii) oversight of the Company's relationship with the external audit firm, including their appointment or removal, review of their performance and review of their work plan scope;

(iii) determining the independence of the external audit firm, and determining the policy for partner rotation for the external audit firm; and

(iv) review of the Company's risk management program, including:

   (A) ensuring legal and regulatory compliance;

   (B) ensuring protection of capital;

   (C) implementing and reviewing appropriate risk management systems, the risk appetite statement and the risk management framework to manage both financial and non-financial risks;

   (D) monitoring the performance of management against the risk management framework, including whether it is operating within the risk management appetite set by the Board; and

   (E) receiving reports from management, external auditors, internal auditors, legal counsel, regulators and consultants as appropriate on sources of risk and the risk controls and management of those risks.

The audit and risk committee charter puts in place processes to monitor the Company's financial and risk management procedures. The Board currently considers these processes appropriate for the size and level of operations of the Company.

The audit and risk committee charter provides that the committee should comprise of at least three members, all of whom are non-Executive Directors and are familiar with and able to read and understand financial statements and a majority of whom are independent Directors. At least one member should have accounting or related financial expertise and qualifications and the chair of the audit and risk committee should be an independent Director who is not Chairman of the Board.

All of the current members of the audit and risk committee are non-Executive Directors who have extensive executive leadership experience and are familiar with and able to read and understand financial statements.

All of the current members of the audit and risk committee are independent non-Executive Directors and the chair of the committee is not Chair of the Board.

(c) Nomination and remuneration committee

The nomination and remuneration committee is currently comprised of:

- Brett Cheong (chair);
- Mark Simari; and
- Stephen Munday.

The role and responsibilities, composition, structure and membership requirements of the nomination and remuneration committee are documented in the remuneration and nomination committee charter.

The purpose of the nomination and remuneration committee is to assist the Board:

(i) to review and assess the necessary and desirable competencies of the Directors;

(ii) to monitor and evaluate the performance of each Director individually, of the Board collectively and of each Board committee collectively;

(iii) to develop succession plans for the Board and to oversee development by management of succession planning for senior executives; and

(iv) to develop, evaluate and review remuneration practices and policies.

The nomination and remuneration committee charter provides that the committee should comprise of at least three members, all of whom are non-Executive Directors and a majority of whom are independent Directors.

The chair of the committee should be an independent Director who is not Chair of the Board.

All of the current members of the nomination and remuneration committee are independent non-Executive Directors and the chair of the committee is not chair of the Board.

(d) Code of conduct

The Company's code of conduct sets out the legal and ethical obligations and the standard of behaviour expected of individuals working for the Company.

The code of conduct deals with the following principal areas:

(i) honesty and integrity;

(ii) conflicts of interest or duty;

(iii) confidential information;

(iv) fair dealing;

(v) work health and safety;

(vi) responsibilities to the community and the environment;

(vii) compliance with laws, regulations, policies and procedures; and

(viii) reporting unlawful and unethical behaviour.

(e) Continuous disclosure and shareholder communications policy

The Board is committed to ensuring that the Company maintains direct, open, timely and effective communications with all Shareholders. Information will be communicated to Shareholders through announcements to ASX, the Company's annual report, annual general meetings, half yearly and full year results, and the Company's website, www.careteq.com.au.

(f) Diversity policy

The Company has adopted a diversity policy which sets out its commitment to diversity and inclusion in the workplace. Under the diversity policy, the Board states its commitment to encouraging inclusive workplace practices and behaviours and foster a work environment that values the contributions of employees with diverse backgrounds, experiences and perspectives.

(g) Securities trading policy

The Company has a securities trading policy which applies to all Directors and employees of the Company. The purpose of the policy is to set restrictions on dealing in securities to minimise the risk of insider trading, ensure the Company is able to meet its reporting obligations under the ASX Listing Rules and increase transparency to assist in maintaining market confidence in the integrity of dealings in the Company's securities.

The Securities Trading Policy imposes a general prohibition on short-term dealing. It also imposes additional prohibitions on Directors and senior management in respect of dealings during black-out periods and hedging unvested entitlements and establishes an approval procedure for any dealing. It also outlines the restrictions on dealing by employees.

(h) Anti-bribery and corruption policy

The Company has an anti-bribery and corruption policy for Directors, employees, contractors, volunteers, agents and directors of the Company. It provides a summary of the law on bribery and corruption, outlines the circumstances in which it is unacceptable to receive gifts, entertainment and hospitality and provides a reporting mechanism for allegations of bribery and corruption.

The policy prohibits facilitation payments, kickbacks and donations to political parties or which are intended to obtain an improper advantage for the Company.

(i) Whistleblower policy

The Company has a whistleblower Policy which encourages employees to report suspected or known instances of misconduct. The whistleblower policy establishes the mechanisms and procedures for employees to report misconduct in a manner which protects the whistleblower and gathers the necessary information for the Company to investigate such reports and act appropriately.

5.9 Departures from Recommendations

Following admission to the Official List, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company notes that it has not departed from the Recommendations as at the date of this Prospectus.

6.
Financial Information

6. Financial Information

6.1 Introduction

The financial information contained in this Section 6 includes historical financial information for Careteq and Ward for the financial years ended 30 June 2019 (FY2019), 30 June 2020 (FY2020), and 30 June 2021 (FY2021).

This Section 6 contains a summary of:

(a) statutory historical financial Information, comprising:

(i) Careteq's and Ward's statutory historical income statements for FY2019, FY2020 and FY2021 (**Statutory Historical Income Statements**);

(ii) Careteq's and Ward's statutory historical cash flow statements for FY2019, FY2020 and FY2021 (**Statutory Historical Cash Flows**); and

(iii) Careteq's and Ward's statutory historical statement of financial position as at 30 June 2021 (**Statutory Historical Statement of Financial Position**),

(together, the **Statutory Historical Financial Information**); and

(b) pro forma historical financial information, comprising:

(i) Careteq's pro forma consolidated historical income statements for FY2019, FY2020 and FY2021 (**Pro Forma Historical Income Statements**); and

(ii) Careteq's pro forma consolidated historical cash flow statements for FY2019, FY2020 and FY2021 (**Pro Forma Historical Cash Flows**); and

(iii) Careteq's pro forma consolidated historical statement of financial position as at 30 June 2021 (**Pro Forma Historical Statement of Financial Position**),

(together, the **Pro Forma Historical Financial Information**).

The Statutory Historical Financial Information and Pro Forma Historical Financial Information is together referred to as the "**Financial Information**".

In addition, Section 6 summarises:

(a) the basis of preparation and presentation of the Financial Information (see Section 6.2);

(b) information regarding certain non-IFRS financial measures (see Section 6.2(c));

(c) the pro forma adjustments to the Statutory Historical Financial Information (see Sections 6.3, 6.4 and 6.5);

(d) information regarding liquidity and capital resources (see Section 6.5(a));

(e) information regarding Careteq's contractual obligations, commitments and contingent liabilities (see Section 6.5(b));

(f) management's discussion and analysis of the pro forma Historical Financial Information (see Section 6.6);

(g) a description of Careteq's critical accounting policies (see Section 6.7); and

(h) Careteq's dividend policy (see Section 6.8).

The information in Section 6 should also be read in conjunction with the risk factors set out in Section 4 and other information contained in this Prospectus.

All amounts disclosed in Section 6 and the Appendices are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest dollar. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

6.2 Basis of preparation and presentation of the Financial Information

(a) Overview and preparation and presentation of the Financial Information

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flow and financial position of Careteq.

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth and exploration strategies and the general nature of the industry in which the Company operates, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

The Statutory Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**), which are consistent with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board and Careteq's accounting policies. Careteq's significant accounting policies are described in Annexure B.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of AAS other than it includes certain adjustments which have been prepared in a manner consistent with AAS, that reflect (a) the exclusion of certain transactions that occurred in the relevant periods and (b) the impact of certain transactions as if they had occurred on or before 30 June 2021.

The Pro Forma Historical Financial Information does not reflect the actual financial results and cash flows of Careteq for the periods indicated. The Directors of Careteq believe that it provides useful information as it permits investors to examine what it considers to be the underlying financial performance and cash flows of the business presented on a consistent basis.

The Financial Information is presented in an abbreviated form and it does not include all of the presentation and disclosures, statements or comparative information required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

In addition to the Financial Information, Section 6 describes certain non-IFRS financial measures that Careteq uses to manage and report on the business that are not defined under or recognised by AAS or IFRS.

Independent Limited Assurance Report

The Financial Information (as defined above) has been reviewed by RSM Corporate Australia Pty Ltd in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information as stated in its Independent Limited Assurance Report set out in Annexure A. Investors should note the scope and limitations of the Independent Limited Assurance Report.

(b) Preparation of the Financial Information

The Financial Information has been presented on both a statutory and a pro forma basis.

The Statutory Historical Financial Information for FY2019, FY2020 and FY2021 for Careteq has been derived from the FY2019, FY2020 and FY2021 audited general purpose financial statements of Careteq.

The Statutory Historical Financial Information for FY2019 and FY2020 for Ward has been derived from the FY2019 and FY2020 audited special purpose financial statements of Ward.

The Statutory Historical Financial Information for FY2021 for Ward has been derived from the FY2021 audited general purpose financial statements of Ward.

The financial statements of Careteq for FY2019 were audited by Loren Michelle Datt (Auditor Registration 339204) in accordance with Australian Auditing Standards. Loren Datt issued an unqualified audit opinion on these financial statements.

The financial statements of Careteq for FY2020 and FY2021 were audited by RSM Australia Partners in accordance with Australian Auditing Standards. RSM Australia Partners has issued unqualified audit opinions on these financial statements.

Without modification of its audit opinion, RSM Australia Partners' audit report for FY2020 included a paragraph drawing attention to the fact that there were events or conditions, along with other matters disclosed in the financial statements indicating that a material uncertainty existed that may cast doubts on Careteq's ability to continue as a going concern.

The financial statements of Ward for FY2019, FY2020 and FY2021 were audited by RSM Australia Partners in accordance with Australian Auditing Standards. RSM Australia Partners has issued unqualified audit opinions on these financial statements.

The Pro Forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of Careteq and Ward and adjusted for the effects of the pro forma adjustments.

Section 6.3 Table 6.3 sets out the pro forma adjustments made to the Statutory Historical Income Statements and a reconciliation of the Statutory Historical Income Statements to the Pro Forma Historical Income Statements.

Section 6.4 Table 6.7 sets out the pro forma adjustments to the Statutory Historical Cash Flows and a reconciliation of the Statutory Historical Cash Flows to the Pro Forma Historical Cash Flows. Pro forma adjustments were made to the Statutory Historical Cash Flows to reflect the cash impact of the pro forma adjustments to the Statutory Historical Cash Flows.

Section 6.5 Table 6.10 sets out the pro forma adjustments to the Statutory Historical Statement of Financial Position, and a reconciliation of the Statutory Historical Statement of Financial Position to the Pro Forma Historical Statement of Financial Position. Pro forma adjustments were made to the Statutory Historical Statement of Financial Position to reflect the impact of the acquisition of a 100% equity interest in Ward on 31 August 2021, a pre-IPO capital raising via the issue of convertible notes to raise $4,085,000 (before costs) in September 2021, and the proceeds of the Broker Offer, Institutional Offer and Priority Offer and related transaction costs and pro forma adjustments as if they had occurred as at 30 June 2021.

In preparing the Financial Information, Careteq's accounting policies have been consistently applied throughout the periods presented.

Investors should note that past results are not a guarantee of future performance.

Going Concern

The Financial Information for FY2021 has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the normal course of business.

The Directors believe that there are reasonable grounds that Careteq will be able to continue as a going concern as a result of the proceeds raised from the Offer.

(c) Explanation of certain non-IFRS financial measures

To assist in the evaluation of the performance of Careteq, certain measures are used to report on the Company that are not recognised under AAS or IFRS. These measures are collectively referred in this Section 6 and under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by ASIC as "non-IFRS financial measures". The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

(i) **EBITDA** is earnings/(losses) before interest (net finance income), taxation, depreciation and amortisation. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation.

(ii) **EBIT** is earnings/(losses) before interest (net finance income) and taxation;

Although the Directors believe that these measures provide useful information about the financial performance of Careteq, they should be considered as supplements to the income statement or cash flow statement measures that have been presented in accordance with AAS and IFRS and not as a replacement for them. As these non-IFRS financial measures are not based on AAS or IFRS, they do not have standard definitions, and the way Careteq calculated these measures may differ from similarly titled measures used by other companies. Investors and readers of this Prospectus should therefore not place undue reliance on these non-IFRS financial measures.

6.3 Pro Forma Historical Income Statements

Table 6.1 sets out a summary of the Pro Forma Historical Income Statements of Careteq for FY2019, FY2020 and FY2021. The Pro Forma Historical Income Statements are reconciled to the respective historical income statements in Section 6.3(d).

The Pro Forma Historical Income Statements have been adjusted to reflect:

(a) the acquisition of Ward; and

(b) other pro-forma adjustments,

as if these events had occurred within the periods presented.

Table 6.1: Summary of Pro Forma Historical Income Statements

$ Year ended 30 June	Note	FY2019	FY2020	FY2021
Revenue		2,543,570	3,967,764	5,190,690
Other income	1	2,182,856	960,004	760,481
Total Revenue		**4,726,426**	**4,927,768**	**5,951,171**
Cost of sales		(1,541,458)	(2,105,963)	(2,737,511)
Gross Profit		**3,184,968**	**2,821,805**	**3,213,660**
Consulting and advisory		(665,575)	(544,209)	(174,043)
Corporate and administration	2	(850,257)	(638,530)	(621,948)
Employee expenses		(3,970,716)	(2,853,097)	(3,222,149)
Research and development		–	(20,811)	(8,356)
Listing expenses	3	–	–	–
Share-based expenses		–	–	(506,309)
Inventory impairment		–	–	(129,979)
Fair value adjustment to financial liability	4	–	–	–
Product design		(303)	–	–
Impairment of loan receivable	5	–	–	–
Other expenses		(772,071)	(732,395)	(663,369)
Total operating expenses		**(6,258,922)**	**(4,789,042)**	**(5,326,153)**
EBITDA		**(3,073,954)**	**(1,967,237)**	**(2,112,493)**
Depreciation and amortisation		(91,793)	(37,472)	(38,717)
EBIT		**(3,165,747)**	**(2,004,709)**	**(2,151,210)**
Interest income		–	847	3
Finance costs		(344,343)	(226,447)	(541,229)
Profit before income tax		**(3,510,090)**	**(2,230,309)**	**(2,692,436)**
Income tax benefit/(expense)		(42,333)	57,509	(187,246)
Profit/(loss) for the period		**(3,552,423)**	**(2,172,800)**	**(2,879,682)**

Notes:

1. Ward disclosed a gain on disposal of convertible notes of $115,841 during FY2021. This gain is not related to the ongoing operations of Ward and has, therefore, been adjusted as a pro forma adjustment.
2. Listed public company costs, being an estimate of incremental annual costs that will be incurred as a listed company have been included as a pro forma adjustment and included within corporate and administration costs. These incremental costs include annual listing costs, share registry costs, additional directors' fees, and additional audit and tax compliance costs.
3. Listing expenses, being costs incurred in and expensed during FY2021 in relation to the proposed listing of the Company on the ASX, are not related to the ongoing operations of the Company and have, therefore, been adjusted as a pro forma adjustment.
4. The Company undertook a rights issue in August 2020, raising $576k before costs. The rights issue triggered the conversion of existing convertible notes to shares. A fair value loss adjustment of $2,347,154 was recognised at the time of the conversion on the derivative financial liability. This expense is not related to the ongoing operations of the Company and has, therefore, been adjusted as a pro forma adjustment.
5. Ward recognised a loan receivable impairment expense of $672,238 during FY2021 when non-current loan receivables were written down to $nil. This expense is not related to the ongoing operations of Ward and has, therefore, been adjusted as a pro forma adjustment.

(c) Key Operating financial metrics

Table 6.2 sets out Careteq's key pro forma historical operating and financial metrics for FY2019, FY2020 and FY2021.

Table 6.2: Pro forma historical key operating and financial metrics

Pro Forma Historical	FY 2019	FY 2020	FY 2021
Total revenue	4,726,426	4,927,768	5,951,171
EBITDA	(3,073,954)	(1,967,237)	(2,112,493)
Total operating expenses	(6,258,922)	(4,789,042)	(5,326,153)

(d) Pro forma adjustments to the Statutory Historical Income Statements

Table 6.3 sets out a reconciliation of Careteq's audited Statutory Historical Income Statements to Careteq's Pro Forma Historical Income Statements.

Table 6.3: Pro forma adjustments to the Statutory Historical Income Statements

$ Period	Notes	FY2019	FY2020	FY2021
Statutory other income		1,254,467	466,948	695,744
Ward other income		928,389	493,056	180,578
Deduct gain on disposal of convertible notes disclosed by Ward	1	–	–	(115,841)
Pro forma other income		**2,182,856**	**960,004**	**760,481**
Statutory corporate and administration expenses		(287,051)	(171,490)	(282,706)
Ward corporate and administration expenses		(324,206)	(228,040)	(100,242)
Listed public company costs	2	(239,000)	(239,000)	(239,000)
Pro forma corporate and administration expenses		**(850,257)**	**(638,530)**	**(621,948)**
Statutory listing expenses		–	–	(113,791)
Add back listing expenses recognised	3	–	–	113,791
Pro forma listing expenses		**–**	**–**	**–**
Statutory fair value adjustment to financial liability		–	–	(2,374,154)
Add back expense recognised	4	–	–	2,374,154
Pro forma expense		**–**	**–**	**–**

$ Period	Notes	FY2019	FY2020	FY2021
Ward statutory loan impairment expense		–	–	(672,238)
Add back expense recognised	5	–	–	672,238
Pro forma expense		**–**	**–**	**–**
Statutory profit/(loss) for the period		**(1,821,355)**	**(1,908,594)**	**(5,229,336)**
Ward profit/(loss) for the period		(1,492,068)	(25,206)	(455,688)
Deduct gain on disposal of convertible notes disclosed by Ward	1	–	–	(115,841)
Listed public company costs	2	(239,000)	(239,000)	(239,000)
Add back of listing expenses	3	–	–	113,791
Add back fair value adjustment to financial liability recognised	4	–	–	2,374,154
Add back Ward loan impairment expense	5	–	–	672,238
Tax impact of Pro Forma adjustments	6	–	–	–
Pro Forma profit/(loss) for the period		**(3,552,423)**	**(2,172,800)**	**(2,879,682)**

Notes:

1. Ward disclosed a gain on disposal of convertible notes of $115,841 during FY2021. This gain is not related to the ongoing operations of Ward and has, therefore, been adjusted as a pro forma adjustment.
2. Listed public company costs, being an estimate of incremental annual costs that will be incurred as a listed company.
3. Listing expenses, being costs incurred in and expensed during FY2021 in relation to the proposed listing of the Company on the ASX, are not related to the ongoing operations of the Company and have, therefore, been adjusted as a pro forma adjustment.
4. The Company undertook a rights issue in August 2020, raising $576k before costs. The rights issue triggered the conversion of existing convertible notes to shares. A fair value loss adjustment of $2,347,154 was recognised at the time of the conversion on the derivative financial liability. This expense is not related to the ongoing operations of the Company and have, therefore, been adjusted as a pro forma adjustment.
5. Ward recognised a loan receivable impairment expense of $672,238 during FY2021 when non-current loan receivables were written down to $nil. This expense is not related to the ongoing operations of Ward and has, therefore, been adjusted as a pro forma adjustment.
6. There is no tax impact in relation to the pro forma adjustments as a result of the tax loss position of Careteq.

(e) Summary of Statutory Historical Income Statements

Table 6.4 sets out Careteq's Statutory Historical Income Statements for FY2019, FY2020 and FY2021.

Table 6.4: Summary of Careteq's Statutory Historical Income Statements

$ Year ended 30 June	Notes	FY2019	FY2020	FY2021
Revenue		5,474	146,458	735,442
Other income		1,254,467	466,948	695,744
Total Revenue		**1,259,941**	**613,406**	**1,431,186**
COGS		(83,728)	(101,552)	(619,448)
Gross Profit		**1,176,213**	**511,854**	**811,738**
Consulting and advisory		(223,856)	(447,075)	(137,841)
Corporate and administration		(287,051)	(171,490)	(282,706)
Employee expenses		(1,998,569)	(1,333,137)	(1,598,898)
Research and development		–	(20,811)	(8,356)
Listing expenses	1	–	–	(113,791)
Share-based expenses		–	–	(506,309)
Inventory impairment		–	–	(129,979)
Fair value adjustment to financial liability	2	–	–	(2,374,154)
Product design		(303)	–	–
Other expenses		(312,584)	(407,214)	(379,891)
Total Operating Expenses		**(2,822,363)**	**(2,379,727)**	**(5,531,925)**
EBITDA		**(1,646,150)**	**(1,867,873)**	**(4,720,187)**
Depreciation and amortisation		(38,031)	(37,472)	(38,717)
EBIT		**(1,684,181)**	**(1,905,345)**	**(4,758,904)**
Interest income		–	847	3
Finance costs		(94,841)	(61,605)	(353,773)
Profit/(Loss) before income tax		**(1,779,022)**	**(1,966,103)**	**(5,112,674)**
Income tax benefit/(expense)		(42,333)	57,509	(116,662)
Loss for the period		**(1,821,355)**	**(1,908,594)**	**(5,229,336)**

Notes:

1. Listing expenses, being costs incurred in and expensed during FY2021 in relation to the proposed listing of the Company on the ASX, are not related to the ongoing operations of the Company and have, therefore, been adjusted as a pro forma adjustment.
2. The Company undertook a rights issue in August 2020, raising $576k before costs. The rights issue triggered the conversion of existing convertible notes to shares. A fair value loss adjustment of $2,347,154 was recognised at the time of the conversion on the derivative financial liability. This expense is not related to the ongoing operations of the Company and have, therefore, been adjusted as a pro forma adjustment.

Table 6.5 sets out Ward's Statutory Historical Income Statements for FY2019, FY2020 and FY2021.

Table 6.5: Summary of Ward's Statutory Historical Income Statements

$ Year ended 30 June	Notes	FY2019	FY2020	FY2021
Revenue		2,538,096	3,821,306	4,455,248
Other income	1	928,389	493,056	180,578
Total Revenue		**3,466,485**	**4,314,362**	**4,635,826**
COGS		(1,457,730)	(2,004,411)	(2,118,063)
Gross Profit		**2,008,755**	**2,309,951**	**2,517,763**
Consulting and advisory		(441,719)	(97,134)	(36,202)
Corporate and administration		(324,206)	(228,040)	(100,242)
Employee expenses		(1,972,147)	(1,519,960)	(1,623,251)
Impairment of loan receivable	2	–	–	(672,238)
Other expenses		(459,487)	(325,181)	(283,478)
Total Operating Expenses		**(3,197,559)**	**(2,170,315)**	**(2,715,411)**
EBITDA		**(1,188,804)**	**139,636**	**(197,648)**
Depreciation and amortisation		(53,762)	–	–
EBIT		**(1,242,566)**	**139,636**	**(197,648)**
Interest income		–	–	–
Finance costs		(249,502)	(164,842)	(187,456)
Profit/(Loss) before income tax		**(1,492,068)**	**(25,206)**	**(385,104)**
Income tax expense		–	–	(70,584)
Loss for the period		**(1,492,068)**	**(25,206)**	**(455,688)**

Notes:

1. Ward disclosed a gain on disposal of convertible notes of $115,841 in other income during FY2021. This gain is not related to the ongoing operations of Ward and has, therefore, been adjusted as a pro forma adjustment.
2. Ward recognised a loan receivable impairment expense of $672,238 during FY2021 when non-current loan receivables were written down to $nil. This expense is not related to the ongoing operations of Ward and has, therefore, been adjusted as a pro forma adjustment.

6.4 Pro Forma Historical Cash Flows

Table 6.6 sets out Careteq's Pro Forma Historical Cash Flows for FY2019, FY2020 and FY2021.

Table 6.6: Summary of Pro Forma Historical Cash Flows

$ Year ended 30 June	Notes	FY2019	FY2020	FY2021
Cash flows from operating activities				
Receipts from customers (inclusive of GST)		2,330,794	3,700,250	5,136,202
Other revenue		2,053,220	1,546,930	1,309,558
Payments to suppliers and employees (inclusive of GST)	1	(7,555,620)	(6,631,517)	(7,408,054)
Interest received/(paid)		–	(164,842)	(46,542)
Net cash used in operating activities		**(3,171,606)**	**(1,549,179)**	**(1,008,836)**
Cash flows from investing activities				
Payments for intangible assets		(111,527)	–	(18,439)
Payments for property, plant and equipment		(21,846)	(8,639)	(4,770)
Payments for security deposits		(9,875)	(2,915)	–
Net cash used in investing activities		**(143,248)**	**(11,554)**	**(23,209)**
Total net cash used in operating and investing activities		**(3,314,854)**	**(1,560,733)**	**(1,032,045)**

Notes:

1. Payments to suppliers and employees includes a pro forma adjustment for incremental listed company costs, representing the estimated incremental annual costs Careteq will incur as a listed company. These incremental costs include annual listing costs, share registry costs, additional directors' fees and additional audit and tax compliance costs.

   The Company recognised listing expenses in FY2021, being costs incurred in and expensed during FY2021 in relation to the proposed listing of the Company on the ASX. These listing expenses incurred are not related to the ongoing operations of the Company and have, therefore, been adjusted as a pro forma adjustment.

(a) Pro forma adjustments to the Statutory Historical Cash Flows

Table 6.7 sets out the pro forma adjustments that have been made to the Statutory Historical Cash Flows to reflect the post-tax cash impact of the pro forma earnings adjustments. These adjustments are summarised and explained in the table below.

Table 6.7: Pro forma adjustments to the Statutory Historical Cash Flows

$ Period	Notes	FY2019	FY2020	FY2021
Statutory total net cash used in operating and investing activities		(2,025,728)	(1,138,473)	(1,519,361)
Ward statutory total net cash used in operating and investing activities		(1,050,126)	(183,260)	612,525
Listed public company costs	1	(239,000)	(239,000)	(239,000)
Add back listing expenses recognised	2	–	–	113,791
Tax impact of Pro Forma adjustments	3	–	–	–
Pro Forma net cash used in operating and investing activities		**(3,314,854)**	**(1,560,733)**	**(1,032,045)**

Notes:

1. Incremental listed company costs represent a pro forma adjustment for the estimated incremental annual costs Careteq will incur as a listed company. These incremental costs include annual listing costs, share registry costs, additional directors' fees and additional audit and tax compliance costs.
2. The Company recognised listing expenses in FY2021, being costs incurred in and expensed during FY2021 in relation to the proposed listing of the Company on the ASX. These listing expenses incurred are not related to the ongoing operations of the Company and have, therefore, been adjusted as a pro forma adjustment.
3. There is no tax impact of the pro forma adjustments due to the current tax loss position of the Company.

(b) Summary of Statutory Historical Cash Flows

Table 6.8 sets out Careteq's Statutory Historical Cash Flows for FY2019, FY2020 and FY2021.

Table 6.8: Summary of Careteq's Statutory Historical Cash Flows

$ Year ended 30 June	Notes	FY2019	FY2020	FY2021
Cash flows from operating activities				
Receipts from customers (inclusive of GST)		5,358	203,132	706,252
Government grants		1,124,831	699,484	744,931
Payments to suppliers and employees (inclusive of GST)	1	(3,012,669)	(2,029,535)	(2,947,338)
Interest received/(paid)		–	–	3
Net cash used in operating activities		**(1,882,480)**	**(1,126,919)**	**(1,496,152)**
Cash flows from investing activities				
Payments for intangible assets		(111,527)	–	(18,439)
Payments for property, plant and equipment		(21,846)	(8,639)	(4,770)
Payments for security deposits		(9,875)	(2,915)	–
Net cash used in investing activities		**(143,248)**	**(11,554)**	**(23,209)**
Total net cash used in operating and investing activities		**(2,025,728)**	**(1,138,473)**	**(1,519,361)**

Notes:

1. Payments to suppliers and employees for FY2021 included listing expenses, being costs incurred in and expensed during FY2021 in relation to the proposed listing of the Company on the ASX. These listing expenses incurred are not related to the ongoing operations of Ward and have, therefore, been adjusted as a pro forma adjustment.

Table 6.9 sets out Ward's Statutory Historical Cash Flows for FY2019, FY2020 and FY2021.

Table 6.9: Summary of Ward's Statutory Historical Cash Flows

$ Year ended 30 June	FY2019	FY2020	FY2021
Cash flows from operating activities			
Receipts from customers (inclusive of GST)	2,325,436	3,497,118	4,429,950
Other revenue	928,389	847,446	564,627
Payments to suppliers and employees (inclusive of GST)	(4,303,951)	(4,362,982)	(4,335,507)
Interest received/(paid)	–	(164,842)	(46,545)
Net cash (used in)/from operating activities	**(1,050,126)**	**(183,260)**	**612,525**
Cash flows from investing activities			
Payments for intangible assets	–	–	–
Payments for property, plant and equipment	–	–	–
Payments for security deposits	–	–	–
Net cash (used in)/from investing activities	**–**	**–**	**–**
Total net cash used in operating and investing activities	**(1,050,126)**	**(183,260)**	**612,525**

6.5 Statutory Historical Statements of Financial Position and Pro Forma Historical Statement of Financial Position

Table 6.10 sets out the Statutory Historical Statement of Financial Position of Careteq and the pro forma adjustments that have been made to prepare the Pro Forma Historical Statement of Financial Position for Careteq.

These adjustments take into account the effect of the acquisition of a 100% equity interest in Ward on 31 August 2021, a pre-IPO capital raising via the issue of convertible notes to raise $4,085,000 (before costs) in September 2021, and the proceeds of the Broker Offer, Institutional Offer and Priority Offer and related transaction costs and pro forma adjustments as if they had occurred as at 30 June 2021.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Careteq's view of its financial position upon completion of the Broker Offer, Institutional Offer and Priority Offer or at a future date. Further information on the sources and uses of funds of the Broker Offer, Institutional Offer and Priority Offer is contained in Section 1.6.

Table 6.10: Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position as at 30 June 2021

$	Careteq Statutory Historical Consolidated Balance Sheet 30-June-2021	Ward Statutory Historical Balance Sheet 30-June-2021	Impact of Pre-IPO issue of convertible notes[1]	Impact of acquisition of 100% of Ward[2]	Impact of the Broker Offer and the Institutional Offer[3]	Impact of the Lead Manager Offer[4]	Careteq Pro Forma Historical Consolidated Balance Sheet at 30 June 2021
Current assets							
Cash and cash equivalents	186,826	195,301	3,685,000	(304,699)	5,329,794	–	8,896,921
Trade and other receivables	480,326	111,899	–	111,899	–	–	592,225
Contract assets	–	448,675	–	448,675		–	448,675
Inventories	93,224	–	–	–	–	–	93,224
Other	9,535	21,147	–	21,147	–	–	30,682
Total current assets	**769,911**	**777,022**	**3,685,000**	**277,022**	**5,329,794**	**–**	**10,061,727**
Non-current assets							
Property, plant and equipment	13,410	–	–	–	–	–	13,410
Intangibles	122,449	–	–	2,028,985	–	–	2,151,434
Other	2,420	–	–	–	–	–	2,420
Total non-current assets	**138,279**	**–**	**–**	**2,028,985**	**–**	**–**	**2,167,264**
Total assets	**908,190**	**777,022**	**3,685,000**	**2,306,007**	**5,329,794**	**–**	**12,228,991**
Current liabilities							
Trade and other payables	1,468,157	507,996	–	507,996	–	–	1,976,153
Employee benefits	167,129	203,682	–	203,682	–	–	370,811
Provision for income tax	–	49,451	–	49,451	–	–	49,451
Borrowings	–	1,335,773	–	75,281	–	–	75,281
Total current liabilities	**1,635,286**	**2,096,902**	**–**	**836,410**	**–**	**–**	**2,471,696**
Non-current liabilities							
Employee benefits	22,742	98,464		98,464	–	–	121,206
Financial liabilities	–	566,723	–	–	–	–	–
Derivative financial liability	–	149,476	–	–	–	–	–
Deferred tax liability	–	21,133	–	21,133	–	–	21,133
Total non-current liabilities	**22,742**	**835,796**	**–**	**119,597**	**–**	**–**	**142,339**
Total liabilities	**1,658,028**	**2,932,698**	**–**	**956,007**	**–**	**–**	**2,614,035**
Net assets	**(749,838)**	**(2,155,676)**	**3,685,000**	**1,350,000**	**5,329,794**	**–**	**9,614,956**
Equity							
Issued capital	10,879,601	300,109	3,685,000	1,350,000	5,555,276	(193,177)	21,276,700
Reserves	1,005,879	–	–	–	–	193,177	1,199,056
Accumulated losses	(12,635,318)	(2,455,785)	–	–	(225,482)	–	(12,860,800)
Total equity	**(749,838)**	**(2,155,676)**	**3,685,000**	**1,350,000**	**5,329,794**	**–**	**9,614,956**

Notes:

1. Adjustment relates to a pre-IPO capital raise of $4,085,000 (before costs) via the issue of convertible notes undertaken in September 2021. The terms of the convertible notes provided that the convertible notes will convert into Shares upon IPO.
2. On 31 August 2021, Careteq acquired 100% of the issued equity of Ward for consideration of $1,850,000 comprising $500,000 paid in cash and the balance in equity. The Vendors of Ward may also be entitled to a Second Payment (as defined in the share purchase agreement) to be calculated as (FY2022 Maintainable EBITDA of Ward x 4) – $1,850,000 +/- Post Completion Working Capital (if applicable). The pro forma adjustments to reflect the acquisition of Ward in the Pro Forma Historical Statement of Financial Position above does not include an adjustment for the Second Payment.
3. The Offer results in the receipt of $6.0m less cash costs of the Offer of $670k. Offer costs associated with the issue of new shares of $445k are offset against issued capital and Offer costs associated with the listing of existing shares of $225k are recognised as an expense.
4. Adjustment relates to the Lead Manager Options to be issued under the Lead Manager Offer. Details of the Lead Manager Offer are set out in Section 8.2. The pro forma fair values at grant date are determined using a binomial option pricing model using the following assumptions:
   (A) Risk free rate of 1.19%;
   (B) Expected dividend yield of 0%;
   (C) Expiry date of 4 years from date of issue;
   (D) Expected volatility of 65%;
   (E) Average fair value of option issued $0.05; and
   (F) Number of options on issue 3 tranches of 1,312,171 Options which totals 3,936,513.

(a) Liquidity and capital resources

Following completion of the Offer, the Company will have on a pro forma basis cash of $9.0m as at 30 June 2021.

The Company expects that it will have sufficient cash to meet its short and medium term operational requirements and other business needs.

(b) Contractual obligations, commitments and contingent liabilities

Careteq has no material contractual commitments or contingent liabilities as at 30 June 2021 or the date of the Offer.

6.6 Management discussion and analysis of the Pro Forma Historical Financial Information

This Section 6.6 includes a discussion of key factors that affected the Careteq's operating and financial performance during the period of the Historical Financial Information.

The discussion in this Section focuses on the Pro Forma financial information. The discussion of these general factors is intended to provide a brief summary only and does not detail all factors that affected the Company's historical operating and financial performance, or everything that may affect the Company's operations and financial performance in the future. The information in this Section 6.6 should be read in conjunction with the risk factors set out in Section 4 and other information contained in this Prospectus.

$ Year ended 30 June	Note	FY2019	FY2020	FY2021
Revenue	6.6(a)	2,543,570	3,967,764	5,190,690
Other income	6.6(a)	2,182,856	960,004	760,481
Total Revenue		**4,726,426**	**4,927,768**	**5,951,171**
Cost of sales		(1,541,458)	(2,105,963)	(2,737,511)
Gross Profit		**3,184,968**	**2,821,805**	**3,213,660**
Consulting and advisory		(665,575)	(544,209)	(174,043)
Corporate and administration		(850,257)	(638,530)	(621,948)
Employee expenses		(3,970,716)	(2,853,097)	(3,222,149)
Research and development		–	(20,811)	(8,356)
Listing expenses		–	–	–
Share-based expenses		–	–	(506,309)
Inventory impairment		–	–	(129,979)
Fair value adjustment to financial liability		–	–	–
Product design		(303)	–	–
Impairment of loan receivable		–	–	–
Other expenses		(772,071)	(732,395)	(663,369)
Total operating expenses	**6.6(b)**	**(6,258,922)**	**(4,789,042)**	**(5,326,153)**
EBITDA		**(3,073,954)**	**(1,967,237)**	**(2,112,493)**
Depreciation and amortisation		(91,793)	(37,472)	(38,717)
EBIT		**(3,165,747)**	**(2,004,709)**	**(2,151,210)**
Interest income		–	847	3
Finance costs		(344,343)	(226,447)	(541,229)
Profit before income tax		**(3,510,090)**	**(2,230,309)**	**(2,692,436)**
Income tax benefit/(expense)		(42,333)	57,509	(187,246)
Profit/(loss) for the period		**(3,552,423)**	**(2,172,800)**	**(2,879,682)**

(a) Revenue and other income

(i) Revenue

With product innovation being the primary focus for the first few years, the company has since begun gearing towards product adoption and scale. More recently, the implementation of strategic plans, selection of channel partners and targeted marketing is seeing an increase in the number of sales opportunities.

Revenue raised by the company has been derived from the following streams:

(A) Capital Sales

(B) Recurring Monthly Subscription (**SaaS**)

(C) Contractual Recurring Revenue

(ii) Capital sales

This revenue is from the upfront sale of the Sofihub Home, Secure, Pro Solutions and Eazense, powered by Sofihub products. These products have been purchased through the Company's wholesale distribution partners. The capital sales products are defined as follows:

(A) Home

This is a personalised and proactive digital companion, that comprises of a hub which is linked to several different sensors placed throughout a person's residence. These sensors are designed to observe movement (or lack of movement) throughout the home.

(B) Secure

Secure is a lightweight, 3G/4G mobile, personal alert system that can issue an emergency SOS to multiple people at the touch of a button.

(C) Pro Solutions

Pro Solutions is a partnership programme where the Company works with selected businesses to integrate our product suite into their specific business requirements. These organisations include Aged Care Services, Home Care Services, Disability & Rehabilitation Services and Security Monitoring.

(D) Eazense, powered by Sofihub

Careteq was awarded a three year contract, with exclusive rights to distribute the Eazense falls detection and vital signs monitoring platform by its manufacturer, Raytelligence (FRA: RTG) in Sweden this year.

Eazense provides a passive and powerful method to monitor residents in their homes and detect falls. This is leading edge technology and represents a major expansion in the Sofihub range.

Eazense operates through the Sofihub portal and can be installed independently or as part of a Sofihub Home system.

(iii) Recurring Monthly Subscriptions (SaaS)

The Recurring Monthly Subscriptions revenue is derived from the registration of Careteq devices onto the Sofihub Portal which provides 24/7 online monitoring. This recurring fee consists of either online access to the proprietary cloud-based portal or a 3G/4G connectivity bundle via a mobile sim card paired with the Sofihub cloud-based portal.

(A) Sofihub Portal

This is a cloud based, state of the art interface that provides access for users of the Sofihub suite to manage their products remotely. Initial setup is completed through the portal by assigning sensors to rooms, nominating carers or emergency contacts, and setting reminders.

(B) 3G/4G Connectivity with Sofihub Portal (SaaS)

This combines a mobile 3G/4G simcard used in conjunction with the Sofihub Portal. This bundle is offered to end users who have purchased devices through a retail wholesale distribution partner.

(iv) Contractual Recurring Revenue

Sales from Careteq's Ward MM division are secured by an average three-year contract with Residential Aged Care (RAC) operators that is paid by the federal government to undertake Residential Medication Management Reviews (RMMR), Home Medicine Reviews (HMR) and Quality Use of Medicine (QUM) reviews.

(v) Other Income

The Company has received several grants since inception which are recognised as Other Income in the financial statements. In May 2017, the company was awarded $1.3 million through the Accelerating Commercialisation matched funding grant from AusIndustry. In October 2017, the Company was further awarded a $1.0 million Disability and Aged Care Services grant from National Aged Care Grants to provide seed funding for adaptive technology projects to enable consumers to stay in their own home. As an innovative technology company, the Company invests significantly in ongoing research and development and subsequently benefits from the Research & Development (R&D) tax incentive which has also been reflected as Other Income in each year.

Summary of other income for the Group is as follows:

(A) $2,182,856 received in FY2019 relating primarily to R&D tax incentive, Disability Aged Care Services Grant and Accelerating Commercialisation Grant;

(B) $960,004 received in FY2020 relating primarily to R&D and COVID-19 related government support; and

(C) $760,481 received in FY2021 relating primarily to R&D and COVID-19 related government support.

(vi) Revenue Recognition Policy

The revenue recognition policies for the principal revenue streams of the Company are:

(A) **Sale of Capital Products:** Revenue is recognised on transfer of products to the customer as this is deemed the point in which control of the products are transferred and there is no longer any ownership or effective control over the products.

(B) **Recurring Monthly Subscription:** SaaS and SIM revenues are recognised on an accrual basis in the month the company is entitled to it.

(C) **Contractual Recurring Revenue:** Sales from Careteq's Ward MM are recognised on an accrual basis in the month the company is entitled to it.

(D) **Other income:** Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Income from (R&D) tax incentive is recognised on an accrual basis in profit before tax once the company is entitled to it.

(b) Operating expenses

(i) Employee benefits expense

Employee cost represents approximately 60% of all expenses and comprises of wages and salaries, and other employee and director's benefits expenses.

Employee benefit expenses decreased by $1.12 million or 28% from $3.97 million in FY2019 to $2.85 million in FY2020. The decrease was primarily driven by reduction in headcount within Ward MM.

Employee benefit expenses increased by $0.37 million or 13% from $2.85 million in FY2020 to $3.22 million in FY2021. The increase was primarily driven by expansion of sales and marketing, technical and commercial capabilities.

(ii) Consulting and advisory

The Company outsources a number of its functions such as sales and marketing which in recent times has been focused on commercialisation of the Sofihub suites of products.

(iii) Corporate and administration

Since restructuring, Careteq has engaged a professional advisory firm to manage its administration of their finances as well as provide consulting services on listing. On an ongoing basis, the Company incurs fees for audits, insurance and legal services.

Corporate and administration costs also include Careteq's estimate of incremental annual costs that it will incur as a listed Company. These incremental costs include annual listing costs, share registry costs, company secretarial costs, additional director fees and additional audit, legal and tax compliance costs.

(iv) Raw materials and consumables used

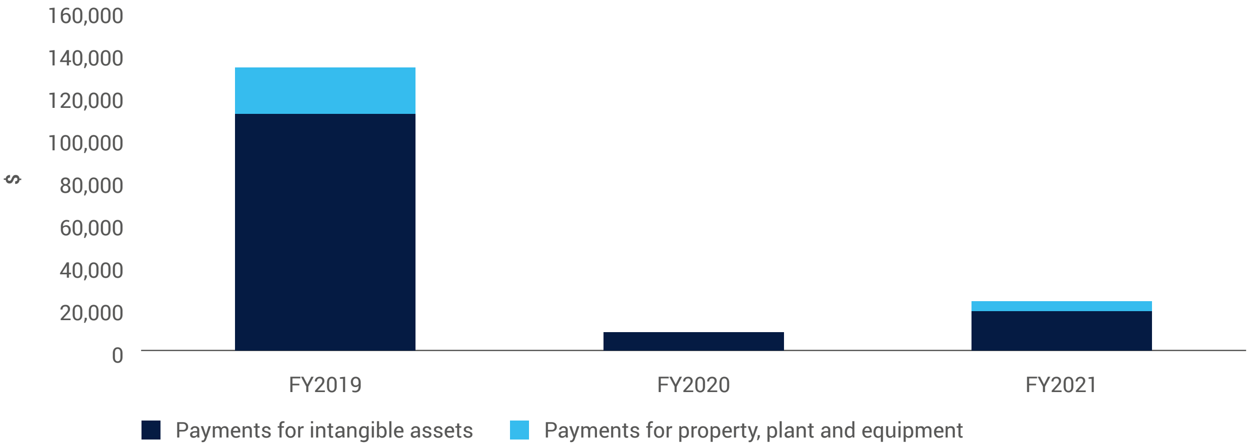
The manufacture of Careteq's products has required specific componentry and proprietary hardware that has been a variable cost. The Company's manufacturing resource planning process has ensured sufficient stock was kept on hand to satisfy client demand as the business scaled.

(v) Research and development

Careteq has constantly strived to improve and update its services and products. Therefore, a large element of the time of the technology department was spent on researching the potential for integrating new features. This then progressed into expanding the software offering, widening the hardware suite of products and ensured that, as a company, it is able to provide state of the art technology to the market.

(c) Capital expenditure

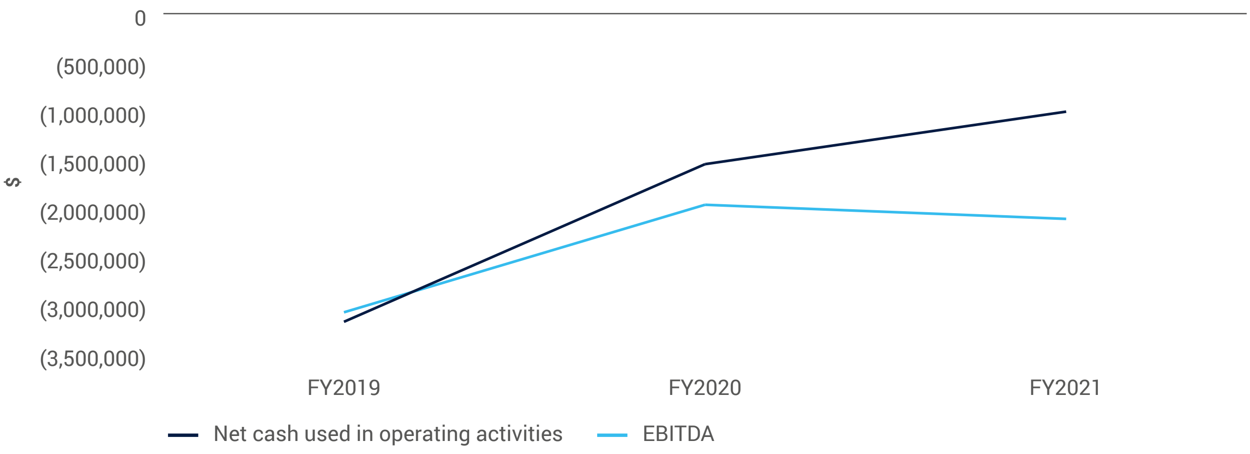
The table below sets out Pro Forma Historical capital expenditure.



Capital expenditure was significant in FY2019 as the Company invested in building its website, additional componentry and inventory to ensure there were satisfactory levels of Sofihub products for its launch in FY2020. In addition, the company also undertook an office refurbishment during the year.

(d) Net cash used in operating cash flows

The figure below sets out Pro Forma Historical net cash used in operating cash flows compared to Pro Forma EBITDA.



Careteq is an early stage company, it has generated net operating cash outflows over the last three financial years. Cash used in operating activities for FY2019 arose as a result of the premature release of the Company's products to the market (which was still in the final stages of development). This resulted in an unsustainable cost base which included commercialising initiatives in the United States of America (U.S) in addition to Australia and New Zealand. This subsequently diverted the Company's focus from generating revenue to compliance, regulation to distribute its products into the US and cash flow management.

Net cash used in operating activities decreased by $1.62 million from $3.17 million in FY2019 to $1.55 million in FY2020 mainly due to:

(i) $0.92 million or 12.2% decrease in payments to suppliers and employees; and

(ii) $1.37 million or 58.8% increase in receipt from customers; offset by

(ii) $0.51 million or 24.7% decrease in other income largely attributable to AC Grant and DACS Grant received in FY2019.

Net cash used in operating activities decreased by $0.54 million from $1.55 million in FY2020 to $1.01 million in FY2021 mainly due to:

(i) $1.44 million or 38.8% increase in receipt from customers; offset by

(ii) 0.78 million or 11.7% increase in payments to suppliers and employees; and

(ii) $0.24 million or 15.3% decrease in other income attributable to a timing difference relating to an R&D claim for Ward Medication Management that will be recognised in FY2022.

(e) Ongoing impact of COVID-19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially negative for the Company up to 30 June 2021, it is not practicable to estimate the ongoing potential impact, positive or negative. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

(f) Jobkeeper disclosures

The table below sets out information in relation to Jobkeeper payments received by Careteq Ltd consistent with the disclosures required by listed entities in accordance with subsection 323DB (1) of the Corporations Act 2001.

Table 6.11: Jobkeeper disclosures

Jobkeeper disclosures	FY2020 #	FY2021 #
The number of individuals for whom Careteq Ltd received a JobKeeper payment for a jobkeeper fortnight that ended in the financial year	11	11
	$'000	$'000
The sum of all jobkeeper payments Careteq Ltd received in a JobKeeper fortnight that ended in the financial year	66	139.5

No Jobkeeper payments received have been voluntarily repaid.

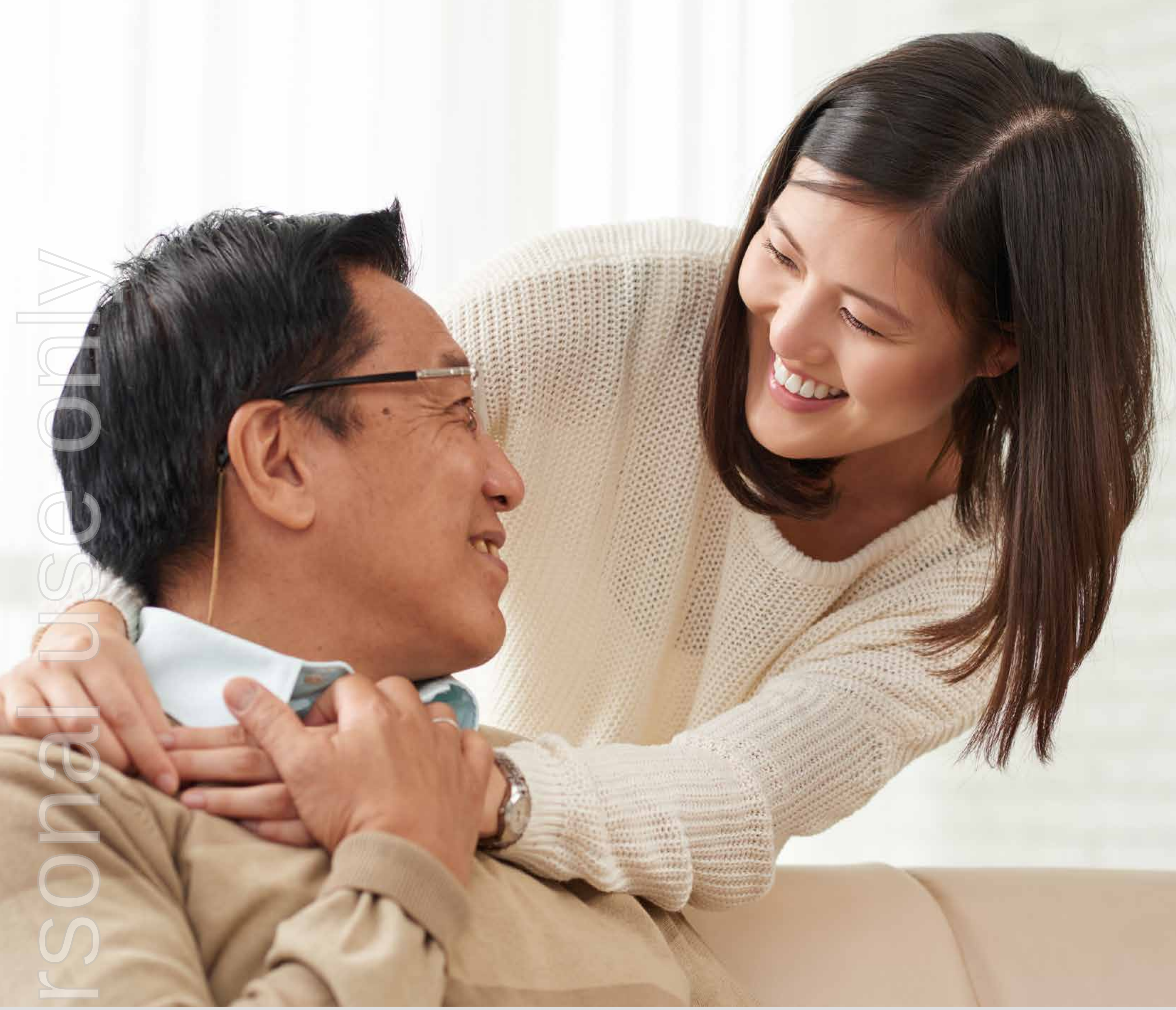
6.7 Critical Accounting Policies

Preparing financial statements in accordance with AAS requires Management to make judgements, estimates and assumptions about the application of accounting policies that affect the reported revenues and expenses, carrying values of assets and liabilities and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods. Judgements Careteq has made in the application of AAS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next financial year are disclosed, where applicable, in the relevant notes to the financial statements. The key areas in which critical estimates and judgements are applied are in respect of share-based payment transactions, allowance for expected credit losses, fair value measurement hierarchy, estimation of useful lives of assets, impairment of non-financial assets other than goodwill and other indefinite life intangible assets, income tax, recovery of deferred tax assets, employee benefits provision and recognition of R&D tax offset receivable, as described in the significant accounting policies outlined in Annexure B.

6.8 Dividend Policy

The extent, timing, and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company.

Careteq's focus in the short to medium term is to focus on the marketing of its online integrated adaptive care platform, as well as undertake operational refinements and further research and development. Accordingly, Careteq does not have any plan or intention to pay a dividend in the immediate future. Payment of any future dividends will depend on Careteq's future profitability and financial position.



7.
Material Contracts

7. Material Contracts

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment as to whether to apply for Shares under the Broker Offer, the Institutional Offer and the Priority Offer. The provisions of such material contracts are summarised in this Section.

7.1 Lead Manager – Offer Management Agreement

On 24 November 2021, the Company entered into an Offer Management Agreement (**OMA**) with Canaccord Genuity (Australia) Limited ACN 075 071 466 (**Canaccord**) pursuant to which Canaccord is appointed a Lead Manager with the power to arrange and manage the Offer, and act as a bookrunner for the Offer.

Under the OMA the Lead Manager will be paid 5% of the proceeds of the Offers, being a minimum of $300,000 less a monthly fee of $10,000 per month from 1 October to the Issue Date based on a $6,000,000 raised under the Offers.

Additionally, the Lead Manager will receive Options as described under the Lead Manager Offer under Section 1.4.

The Company is also required to pay or reimburse the Lead Manager for reasonable costs of and incidental to the offer including:

(a) reasonable legal fees and fees of any professional advisers retained by the Lead Manager in connection with the Offer, up to an amount of $30,000 (excluding GST);

(b) all other reasonable costs, disbursements, expenses and travel (at economy class rates within Australia and business class rates for international air travel) and accommodation expenses) in respect of this agreement and any aspect of the Offer (including any aspect arising after completion of the Offer). Notwithstanding the foregoing sentence, the Company shall only be obligated to reimburse individual expense items (other than legal fees) in excess of $2,000 (excluding GST) where the Lead Manager has obtained the prior written approval; and

(c) reasonable fees of any public relations advisers and printers, any listing, quotation or registration fees, and any reasonable expenses incurred in connection with the qualification of the Offer securities for offer under the laws of the relevant jurisdictions outside Australia, in each case, such fees and expenses as agreed between the Company and the Lead Manager.

The OMA otherwise contains terms and conditions which are considered standard for an agreement of this nature, including those relating to confidentiality, representations and warranties.

7.2 Executive Services Agreement and Director Letter of Appointment – Mr Peter Scala

The Company entered into an executive employment agreement with Mr Peter Scala dated 1 July 2019, pursuant to which Mr Scala serves as Chief Executive Officer and Managing Director of the Company (**Scala Agreement**). Mr Scala commenced his employment in the position from 8 July 2019.

Pursuant to the Scala Agreement, Mr Scala is responsible for assuming and exercising the powers and performing the duties as a Chief Executive Officer and duties vested or assigned to him by any delegate of the Board.

The current remuneration payable to Mr Scala pursuant to the Scala Agreement is $242,000 per annum (including superannuation), including a short-term incentive in the amount of 30% of Mr Scala's base salary on successful achievement of Board approved short-term incentive targets. including a car allowance. Mr Scala may also be paid cash or in equity securities in the Company as a short-term or long-term incentive which is determined at the sole discretion of the Board.

The Scala Agreement is for an indefinite term, continuing until terminated by the Company giving not less than 3 months' written notice of termination or by Mr Scala giving not less than 3 months written notice of termination.

Mr Scala is subject to various restrictive covenants upon the termination of his employment with the Company for a restraint period of 12 months and restraint area covering Victoria, New South Wales, Queensland, South Australia, Tasmania and Western Australia. Mr Scala must not be involved in the solicitation of any client, supplier, group employee and contractor with a view to obtain the custom or supply in a business that is the same or similar to the Company's business, not interfere or induce any group member, clients with the intention to leave their employment and use confidential information during and after his employment with the Company.

The Scala Agreement otherwise contains additional provisions considered standard for agreements of this nature.

Mr Scala has also entered into a Director Letter of Appointment with the Company. Under the terms of the appointment letter Mr Scala will receive no additional remuneration for his directorship (over and above that already paid to him as managing director and chief executive officer). The letter otherwise contains standard terms and conditions that are customary for agreements of this nature.

7.3 Executive Services Agreement and Director Appointment Letter – Mr Alex Boyd

The Company entered into an executive employment agreement with Mr Alex Boyd dated 1 February 2017, pursuant to which Mr Boyd serves as Chief Operating Officer of the Company (**Boyd Agreement**). Mr Boyd commenced his employment in the position from 2017.

Pursuant to the Boyd Agreement, Mr Boyd is responsible for assuming and exercising the powers and performing the duties as an Executive Director.

The current remuneration payable to Mr Boyd pursuant to the Boyd Agreement is $205,700 per annum (including superannuation). Mr Boyd is also eligible for an additional payment of 30% of his base salary on successful achievement of Board approved short-term incentive targets.

The Boyd Agreement is for an indefinite term, continuing until terminated by the Company giving not less than 1 months' notice of termination or by Mr Boyd giving not less than 1 months' written notice of termination.

Mr Boyd is subject to various restrictive covenants upon the termination of his employment with the Company for a restraint period of 6 months and restraint area covering Victoria, New South Wales, Queensland, South Australia, Tasmania and Western Australia. Mr Boyd must not be involved in the solicitation of any client, supplier, group employee and contractor with a view to obtain the custom or supply in a business that is the same or similar to the Company's business, not interfere or induce any group member, clients with the intention to leave their employment and use confidential information during and after his employment with the Company.

The Boyd Agreement otherwise contains additional provisions considered standard for agreements of this nature.

Mr Boyd has also entered into a Director Letter of Appointment with the Company. Under the terms of the appointment letter Mr Boyd will receive no additional remuneration for his directorship (over and above that already paid to him as chief operating officer). The letter otherwise contains standard terms and conditions that are customary for agreements of this nature.

7.4 Executive Services Agreement – DLK Advisory Pty Ltd

The Company entered into an engagement letter with DLK Advisory Pty Ltd on 30 June 2020, pursuant to which the DLK Advisory team will provide to the Company, Chief Financial Officer and Company Secretary services to the Company (**Lilja Agreement**). Pursuant to the agreement, David Lilja is currently providing Chief Financial Officer and Company secretary services to the Company.

Mr Lilja is responsible for assuming and exercising the powers and performing the duties as Chief Financial Officer and Company Secretary. Mr Lilja's responsibilities and obligations include ensuring the Company complies with its regulatory, statutory and disclosure obligations as a public listed company. Responsibilities include actively participating in the periodic preparation and presentation of annual reports, monthly financials, board and committee meetings (including annual general meetings), providing ongoing finance support, compliance obligations, payroll administration and coordinating regulatory and operational compliance.

The current remuneration payable to Mr Lilja as CFO and Company secretary pursuant to the Lilja Agreement is $135,000 per annum (excluding superannuation). Additional services not covered by the Lilja Agreement is subject to a separate fee quote prior to any commencement of such advice or special project.

Additionally, the Lilja Agreement provides that $50,000 of the $135,000 will be paid by way of convertible notes issued to Mr Lilja as outlined in the email sent by the Company to Mr Lilja dated 25 June 2019.

The Lilja Agreement is for an indefinite term, continuing until terminated by the Company giving not less than 1 months' written notice or by Mr Lilja giving not less than 1 months' written notice of termination.

The Lilja Agreement otherwise contains additional provisions considered standard for agreements of this nature.

7.5 Non-Executive Chairman – Mark Simari

Mr Simari has entered into a letter agreement with the Company pursuant to which the Company has agreed to pay Mr Simari $120,000 per annum (including superannuation) for services provided to the Company as non-executive chairman (including for services to any sub-committees of the Board).

Mr Simari's duties includes attending board and committee meetings and advising on the strategic direction and control of the business of the Company.

The letter otherwise contains standard terms and conditions that are customary for agreements of this nature.

7.6 Non-Executive Directors

(a) Brett Cheong

Mr Cheong has entered into a letter agreement with the Company pursuant to which the Company has agreed to pay Mr Cheong $36,000 per annum (including superannuation) for services provided to the Company as non-executive director, (including for services to any sub-committees of the Board).

The letter otherwise contains standard terms and conditions that are customary for agreements of this nature.

(b) Stephen Munday

Mr Munday, was appointed as a non-Executive Director of the Company on 8 November 2021 through a letter of appointment. The Company has agreed to pay Mr Munday $36,000 per annum (including superannuation) for services provided to the Company as non-executive director, (including for services to any sub-committees of the Board).

The letter otherwise contains standard terms and conditions that are customary for agreements of this nature.

7.7 Deeds of indemnity, insurance and access

The Company is party to a deed of indemnity, insurance and access with each of the Directors and the Company Secretary. Under these deeds, the Company indemnifies the relevant Director/Company Secretary to the extent permitted by law against any liability arising as a result of the Director or officer acting as a director or officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director or officer and must allow the Directors and officers to inspect board papers in certain circumstances. The deeds are considered standard for documents of this nature.

7.8 Reseller distribution agreements

The Company also has the following reseller distribution agreements as part of its key distribution channel partners in Australia to the aged care and assisted living industry sector. Unless specified below, the Company acknowledges that the reseller may not distribute or sell other products or services that are competitive with the Sofihub products during the term.

All reseller distribution agreements otherwise contains terms and conditions (including indemnifications, liability, warranties related to the supply and purchase, delivery and risk, price payment, distribution, advertising efforts, maintenance of insurance policies and standard privacy and confidentiality provisions) which are considered standard for agreements of this nature.

Set out below are the material terms that are specific to each reseller distribution agreement.

7. Material Contracts continued

(a) Harvey Norman retail supplier agreement, Harvey Norman commercial division franchisee NSW, Harvey Norman Holdings Limited franchisee QLD

The Company entered into various supply agreements with Harvey Norman Holdings Limited, namely the Harvey Norman retail supplier agreement dated 4 September 2020, the Harvey Norman commercial division franchisee agreement for New South Wales dated 27 March 2020 and the Harvey Norman commercial division franchisee agreement for Queensland dated 27 March 2020. The additional terms specific to these supplier agreements are as follows:

Term:	The term of the agreements continue unless either party terminates by giving 30 days' notice.
Product:	Harvey Norman distributes the following Sofihub products, home, beacon and secure.
Termination:	With respect to the Harvey Norman retail supplier agreement and the Harvey Norman commercial division franchisee agreements for NSW and QLD, either party may terminate for convenience with 30 days' notice.
Change of control:	With respect to the Harvey Norman retail supplier agreement, Harvey Norman Holdings Limited may terminate the contract if a change of control event occurs. The Company must notify Harvey Norman Holdings Limited within 14 days of a change of control occurring in relation to the Company or any change to the information provided by the Company in the application or any information later provided by the Company to Harvey Norman Holdings Limited. This is not limited to where there is a change in the officeholders or managers of the Company.

(b) Officeworks

The Company entered into a reseller agreement with Officeworks on 14 June 2021. The additional terms specific to this reseller agreement are as follows:

Term:	The agreement will continue until terminated by either party.
Product:	Officeworks distributes the following Sofihub products, Home and Secure.
Termination	The company may terminate the agreement by providing 90 days' prior written notice. Officeworks may terminate the agreement immediately if the Company is unable to demonstrate a commitment to comply with the Ethical Sourcing & Modern Slavery Policy (ESMS Policy).
IP Licence:	The Company authorises Officeworks to use any videos, photos, graphics, text, social media posts and other items, including or incorporating Intellectual Property Rights, created, provided, used or owned by the Company for the purpose of marketing and advertising the products by Officeworks

(c) Aidacare Pty Ltd (Aidacare)

The Company entered into a reseller agreement with Aidacare Pty Ltd on 29 July 2020 and a subsequent extension agreement dated 29 September 2021 for a further 12 months from 29 July 2021. The additional terms specific to this reseller agreement are as follows:

Term:	29 July 2021 for 12 months.
Product:	Aidacare distributes the following Sofihub products, Home and Secure.
Termination:	The Company may immediately terminate the agreement without cause by giving 90 days written notice.
Exclusivity:	The agreement is not exclusive however exclusivity may be negotiated on an agreed volumes of Sofihub product sales in Australia. Aidacare may not distribute or sell other products or services that are competitive with the Sofihub products during the 12 month term unless otherwise agreed by the Company.
Minimum purchase order:	In order to maintain this agreement and be eligible for wholesale pricing, Aidacare agrees to purchase a minimum order value of Sofihub products amounting to $15,000.00 (annually), within 6 months of the commencement date, no less than 50% of the minimum order value must be purchased.

(d) Barter Technologies Pty Ltd t/a/OrderPoint (Barter Technologies)

The Company entered into a reseller agreement with Barter Technologies Pty Ltd t/a Order Point on 1 March 2020 and a subsequent extension agreement dated 29 September 2021 for a further 12 months from 21 March 2021. The additional terms specific to this reseller agreement are as follows:

Term:	21 March 2021 for 12 months.
Product:	Barter Technologies distributes the following Sofihub products, Home and Secure.
Termination:	The Company may immediately terminate the agreement without cause by giving 90 days written notice.
Exclusivity:	The agreement is not exclusive however exclusivity may be negotiated on an agreed volumes of Sofihub product sales in Australia. Barter Technologies may not distribute or sell other products or services that are competitive with the Sofihub products during the 12 month term unless otherwise agreed by the Company.
Minimum purchase order:	In order to maintain this agreement and be eligible for wholesale pricing, Barter Technologies agrees to purchase a minimum order value of Sofihub products amounting to $15,000.00 (annually), within 6 months of the commencement date, no less than 50% of the minimum order value must be purchased.

(e) BMR Group

The Company entered into a reseller agreement with BMR Group on 10 February 2020 and a subsequent extension agreement dated 29 September 2021 for a further 12 months from 21 February 2021. The additional terms specific to this reseller agreement are as follows:

Term:	21 February 2021 for 12 months.
Product:	BMR Group distributes the following Sofihub products, Home and Secure.
Termination:	Either party may immediately terminate the agreement without cause by giving 90 days written notice.
Exclusivity:	The agreement is not exclusive however exclusivity may be negotiated on an agreed volumes of Sofihub product sales in Australia. BMR Group may not distribute or sell other products or services that are competitive with the Sofihub products during the 12 month term unless otherwise agreed by the Company.
Minimum purchase order:	In order to maintain this agreement and be eligible for wholesale pricing, BMR Group agrees to purchase a minimum order value of Sofihub products amounting to $15,000.00 (annually), within 6 months of the commencement date, no less than 50% of the minimum order value must be purchased.

(f) Statewide Home Health Care

The Company entered into a reseller agreement with Statewide Home Health Care on 21 September 2020 and a subsequent extension agreement dated 29 September 2021 for a further 12 months from 21 September 2021. The additional terms specific to this reseller agreement are as follows:

Term:	21 September 2021 for 12 months.
Product:	Statewide Home Health Care distributes the following Sofihub products, Home and Secure.
Termination:	The Company may immediately terminate the agreement without cause by giving 90 days written notice.
Exclusivity:	The agreement is not exclusive however exclusivity may be negotiated on an agreed volumes of Sofihub product sales in Australia. Statewide Home Health Care may not distribute or sell other products or services that are competitive with the Sofihub products during the 12 month term unless otherwise agreed by the Company.
Minimum purchase order:	In order to maintain this agreement and be eligible for wholesale pricing, Statewide Home Health Care agrees to purchase a minimum order value of Sofihub products amounting to $15,000.00 (annually), within 6 months of the commencement date, no less than 50% of the minimum order value must be purchased.
IP Licence:	Statewide Home Health Care is granted a non-exclusive licence to use the Company's promotional material in connection with the Sofihub products during the term.

(g) Videopro Audio Visual Technology (Videopro Audio)

The Company entered into a reseller agreement with Videopro Audio Visual Technology on 10 February 2020 and a subsequent extension agreement dated 29 September 2021 for a further 12 months from 21 February 2021. The additional terms specific to this reseller agreement are as follows:

Term:	21 February 2021 for 12 months.
Product:	Videopro AV distributes the following Sofihub products, Home and Secure.
Termination:	The Company may immediately terminate the agreement without cause by giving 90 days written notice.
Exclusivity:	The agreement is not exclusive however exclusivity may be negotiated on an agreed volumes of Sofihub product sales in Australia. Videopro Audio Visual Technology may not distribute or sell other products or services that are competitive with the Sofihub products during the 12 month term unless otherwise agreed by the Company.
Minimum purchase order:	In order to maintain this agreement and be eligible for wholesale pricing, Videopro Audio Visual Technology agrees to purchase a minimum order value of Sofihub products amounting to $15,000.00 (annually), within 6 months of the commencement date, no less than 50% of the minimum order value must be purchased.
IP Licence:	Videopro Audio is granted a non-exclusive licence to use the Company's promotional material in connection with the Sofihub products during the term.

(h) Cloud Strike Pty Ltd (Cloud Strike)

The Company entered into a reseller agreement with Cloud Strike Pty Ltd on 5 March 2020 and a subsequent extension agreement dated 29 September 2021 for a further 12 months from 21 March 2021. The additional terms specific to this reseller agreement are as follows:

Term:	21 September 2021 for 12 months.
Product:	Cloud Strike distributes the following Sofihub products, Home and Secure.
Termination:	The Company may immediately terminate the agreement without cause by giving 90 days written notice.
Exclusivity:	The agreement is not exclusive however exclusivity may be negotiated on an agreed volumes of Sofihub product sales in Australia. Cloud Strike may not distribute or sell other products or services that are competitive with the Sofihub products during the 12 month term unless otherwise agreed by the Company.
Minimum purchase order:	In order to maintain this agreement and be eligible for wholesale pricing, Cloud Strike agrees to purchase a minimum order value of Sofihub products amounting to $15,000.00 (annually), within 6 months of the commencement date, no less than 50% of the minimum order value must be purchased.
IP Licence:	Cloud Strike is granted a non-exclusive licence to use the Company's promotional material in connection with the Sofihub products during the term.

(i) Smart Product Solutions Ltd (Comfort Keepers)

The Company entered into a reseller agreement with Smart Product Solutions Pty Ltd on 10 February 2020 and a subsequent extension agreement dated 29 September 2021 for a further 12 months from 21 May 2021. The additional terms specific to this reseller agreement are as follows:

Term:	21 May 2021 for 12 months.
Product:	Comfort Keepers distributes the following Sofihub products, Home and Secure.
Termination:	The Company may immediately terminate the agreement without cause by giving 90 days written notice.
Exclusivity:	The agreement is not exclusive however exclusivity may be negotiated on an agreed volumes of Sofihub product sales in Australia. Comfort Keepers may not distribute or sell other products or services that are competitive with the Sofihub products during the 12 month term unless otherwise agreed by the Company.
Minimum purchase order:	In order to maintain this agreement and be eligible for wholesale pricing, Comfort Keepers agrees to purchase a minimum order value of Sofihub products amounting to $15,000.00 (annually), within 6 months of the commencement date, no less than 50% of the minimum order value must be purchased.
IP Licence:	Comfort Keepers is granted a non-exclusive licence to use the Company's promotional material in connection with the Sofihub products during the term.

(j) Intelligent Home Pty Ltd (Intelligent Home)

The Company entered into a reseller agreement with Intelligent Home Pty Ltd on 24 March 2020 and a subsequent extension agreement dated 29 September 2021 for a further 12 months from 21 March 2021. The additional terms specific to this reseller agreement are as follows:

Term:	21 March 2021 for 12 months.
Product:	Intelligent Homes distributes the following Sofihub products, Home and Secure.
Termination:	The Company may immediately terminate the agreement without cause by giving 90 days written notice.
Exclusivity:	The agreement is not exclusive however exclusivity may be negotiated on an agreed volumes of Sofihub product sales in Australia. Intelligent Home may not distribute or sell other products or services that are competitive with the Sofihub products during the 12 month term unless otherwise agreed by the Company.
Minimum purchase order:	In order to maintain this agreement and be eligible for wholesale pricing, Intelligent Home agrees to purchase a minimum order value of Sofihub products amounting to $15,000.00 (annually), within 6 months of the commencement date, no less than 50% of the minimum order value must be purchased.
IP Licence:	Intelligent Home is granted a non-exclusive licence to use the Company's promotional material in connection with the Sofihub products during the term.

(k) KJM Group Pty Ltd (KJM Group)

The Company entered into a reseller agreement with KJM Group Pty Ltd on 17 February 2020 and a subsequent extension agreement dated 29 September 2021 for a further 12 months from 21 February 2021. The additional terms specific to this reseller agreement are as follows:

Term:	21 February 2021 for 12 months.
Product:	KJM Group distributes the following Sofihub products, Home and Secure.
Termination:	The Company may immediately terminate the agreement without cause by giving 90 days written notice.
Exclusivity:	The agreement is not exclusive however exclusivity may be negotiated on an agreed volumes of Sofihub product sales in Australia. KJM Group may not distribute or sell other products or services that are competitive with the Sofihub products during the 12 month term unless otherwise agreed by the Company.
Minimum purchase order:	In order to maintain this agreement and be eligible for wholesale pricing, KJM Group agrees to purchase a minimum order value of Sofihub products amounting to $15,000.00 (annually), within 6 months of the commencement date, no less than 50% of the minimum order value must be purchased.
IP Licence:	KJM Group is granted a non-exclusive licence to use the Company's promotional material in connection with the Sofihub products during the term.

(l) Nathan Stevenson t/a Premier Hi Fi (Premier Hi Fi)

The Company entered into a reseller agreement with Nathan Stevenson t/a Premier Hi Fi on 25 March 2020 and a subsequent extension agreement dated 29 September 2021 for a further 12 months from 21 March 2021. The additional terms specific to this reseller agreement are as follows:

Term:	21 March 2021 for 12 months.
Product:	Premier HiFi distributes the following Sofihub products, Home and Secure.
Termination:	Either party may immediately terminate the agreement without cause by giving 90 days written notice.
Exclusivity:	The agreement is not exclusive however exclusivity may be negotiated on an agreed volumes of Sofihub product sales in Australia. Premier Hi Fi may not distribute or sell other products or services that are competitive with the Sofihub products during the 12 month term unless otherwise agreed by the Company.
Minimum purchase order:	In order to maintain this agreement and be eligible for wholesale pricing, Premier Hi Fi agrees to purchase a minimum order value of Sofihub products amounting to $15,000.00 (annually), within 6 months of the commencement date, no less than 50% of the minimum order value must be purchased.
IP Licence:	Premier Hi Fi is granted a non-exclusive licence to use the Company's promotional material in connection with the Sofihub products during the term.

(m) Lacklands LP

The Company entered into a distributor agreement with Lacklands LP dated 11 March 2021 for a term of 12 months. The additional terms specific to this distributor agreement are as follows:

Term:	30 March 2021 for 12 months.
Product:	Lacklands LP is appointed to sell the Sofihub products in New Zealand to the aged care and assisted living verticals industry sector. The products include Sofihub home and beacon.
Termination:	The Company may immediately terminate the agreement without cause by giving 90 days written notice.
Exclusivity:	The Company grants the exclusive right to Lacklands LP to resell the products within the regions of New Zealand. Lacklands LP agrees to exclude all security and telecommunications vertical industry sectors from all resale efforts and understands that failure to do so may result in the termination of this agreement.
Minimum purchase order:	In order to maintain this agreement and be eligible for wholesale pricing, Lacklands LP agrees to purchase a minimum order value of Sofihub products amounting to $15,000.00 (annually), within 6 months of the commencement date, no less than 50% of the minimum order value must be purchased.
IP Licence:	Lacklands LP is granted a non-exclusive licence to use the Company's promotional material in connection with the Sofihub products during the term.

(n) Raytelligence AB

The Company entered into an exclusive reseller agreement with Raytelligence AB on 20 May 2021 for a term of 3 years. The additional terms specific to this reseller agreement are as follows:

Term:	20 May 2021 for a term of 3 years. The agreement is automatically extended for further 1 year terms. Raytelligence AB has sole discretion at any time from time to time to discontinue the service, distribution of any or all of the products. Notice will be provided to the Company at least 12 months in advance.
Product:	Raytelligence AB has developed and desires to advertise, promote market and distribute the product, Eazense (**product**). The Company has obtained the right to act as an independent reseller of the products. The Company has been granted by Raytelligence AB, an initial 36 month exclusive right to sell the Eazense products in New Zealand to the aged care and assisted living verticals industry sector. The Company has also been granted by Raytelligence AB to act as an independent reseller of the product in the United States as a non-exclusive reseller.
Termination:	Either party may immediately terminate the agreement for any material breach that is not cured to the non-breaching party's satisfaction within 10 days of written notice specifying the breach. If the agreement is not to be renewed, 60 days written notice is required.

Exclusivity:	Raytelligence AB has granted a 36 month exclusive right within Australia and New Zealand to the Company to promote and resell the product, EaZense. The Company is also an independent reseller of the product in the United States of America as a non-exclusive reseller. Raytelligence AB may revoke such exclusivity should the Company fail to sell a minimum of 50 product units within the first 18 months of the agreement. The Company may not authorise or appoint any dealers, sub-resellers, agents, representatives, subcontractors or other third parties to advertise, promote, resell, or distribute the product without written authorisation from Raytelligence.
Setting a retail price:	No commissions are paid to Raytelligence. In addition, Raytelligence has the right to set the retail price within the assigned territory without consulting the Company.

7.9 United States and Europe reseller distribution agreements

(a) Kew Investments Inc

The Company entered into a sales and distribution agreement with Kew Investments Inc on 11 September 2020. The additional terms specific to this sales and distribution agreement are as follows:

Term:	1 September 2020 for 12 months plus a further 1 year as an automatic renewal unless terminated by either party.
Product:	The Company authorises Kew Investments Inc to sell and distribute the products in the United States, Canada and Mexico to retailers and system integrators. The products include Sofihub home and beacon.
Termination:	Either party may immediately terminate the agreement without cause by giving 60 days written notice.
Exclusivity:	The agreement is not exclusive.

7.10 Ward Agreements

Ward Share Purchase Agreement

On 5 July 2021 the Company entered into a share purchase agreement (**SPA**) to acquire 100% of the share capital in Ward Health Group Pty Ltd ACN 079 817 637 (**Ward Company**) (trading as Ward Medication Management). The consideration comprised of $500,000 paid in cash and the balance in equity (then equating to 9% of the Company when aggregated across all vendors) which is held by the vendors of Ward Medication Management. The SPA was completed on 31 August 2021. A further, second contingent payment may be payable to the vendors post completion by the Company as further detailed below.

The vendors are not related parties of the Company and prior to completion of the SPA had no other relationship to the Company of any kind.

The key provisions of the SPA which remain relevant post-completion are:

(a) (**Indemnities**) The Company has the benefit of a number of indemnities, including in respect of any related party amounts which remain after completion, breach of warranties, tax indemnities (relating to taxes in connection with the pre-completion period) and any pre-completion contractual obligations which have not been discharged.

(b) (**Second Payment**) A second payment to the vendors is contingent on the financial performance of the Ward Company in accordance with the following formula: Second payment = ((FY22 Maintainable EBITDA x 4) – $1,850,000) +/- post completion working capital difference (if applicable).

"FY22 Maintainable EDITDA" is defined in the SPA as the maintainable EBITDA (taking its ordinary meaning) calculated from the audited accounts of the Ward Company in respect of the financial year ending 30 June 2022, in accordance with detailed principles agreed in the SPA.

The principles for the calculation have the effect of adjustments to remove:

- non-recurring, abnormal, or extraordinary revenue and expense items;
- increased operation cost, having regard to estimated revenue forecasts,
- pipeline of opportunities and business capacity; and
- any increased operation costs incurred post completion attributable to the purchaser.

The adjustments also include (but are not limited to) items derived outside the true operation activities of the Ward Company, a new executive contract compared to current contract payments, the removal of related party amounts or amounts derived under a related party arrangement and the removal of any contributions received in a prior accounting period but reflected as income in current accounting periods.

If application of the above formula results in a negative or nil amount, no payment is required to be made by the Company to the vendors, nor are the vendors required to repay any previously paid cash amount. If application of the formula results in a positive amount, the second payment amount is to be paid by the Company in either cleared funds, or in Shares as agreed between the parties, and must be paid within 15 days of the second payment amount being determined (i.e. no later than 15 October 2022). The SPA also includes a dispute resolution procedure in respect of a dispute regarding the Second Payment, which involves final determination by an independent expert with costs to be shared equally.

The SPA provides that the Second Payment is to be paid in cash, or if both parties agree, in Shares at a price per Share to be agreed between the parties at the time. If any Shares are issued in full or partial settlement of the Second Payment, they will rank equally with all other Shares on issue, having the rights set out in Section 8.1 of this Prospectus. Importantly, the Company is not under an obligation to settle in Shares and in considering any request to settle in Shares, will have regard to the Listing Rules, the principles set out in ASX Guidance Note 19 and any specific requirements of the ASX.

(c) (**Post completion obligations**) There are obligations on the vendors to provide any and all information necessary about the business and affairs of Ward Medication Management for the period after completion, up until the second payment is made. Additionally, the Company has obligations to the vendor with regard to the preparation of the FY22 accounts of the Ward Company.

(d) (**Non-compete**) Non-compete obligations attach to the vendors including, among other things, restraints relating to:

- Carrying on, being engaged or involved in any trade, business or undertaking which is the same or substantially similar to, or competes with, any business of the Company;
- Soliciting, canvassing or enticing away customers, clients or business partners;
- Employing, soliciting or enticing away any officer, consultant, manager or employee of the company; or
- Otherwise interfering with the relationship between the Company and its customers, clients, suppliers, business partners, officers, employees, contractors or consultants.

The SPA otherwise contains terms and conditions that are considered standard for agreements of this nature.

The Ward business acquired pursuant to the SPA involves the provision of geriatric clinical pharmacy decision support to general practitioners and a tailored medication plan for the patient. There are a number of contracts with various residential aged care operators to undertake residential medication management reviews (**RMMR**), home medicine reviews (**HMR**) and quality use of medicine (**QUM**) reviews. For clarity, references to 'the Company' is a reference to the Ward Health Group Pty Ltd as acquired by Careteq Limited. There are 10 aged care groups that make up over 80% of the contracted bed numbers. These are reflected in the RMMR and QUM agreements which are summarised below.

RMMR AGREEMENTS

The Commonwealth provides funds to the provision of approved RMMR service providers of RMMR services to eligible aged care facilities. In the Company's engagement with these aged care facilities, it has also applied to the pharmacy programs administrator to become an approved RMMR service provider. The Company (as '**provider**') has subsequently entered into various RMMR agreements to provide RMMR service to eligible residents of aged care facilities. The RMMR service include the systematic evaluation and management of a patient's medication regimen which from time to time is requested by the patient's medical practitioner, the authorised accredited pharmacist or the accredited pharmacist. The Commonwealth or the Pharmacy Programs Administrator or the Pharmacy Guild of Australia may grant prior approval without the request and collaboration of the patient's medical practitioner.

Each agreement contains termination rights that require the provider to give notice of the termination to the relevant Pharmacy Programs Administrator or Pharmacy Guild of Australia within 30 days of the termination date and either party may terminate within 30 days' notice.

All RMMR agreements otherwise contain terms and conditions (including compliance with regulatory approvals, standard privacy and confidentiality provisions, facility obligations, provider's obligations, records and reports, remuneration and notice requirements) considered standard for agreements of this nature.

Set out below are additional terms that are specific to each RMMR agreement:

(a) Bupa Aged Care Australia Pty Ltd

The Company's RMMR agreement with Bupa Aged Care Australia was originally dated 11 November 2019. There is an additional RMMR contract amendment dated 20 November that amends the contract term to be effective from 1 November 2020 to 11 November 2024. The amendment removes the exclusivity clause from the agreement. The additional terms specific to this agreement are as follows:

Term:	1 November 2020 to 11 November 2024.
Product:	The Company has proposed to apply to the Pharmacy Programs Administrator to become an approved RMMR service provider in order to satisfy the funding provisions of the Commonwealth for the approved RMMR service providers of RMMR services to eligible residents of aged care facilities and multi purpose service. The RMMR Service can only be provided by the Company or an authorised accredited pharmacist. The authorised accredited pharmacist is identified by the Company in its application to the Pharmacy Guild of Australia as an approved RMMR service provider. The RMMR service include the evaluation and management of a patient's medication regimen in the context of other clinical information including the patient's health status. This includes other clinical information as requested by the patient's medical practitioner, the accredited pharmacist or as permitted by the Commonwealth or Pharmacy Guild to be provided without the request and collaboration of the patient's medical practitioner.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Guild of Australia within 30 days of the termination date.
Multiple Site Listing:	The agreement covers multiple sites in New South Wales.

(b) Estia Investments Pty Ltd

The Company's RMMR agreement with Estia Investments Pty Ltd is dated 9 July 2020. The additional terms specific to this agreement are as follows:

Term:	30 June 2020 to 30 June 2023.
Product:	The Company has proposed to apply to the Pharmacy Programs Administrator to become an approved RMMR service provider in order to satisfy the funding provisions of the Commonwealth for the approved RMMR service providers of RMMR services to eligible residents of aged care facilities and multi purpose service. The RMMR Service can only be provided by an accredited pharmacist who has a relationship with the Company. The accredited pharmacist refers to a registered pharmacist who holds a valid accreditation certificate to provide the RMMR services. The RMMR services include the evaluation and management of a patient's medication regimen in the context of other clinical information including the patient's health status. This includes other clinical information as requested by the patient's medical practitioner, the accredited pharmacist or as permitted by the Commonwealth or Pharmacy Programs Administrator to be provided without the request and collaboration of the patient's medical practitioner.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Programs Administrator within 30 days of the termination date.
Multiple Site Listing:	The agreement covers multiple sites in Victoria, New South Wales, South Australia, Queensland.

(c) Japara Corymbia and Japara Trugo Place

The Company's RMMR agreements with Japara Corymbia is dated 21 May 2020 and for Japara Trugo Place, dated 28 July 2021. An additional variation letter confirms the services of Japara Homes to extend to Japara Corymbia and Japara Trugo Place commencing 1 June 2021 and 22 February 2022 respectively. The additional terms specific to these agreements are as follows:

Term for Japara Corymbia:	1 June 2021 to 15 July 2022.
Term for Japara Trugo Place:	22 February 2021 to 15 July 2022.
Product:	The Company has proposed to apply to the Pharmacy Programs Administrator to become an approved RMMR service provider in order to satisfy the funding provisions of the Commonwealth for the approved RMMR service providers of RMMR services to eligible residents of aged care facilities and multi purpose service. The RMMR service can only be provided by an accredited pharmacist who has a relationship with the Company. The accredited pharmacist refers to a registered pharmacist who holds a valid accreditation certificate to provide the RMMR services. The RMMR service includes the evaluation and management of a patient's medication regimen in the context of other clinical information including the patient's health status. This includes other clinical information as requested by the patient's medical practitioner, the accredited pharmacist or as permitted by the Commonwealth or Pharmacy Programs Administrator to be provided without the request and collaboration of the patient's medical practitioner.

Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Programs Administrator within 30 days of the termination date.

(d) Japara Aged Care Services Pty Ltd: Robina Rise Residential Care

The Company's RMMR agreement with Japara Aged Care Services Pty Ltd: Robina Rise Residential Care is dated 17 April 2019. The additional terms specific to this agreement are as follows:

Term:	15 July 2019 to 15 July 2022.
Product:	The Company has proposed to apply to the Pharmacy Guild of Australia to become an approved RMMR service provider in order to satisfy the funding provisions of the Commonwealth for the approved RMMR service providers of RMMR services to eligible residents of aged care facilities and multi-purpose service. The RMMR service can only be provided by the Company or an authorised accredited pharmacist. The authorised accredited pharmacist is identified by the Company in its application to the Pharmacy Guild of Australia as an approved RMMR service provider. The RMMR services include the evaluation and management of a patient's medication regimen in the context of other clinical information including the patient's health status. This includes other clinical information as requested by the patient's medical practitioner, the authorised accredited pharmacist or as permitted by the Commonwealth or Pharmacy Guild of Australia to be provided without the request and collaboration of the patient's medical practitioner.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Guild of Australia within 30 days of the termination date.
Exclusivity:	Japara Aged Care Services Pty Ltd: Robina Rise must not during the term enter into any arrangement with a person other than the Company for the provision of services that are the same as or substantially similar to the RMMR services covered by the agreement.

(e) Allity Pty Ltd

The Company's RMMR agreement with Allity Pty Ltd Australia is dated 2 June 2020. The additional terms specific to this agreement are as follows:

Term:	1 July 2020 to 30 June 2023.
Renewal:	There is an additional renewal option of two, 12 month periods. The renewal option is to be exercised at the discretion of Allity Pty Ltd with 30 days written notice, prior to the expiry of the term.

Product:	The Company has proposed to apply to the Pharmacy Programs Administrator to become an approved RMMR service provider in order to satisfy the funding provisions of the Commonwealth for the approved RMMR service providers of RMMR service to eligible residents of aged care facilities and multi purpose service. The RMMR service can only be provided by an accredited pharmacist who has a relationship with the Company. The accredited pharmacist refers to a registered pharmacist who holds a valid accreditation certificate to provide the RMMR service. The RMMR service includes the evaluation and management of a patient's medication regimen in the context of other clinical information including the patient's health status. This includes other clinical information as requested by the patient's medical practitioner, the accredited pharmacist or as permitted by the Commonwealth or Pharmacy Programs Administrator to be provided without the request and collaboration of the patient's medical practitioner.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Programs Administrator within 30 days of the termination date.
Multiple Site Listing:	The agreement covers multiple sites in Victoria, New South Wales, South Australia, Queensland.

(f) RSL Care RDNS Limited t/a Bolton Clarke (RSL Care)

The Company's RMMR agreement with RSL Care RDNS Limited t/a Bolton Clarke is dated 19 June 2019. The additional terms specific to this agreement are as follows:

Term:	1 July 2019 to 30 June 2022.
Product:	The Company has proposed to apply to the Pharmacy Guild of Australia to become an approved RMMR service provider in order to satisfy the funding provisions of the Commonwealth for the approved RMMR service providers of RMMR service to eligible residents of aged care facilities and multi purpose service. The RMMR Service can only be provided by the Company or an authorised accredited pharmacist. The authorised accredited pharmacist is identified by the Company in its application to the Pharmacy Guild of Australia as an approved RMMR service provider. The RMMR service includes the evaluation and management of a patient's medication regimen in the context of other clinical information including the patient's health status. This includes other clinical information as requested by the patient's medical practitioner, the authorised accredited pharmacist or as permitted by the Commonwealth or Pharmacy Guild of Australia to be provided without the request and collaboration of the patient's medical practitioner.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Guild of Australia within 30 days of the termination date.
Exclusivity:	RSL Care must not during the term enter into any arrangement with a person other than the Company for the provision of services that are the same as or substantially similar to the RMMR service covered by the agreement.
Multiple Site Listing:	The agreement covers multiple sites in New South Wales and Queensland.

(g) Benetas

The Company's RMMR agreement with Benetas is dated 18 June 2019. The additional terms specific to this agreement are as follows:

Term:	The commencement date varies in relation to each site covered by the agreement and expires on 30 June 2022 for all sites.
Product:	The Company has proposed to apply to the Pharmacy Guild of Australia to become an approved RMMR service provider in order to satisfy the funding provisions of the Commonwealth for the approved RMMR service providers of RMMR service to eligible residents of aged care facilities and multi purpose service. The RMMR service can only be provided by the Company or an authorised accredited pharmacist. The authorised accredited pharmacist is identified by the Company in its application to the Pharmacy Guild of Australia as an approved RMMR service provider. The RMMR service includes the evaluation and management of a patient's medication regimen in the context of other clinical information including the patient's health status. This includes other clinical information as requested by the patient's medical practitioner, the authorised accredited pharmacist or as permitted by the Commonwealth or Pharmacy Guild of Australia to be provided without the request and collaboration of the patient's medical practitioner.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Guild of Australia within 30 days of the termination date.
Exclusivity:	Benetas must not during the term enter into any arrangement with a person other than the Company for the provision of services that are the same as or substantially similar to the RMMR service covered by the agreement.
Multiple Site Listing:	The agreement covers sites only in Victoria.

(h) Homestyle Aged Care (Wickro Pty Ltd)

The Company's RMMR agreement with Homestyle Aged Care is dated 14 January 2020. The additional terms specific to this agreement are as follows:

Term:	The commencement date varies in relation to each site covered by the agreement and expires on 30 November 2022 for all sites.
Product:	The Company has proposed to apply to the Pharmacy Guild of Australia to become an approved RMMR service provider in order to satisfy the funding provisions of the Commonwealth for the approved RMMR service providers of RMMR service to eligible residents of aged care facilities and multi purpose service. The RMMR service can only be provided by the Company or an authorised accredited pharmacist. The authorised accredited pharmacist is identified by the Company in its application to the Pharmacy Guild of Australia as an approved RMMR service provider. The RMMR service includes the evaluation and management of a patient's medication regimen in the context of other clinical information including the patient's health status. This includes other clinical information as requested by the patient's medical practitioner, the authorised accredited pharmacist or as permitted by the Commonwealth or Pharmacy Guild of Australia to be provided without the request and collaboration of the patient's medical practitioner.

Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Guild of Australia within 30 days of the termination date.
Exclusivity:	Homestyle Aged Care must not during the term enter into any arrangement with a person other than the Company for the provision of services that are the same as or substantially similar to the RMMR service covered by the agreement.
Multiple Site Listing:	The agreement covers sites only in Victoria.

(i) Eldercare Australia Ltd

The Company's RMMR agreement with Eldercare Australia Ltd is dated 15 July 2021. The additional terms specific to this agreement are as follows:

Term:	1 August 2021 to 31 July 2024.
Product:	The Company has proposed to apply to the Pharmacy Programs Administrator to become an approved RMMR service provider in order to satisfy the funding provisions of the Commonwealth for the approved RMMR service providers of RMMR service to eligible residents of aged care facilities and multi purpose service. The RMMR service can only be provided by an accredited pharmacist who has a relationship with the Company. The accredited pharmacist refers to a registered pharmacist who holds a valid accreditation certificate to provide the RMMR service. The RMMR service includes the evaluation and management of a patient's medication regimen in the context of other clinical information including the patient's health status. This includes other clinical information as requested by the patient's medical practitioner, the accredited pharmacist or as permitted by the Commonwealth or Pharmacy Programs Administrator to be provided without the request and collaboration of the patient's medical practitioner.
Other RMMR service:	Additional RMMR services including an electronic portal, WMM proprietary application, psychotropic register, medication safety and quality toolkit, education sessions, clinical pearls and emails, ward alerts, 24/7 hotline for general practitioners, clinical pharmacists, professional development programs.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Programs Administrator of Australia within 30 days of the termination date.
Multiple Site Listing:	The agreement covers sites only in South Australia.

For personal use only

(j) Glenn – Craig Villages Pty Ltd

The Company's RMMR agreement with Glenn-Craig Villages Pty Ltd dated 25 June 2020. The additional terms specific to this agreement are as follows:

Term:	30 June 2020 to 30 June 2025.
Product:	The Company has proposed to apply to the Pharmacy Programs Administrator to become an approved RMMR service provider in order to satisfy the funding provisions of the Commonwealth for the approved RMMR service providers of RMMR service to eligible residents of aged care facilities and multi purpose service. The RMMR service can only be provided by an accredited pharmacist who has a relationship with the Company. The accredited pharmacist refers to a registered pharmacist who holds a valid accreditation certificate to provide the RMMR service. The RMMR service includes the evaluation and management of a patient's medication regimen in the context of other clinical information including the patient's health status. This includes other clinical information as requested by the patient's medical practitioner, the accredited pharmacist or as permitted by the Commonwealth or Pharmacy Programs Administrator to be provided without the request and collaboration of the patient's medical practitioner.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Programs Administrator of Australia within 30 days of the termination date.
Multiple Site Listing:	The agreement covers sites only in Victoria.

QUM AGREEMENTS

The Commonwealth provides funds for the provision of QUM services to eligible facilities by approved QUM service providers. In the Company's engagement with these eligible facilities, it has also applied to the Pharmacy Programs Administrator or Pharmacy Guild of Australia to become an approved QUM service provider. The Company (as '**provider**') has subsequently entered into various QUM agreements to provide QUM services to aged care facilities. The QUM services include medication advisory, education and continuous improvement activities.

Each agreement contains termination rights that require the provider to give notice of the termination to the relevant Pharmacy Programs Administrator or Pharmacy Guild of Australia within 30 days of the termination date and either party may terminate within 30 days' notice. There is an additional exclusivity clause that the aged care facility provider must not, during the term, enter into any arrangement with a person, other than the Company for the provision of services that are the same as or substantially similar to QUM services.

All QUM agreements otherwise contains terms and conditions (including representations, indemnifications compliance with regulatory approvals and standard privacy and confidentiality provisions) considered standard for agreements of this nature.

Set out below are additional terms that are specific to each QUM agreement.

(a) Bupa Aged Care Australia Pty Ltd

The Company's QUM agreement with Bupa Aged Care Australia Pty Ltd was originally dated 12 November 2019. There is an additional QUM contract amendment dated 20 November that amends the contract term to be effective from 1 November 2020 to 11 November 2024. The amendment also removes the exclusivity clause from the agreement. The additional terms specific to this agreement are as follows:

Term:	1 November 2020 to 11 November 2024.
Product:	The Company has proposed to apply to the Pharmacy Guild of Australia to become an approved QUM service provider in order to satisfy the funding provisions of the Commonwealth for the approved QUM service providers of QUM services to eligible residents of aged care facilities. The QUM service can only be provided by the Company or an authorised pharmacist. The QUM services include medication advisory, education and continuous improvement activities.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to Pharmacy Guild of Australia within 30 days of the termination date.
Multiple Site Listing:	The agreement covers multiple sites in Victoria, New South Wales, South Australia, Queensland.

(b) Estia Investments Pty Ltd

The Company's QUM agreement with Estia Investments Pty Ltd is dated 9 July 2020 and the amendment is dated 31 December 2020. The additional terms specific to this agreement are as follows:

Term:	9 June 2020 to 30 June 2023.
Product:	The Company has proposed to apply to the Pharmacy Programs Administrator to become an approved QUM service provider in order to satisfy the funding provisions of the Commonwealth for the approved QUM service providers of QUM services to eligible residents of aged care facilities. The QUM service can only be provided by the Company or an authorised pharmacist. The QUM services include medication advisory, education and continuous improvement activities.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Programs Administrator within 30 days of the termination date.
Exclusivity:	Estia Investments must not during the term enter into any arrangement with a person other than the Company for the provision of services that are the same as or substantially similar to the QUM services covered by the agreement.
Multiple Site Listing:	The agreement covers multiple sites in Victoria, New South Wales, South Australia, Queensland.

(c) Japara

The Company has various QUM Agreements with: Japara Corymbia dated 21 May 2019, Japara Trugo Place dated 28 July 2021, Japara Aged Care Services Pty Ltd (1) dated 8 January 2020, Japara Aged Care Services Pty Ltd (2) dated 22 May 2019 and Robina Rise Residential Care dated 17 April 2019 (collective, Japara). The additional terms specific to the agreements are as follows:

Term:	Japara Corymbia: 1 June 2021 to 15 July 2022. Japara Trugo Place: 22 February 2021 to 15 July 2022. Japara Aged Care Services Pty Ltd (1): 6 April 2020 to 15 July 2022. Japara Aged Care Services Pty Ltd (2): 1 July 2019 to 15 July 2022. Robina Rise Residential: 15 July 2019 to 15 July 2022.
Product:	The Company has proposed to apply to the Pharmacy Programs Administrator (Pharmacy Guild of Australia for Japara Aged Care Services Pty Ltd (1) and (2) and Robina Rise Residential Care) to become an approved QUM service provider in order to satisfy the funding provisions of the Commonwealth for the approved QUM service providers of QUM services to eligible residents of aged care facilities. The QUM service can only be provided by the Company or an authorised pharmacist. The QUM services include medication advisory, education and continuous improvement activities.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Programs Administrator (Pharmacy Guild of Australia for Japara Aged Care Services Pty Ltd (1 and 2) and Robina Rise Residential Care) within 30 days of the termination date.
Exclusivity:	Japara must not during the term enter into any arrangement with a person other than the Company for the provision of services that are the same as or substantially similar to the QUM services covered by the agreement.
Multiple Site Listing for Japara Aged Care Services Pty Ltd(1):	The agreement covers sites in New South Wales, Victoria, South Australia, and Tasmania.
Multiple Site Listing for Japara Aged Care Services Pty Ltd(2):	The agreement covers sites in New South Wales and Queensland.

(d) Allity Pty Ltd

The Company's QUM agreement with Allity Pty Ltd Australia is dated 2 June 2020. The additional terms specific to this agreement are as follows:

Term:	1 July 2020 to 30 June 2023.

7. Material Contracts continued

Product:	The Company has proposed to apply to the Pharmacy Programs Administrator to become an approved QUM service provider in order to satisfy the funding provisions of the Commonwealth for the approved QUM service providers of QUM services to eligible residents of aged care facilities. The QUM service can only be provided by the Company or an authorised pharmacist. The QUM services include medication advisory, education and continuous improvement activities.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Programs Administrator within 30 days of the termination date.
Exclusivity:	Allity Pty Ltd must not during the term enter into any arrangement with a person other than the Company for the provision of services that are the same as or substantially similar to the QUM services covered by the agreement.
Multiple Site Listing:	The agreement covers multiple sites in Victoria, New South Wales, South Australia, Queensland.

(e) RSL Care RDNA Limited t/a Bolton Clarke

The Company's QUM agreement with RSL Care RDNS Limited t/a Bolton Clarke is dated 19 June 2019 (**Bolton Clarke**). The additional terms specific to this agreement are as follows:

Term:	1 July 2019 to 30 June 2022.
Product:	The Company has proposed to apply to the Pharmacy Guild of Australia to become an approved QUM service provider in order to satisfy the funding provisions of the Commonwealth for the approved QUM service providers of QUM services to eligible residents of aged care facilities. The QUM service can only be provided by the Company or an authorised pharmacist. The QUM services include medication advisory, education and continuous improvement activities.
Other QUM services:	Additional QUM services include quarterly QUM data report, access to self-directed online modules, promotion of medical practitioner collaboration in RMMR, provision of RMMR data, additional visit schedule, 24/7 telephone availability, provision of, or assistance with development of audits, policies and procedures and assessment tools.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Guild of Australia within 30 days of the termination date.
Exclusivity:	Bolton Clarke must not during the term enter into any arrangement with a person other than the Company for the provision of services that are the same as or substantially similar to the QUM services covered by the agreement.
Multiple Site Listing:	The agreement covers multiple sites in New South Wales and Queensland. There is also an additional annual site visit plan in place.

(f) Benetas

The Company's QUM agreement with Benetas dated 18 June 2019. The additional terms specific to this agreement are as follows:

Term:	The commencement date varies in relation to each site covered by the agreement and expires on 30 June 2022 for all sites.
Product:	The Company has proposed to apply to the Pharmacy Guild of Australia to become an approved QUM service provider in order to satisfy the funding provisions of the Commonwealth for the approved QUM service providers of QUM services to eligible residents of aged care facilities. The QUM service can only be provided by the Company or an authorised pharmacist. The QUM services include medication advisory, education and continuous improvement activities.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Guild of Australia within 30 days of the termination date.
Exclusivity:	Benetas must not during the term enter into any arrangement with a person other than the Company for the provision of services that are the same as or substantially similar to the QUM services covered by the agreement.
Multiple Site Listing:	The agreement covers sites only in Victoria.

(g) Homestyle Aged Care (Wickro Pty Ltd)

The Company's QUM agreement with Homestyle Aged Care (Wickro Pty Ltd) is dated 14 January 2020. An additional QUM agreement for Point Cook Manor is dated 21 October 2019. The additional terms specific to these agreements are as follows:

Term:	Homestyle Aged Care (Wickro Pty Ltd): 18 June 2019 to 30 November 2022. Point Cook Manor: 1 December 2019 to 30 November 2022.
Product:	The Company has proposed to apply to the Pharmacy Guild of Australia to become an approved QUM service provider in order to satisfy the funding provisions of the Commonwealth for the approved QUM service providers of QUM services to eligible residents of aged care facilities. The QUM service can only be provided by the Company or an authorised pharmacist. The QUM services include medication advisory, education and continuous improvement activities.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Guild of Australia within 30 days of the termination date.
Exclusivity:	Homestyle must not during the term enter into any arrangement with a person other than the Company for the provision of services that are the same as or substantially similar to the QUM services covered by the agreement.
Multiple Site Listing:	Homestyle Aged Care (Wickro Pty Ltd): The agreement covers sites only in Victoria.

(h) Eldercare Australia Ltd

The Company's QUM agreement with Eldercare Australia Ltd is dated 16 July 2021.

The additional terms specific to this agreement are as follows:

Term:	1 August 2021 to 31 July 2024.
Product:	The Company has proposed to apply to the Pharmacy Programs Administrator to become an approved QUM service provider in order to satisfy the funding provisions of the Commonwealth for the approved QUM service providers of QUM services to eligible residents of aged care facilities. The QUM service can only be provided by the Company or an authorised pharmacist. The QUM services include medication advisory, education and continuous improvement activities.
Other QUM services:	Additional QUM services include access to the Ward Medication and Safety Toolkit, invitation to Ward clinical education events and opportunities for participation in research projects.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Programs Administrator within 30 days of the termination date.
Exclusivity:	Eldercare Australia Ltd must not during the term enter into any arrangement with a person other than the Company for the provision of services that are the same as or substantially similar to the QUM services covered by the agreement.
Multiple Site Listing:	The agreement covers sites only in South Australia.

(i) Glenn – Craig Villages Pty Ltd

The Company's QUM agreement with Glenn-Craig Villages Pty Ltd is dated 25 June 2020. The additional terms specific to this agreement are as follows:

Term:	30 June 2020 to 30 June 2025.
Product:	The Company has proposed to apply to the Pharmacy Programs Administrator to become an approved QUM service provider in order to satisfy the funding provisions of the Commonwealth for the approved QUM service providers of QUM services to eligible residents of aged care facilities. The QUM service can only be provided by the Company or an authorised pharmacist. The QUM services include medication advisory, education and continuous improvement activities.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Programs Administrator within 30 days of the termination date.
Exclusivity:	Glenn-Craig Villages Pty Ltd must not during the term enter into any arrangement with a person other than the Company for the provision of services that are the same as or substantially similar to the QUM services covered by the agreement.
Multiple Site Listing:	The agreement covers sites only in Victoria.

(j) Villa-Maria Catholic Homes Limited

The Company's QUM agreement with Villa-Maria Catholic Homes is dated 8 April 2020. The additional terms specific to this agreement are as follows:

Term:	1 March 2021 to 28 February 2022.
Product:	The Company has proposed to apply to the Pharmacy Programs Administrator to become an approved QUM service provider in order to satisfy the funding provisions of the Commonwealth for the approved QUM service providers of QUM services to eligible residents of aged care facilities. The QUM service can only be provided by the Company or an authorised pharmacist. The QUM services include medication advisory, education and continuous improvement activities.
Termination:	Either party may terminate the agreement by giving 30 days written notice. The Company is to give notice of the termination to the Pharmacy Programs Administrator within 30 days of the termination date.
Exclusivity:	Villa Maria Catholic Homes Limited must not during the term enter into any arrangement with a person other than the Company for the provision of services that are the same as or substantially similar to the QUM services covered by the agreement.
Multiple Site Listing:	The agreement covers sites only in Victoria.

7.11 Open Source Licensing Agreements

The Company is party to open source licensing agreements with various parties to allow the Company to utilise the open-source codes the subject of the agreements. No single open-source agreement is considered material to the Company as there are alternatives that can be used in place of these codes.

7.12 Ongoing negotiations

With an existing presence in the United States, Careteq continues to seek growth opportunities with a focused go to market strategy together with reputable distributors and channel partners, Through ongoing collaborative marketing initiatives, trade shows, care facility demonstrations and online media presentations Careteq aims to fast track its market penetration.

Careteq has also executed a Heads of Agreement with Alimed, a well-known distributor of assistive living products across the United States.

In May 2021, Careteq signed an exclusive distribution agreement with Raytelligence, the supplier of the Eazense fall detection radar based in Sweden, Raytelligence has a 3-year exclusive agreement to promote and resell the Sofihub platform, Home and Secure products within Scandinavia and Finland.

8.
Additional Information

8. Additional Information

8.1 Rights attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) (**Ranking of Shares**): At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

(b) (**Voting rights**): Subject to any rights or restrictions, at general meetings:

 (i) every Shareholder present and entitled to vote may vote in person or by proxy;

 (ii) has one vote on a show of hands; and

 (iii) has one vote for every Share held, upon a poll.

(c) (**Dividend rights**): Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

 The Company may pay a Dividend as permitted by the Corporations Act from time to time.

(d) (**Variation of rights**): The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

(e) (**Transfer of Shares**): Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

 In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel or if the Corporations Act, Listing Rules or ASX Settlement Rules prohibits the transfer and registration.

(f) (**General meetings**): Shareholders are entitled to be present in person, or by proxy, to attend and vote at general meetings of the Company.

 The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

(g) (**Rights on winding up**): If the Company is wound up, the surplus assets of the Company remaining after payment of its debts are divisible among the members in proportion to the number of fully paid Shares held by them.

(i) (**Restricted Securities**): a holder of Restricted Securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of Restricted Securities.

8.2 Rights attaching to Options

(a) Options to be issued to Directors, Company secretary and employees of the Company

Prior to the date of this Prospectus, Careteq established an exempt employee option plan and director share option plan to align the interests of eligible employees and directors with shareholders through the sharing of a personal interest in the future growth and development of the Company and to provide a means of attracting and retaining skilled and experienced eligible persons (**Legacy Plan**).

Options have been issued to Executive Directors, non-Executive Directors and the Company secretary as summarised in Section 5.5 under the Legacy Plan.

The following terms and conditions apply to the Options issued under the Legacy Plan:

(i) Entitlement

Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company upon exercise of the Option.

(ii) Exercise price, expiry date and vesting conditions

The Options were issued on 15 December 2020 and have the following exercise prices, vesting conditions and expiry dates:

Options	Number	Issue price	Exercise price	Vesting conditions	Expiry date
Options issued to Directors and Company secretary	5,201,891	Nil	$0.094	Options to vest on IPO of the Company or the Options vest in 3 equal tranches[1]	15 December 2023
Options issued to employees of the Company	1,607,326	Nil	$0.094	subject to annual KPIs set by the Board being met by each employee and the Options vest in 3 equal tranches[2]	15 December 2023

The following Options were issued on 15 October 2021 and have the following exercise prices, vesting conditions and expiry dates:

Options	Number	Issue price	Exercise price	Vesting conditions	Expiry date
Options issued to employees of the Company	350,688	Nil	$0.094	subject to annual KPIs set by the Board being met by each employee and the Options vest in 3 equal tranches[2]	15 October 2024

The following Options were issued to a consultant of the Company on 7 December 2018 and have the following exercise prices, vesting conditions and expiry dates:

Options	Number	Issue price	Exercise price	Vesting conditions	Expiry date
Options issued to a consultant of the Company	491,229	Nil	$0.625	Options vest pursuant to a fundraising round of USD$1,500,000[3]	7 December 2023

Notes:

1. The Options issued to Directors and Company secretary under the Legacy Plan will vest on the earlier of:
   (a) the IPO of the Company; or
   (b) an equal 1/3 of the total number of Options issued to each Director will vest on the date which is 12, 24 and 36 months respectively after the date of issue of the Options (being 15 December 2020).
2. The Options issued to employees under the Legacy Plan will vest under the following conditions:
   (a) KPIs set by the Board for each individual employee are achieved; and
   (b) an equal 1/3 of the total number of Options issued to each employee will vest on the date which is 12, 24 and 36 months respectively after the date of issue of the Options (being 15 December 2020 and 15 October 2021 respectively).
3. The Options issued to the consultant (Mark Wise) of the Company under the Legacy Plan will vest under the following conditions:
   (a) in the event the Company undertakes a fundraising to raise capital of USD$1,500,000.

(iii) Exercise period

The Options are exercisable at any time after the vesting conditions are satisfied (if applicable) and before the expiry date.

(iv) Notice of Exercise

The Options may be exercised by notice in writing to the Company in the manner specified under the Legacy Plan (**Notice of Exercise**) and payment of the exercise price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(v) Lapse

Any vested Option not exercised before the expiry date will automatically lapse on the expiry date.

(vi) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(vii) Reorganisation of capital

In the event of any reorganisation (including distribution of capital, a bonus issue of Shares, consolidation or recapitalisation) of the issued capital of the Company before all Options capable of vesting in favour of the Option holder have vested in favour of that Option holder, the Company will procure that the terms of the Legacy Plan are varied in such a way which neither disadvantages nor advantages that Option holder no adversely affects the rights of the other holders of Shares.

(viii) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

(ix) Transferability

The Options are transferable with prior written consent of the Board.

(b) Lead Manager Options to be issued to the Lead Manager

The following terms and conditions apply to the Lead Manager Options issued under the Lead Manager Mandate:

(i) Entitlement

Each Lead Manager Option entitles the Lead Manager to subscribe for one fully paid ordinary share in the capital of the Company upon exercise of the Option.

(ii) Exercise price and expiry date

The Company agrees to issue to the Lead Manager an options package equal to 3.0% of the fully-diluted shares outstanding in the Company at completion of the offer, consisting of:

(A) a number of options equal to 1.0% of the Company's post-offer fully-diluted shares outstanding, exercisable at a 40% premium to Issue Price on or before a date four years from the date of issue;

(B) a number of options equal to 1.0% of the Company's post-offer fully-diluted shares outstanding, exercisable at a 60% premium to Issue Price on or before a date four years from the date of issue; and

(C) a number of options equal to 1.0% of the Company's post-offer fully-diluted shares outstanding, exercisable at a 80% premium to Issue Price on or before a date four years from the date of issue,

(collectively, the **Lead Manager Options**).

(iii) Exercise period

The Lead Manager Options are exercisable at any time after they are issued and before the expiry date.

(iv) Notice of exercise

The Lead Manager Options may be exercised by notice in writing to the Company and payment of the exercise price for each Lead Manager Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(v) Exercise date

A notice of exercise is only effective on and from the later of the date of receipt of the notice of exercise and the date of receipt of the payment of the exercise price for each Lead Manager Option being exercised in cleared funds.

(vi) Lapse

The Lead Manager Options must be exercised before the expiry date or the Lead Manager Options will automatically lapse on the expiry date.

(vii) Quotation of Shares on exercise

Application will be made by the Company to ASX, for quotation of the Shares issued upon the exercise of the Options.

(viii) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(ix) Transferability

The Options are transferable with prior written consent of the Board.

8.3 Summary of the New Plan

The Board of Careteq has adopted a Performance Rights and Options Plan (**New Plan**), a summary of which is set out below. The full terms of the New Plan may be inspected at the registered office of the Company during normal business hours. No securities have been issued under this New Plan.

(a) Eligible Participant

"Eligible Participant" means a person that:

(i) is a Director (whether executive or non-executive) of any Group Company;

(ii) A full or part-time employee of any Group Company;

(iii) is a casual employee or contractor of a Group Company to the extent permitted by the ASIC Class Order 14/1000 or 14/1001 (as applicable and as amended or replaced); and

(iv) a prospective participant, being a person to whom the offer is made by who can only accept the offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under (a)(i), (a)(ii) or (a)(iii) above.

(b) Maximum allocation

The Company must not make an offer of Performance Rights or Options (**New Plan Securities**) under the New Plan where the total number of Shares that may be issued, or acquired upon exercise of New Plan Securities offered, when aggregated with the number of Shares issued or that may be issued as a result of offers made under the New Plan at any time during the previous 3 year period would exceed 5% of the total number of Shares on issue at the date of the offer.

(c) Purpose

The purpose of the New Plan is to:

(i) assist in the reward, retention and motivation of Eligible Participants;

(ii) link the reward of Eligible Participants to performance and the creation of Shareholder value; and

(iii) align the interests of Eligible Participants with Shareholders of the Company, by providing an opportunity to Eligible Participants to receive Shares.

(d) New Plan administration

The New Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the New Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

(e) Eligibility, invitation and application

The Board may from time to time determine that an Eligible Participant may participate in the New Plan and make an invitation to that Eligible Participant to apply for New Plan Securities on such terms and conditions as the Board decides.

On receipt of an invitation, an Eligible Participant may apply for the New Plan Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept the application from an Eligible Participant in whole or in part and in its absolute discretion.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

(f) Grant of New Plan Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of New Plan Securities, subject to the terms and conditions set out in the invitation, the New Plan rules and all applicable legislation and the ASX Listing Rules.

(g) Terms of New Plan Securities

Each New Plan Security represents a right to acquire one Share, subject to the terms and conditions of the New Plan.

Where the Eligible Participant purports to transfer, assign, mortgage, charge, dispose or encumber a New Plan Security, the New Plan Security will immediately lapse.

(h) Vesting

Any vesting conditions applicable to the grant of New Plan Securities will be provided to the Eligible Participant beforehand and if all the vesting conditions are satisfied and/or otherwise waived by the Board, a notice will be sent to the Participant by the Board informing them that the relevant New Plan Securities have vested. Unless and until the vesting notice is issued by the Board, the New Plan Securities will not be considered to have vested.

(i) Exercise of New Plan Securities and cashless exercise of Options

To exercise a New Plan Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Options (see below), pay the exercise price (where the New Plan Security is an Option) to the Company in cleared funds, at any time after the Board notifies that the New Plan Security has bested and before it lapses.

Where the New Plan Securities being exercised is a grant of Options, in lieu of paying the aggregate Option exercise price to purchase Shares, the Board may, in its absolute discretion, permit an Eligible Participant to elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula:

$A = \{B \times (C - D)\} \ / \ C$

Where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Eligible Participant.

B = the number of Shares otherwise issuable upon the exercise of the Option.

C = the market value of one Share determined as of the date of delivery of the exercise notice to the Company by the Eligible Participant.

D = Option exercise price.

For example, if an Eligible Participant holds 50 Options (which have vested and are therefore capable of exercise), each with an Option exercise price of $1.00 and they elect to exercise all of their Options by paying the Option exercise price, they would pay $50 and receive 50 Shares. However, if the Eligible Participant elects their rights under the cashless exercise, and the market value of one Share prior to exercise is $1.50, the Eligible Participant will pay no cash and receive 16 Shares (being 50($1.50 – $1.00)/$1.50 = 16.67, rounded down to 16 Shares.

(j) Delivery of Shares on exercise of New Plan Securities

Within 10 business days after the valid exercise of a New Plan Security by an Eligible Participant, the Company will issue or cause to be transferred to that Eligible Participant the number of Shares to which the Eligible Participant is entitled under the New Plan rules and issue a replacement certificate for any remaining unexercised New Plan Securities held by that Eligible Participant.

(k) Lapse of New Plan Securities

A New Plan Security will lapse upon the earlier to occur:

(i) A vesting condition in relation to a New Plan Security is not satisfied by the due date or becomes incapable of satisfaction, as determined by the Board in its absolute discretion;

(ii) the Board deems that the Eligible Participant is a Bad Leaver;

(iii) the Board deems that a New Plan Security lapses due to fraud, dishonesty or other improper behaviour;

(iv) the Company undergoes a change of control or a winding up resolution is made and the New Plan Security does not vest; or

(v) the New Plan Security expires.

A Bad Leaver is defined as an Eligible Participant who ceases employment or office with any Group Company in any of the following circumstances:

(i) the Eligible Participant resigns from their employment or office;

(ii) the employment of the Eligible Participant is terminated due to poor performance; or

(iii) the Eligible Participant's employment is terminated, or the Eligible Participant is dismissed from their office, for any of the following reasons:

    (A) the Eligible Participant has committed any serious or persistent breach of the provisions of any employment contract entered into by the Eligible Participant with any Group Company;

    (B) the Eligible Participant has been guilty of fraudulent or dishonest conduct in the performance of the Eligible Participant's duties;

    (C) the Eligible Participant has been convicted of any criminal offence which involves fraud or dishonesty;

    (D) the Eligible Participant has committed any wrongful or negligence act or omission which has caused any Group Company substantial liability;

    (E) the Eligible Participant has become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that may result in the Eligible Participant being banned from managing a corporation under the Corporations Act; or

    (F) the Eligible Participant has committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of employment without notice.

(l) Change of control

If a company (**Acquiring Company**) obtains control of the Company as a result of a Change of Control and the Company, the Acquiring Company and the Eligible Participant agree, an Eligible Participant may, in respect of any vested New Plan Securities that are exercised, be provided with shares of the Acquiring Company, or its parent, in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares.

(m) Rights attaching to Plan Shares

All Shares issued under the New Plan will rank equally in all respects with the Shares of the same class for the time being on issue. An Eligible Participant will, from and including the issue date of Shares under this New Plan, be the legal owner of the Shares issued in respect of them and will be entitled to dividends and to exercise voting rights attached to the Shares.

(n) Disposal restrictions on Plan Shares

Subject to ASX imposed escrow, the Board may in its discretion, determine at any time up until exercise of a New Plan Security, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant on exercise of the New Plan Securities.

The Company may implement any procedure it considers appropriate to restrict an Eligible Participant from dealing with any Shares for as long as those Shares are subject to a restriction period.

For so long as a Share is subject to any disposal restrictions under the New Plan, the Participant agrees to:

(i) execute an ASX restriction agreement in relation to the Shares that are restricted under the Plan;

(ii) the Company lodging the share certificates for Shares with a bank or recognised trustee to hold until the expiry of the restriction period or until the Shares are otherwise released from restrictions; and

(iii) the application of a holding lock over Shares until the restriction period applying to the Shares under the New Plan has expired (at which time the Company will arrange for the holding lock to be removed).

(o) Adjustment of New Plan Securities

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of an Eligible Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(p) Participation in new issues

There are no participation rights or entitlements inherent in the New Plan Securities and Eligible Participants are not entitled to participate in new issues of Shares of the Company during the currency of the New Plan Securities without exercising the New Plan Securities.

(q) Amendment of Plan

Subject to the Corporations Act and the ASX Listing Rules:

(i) the Board may, at any time, by resolution amend or add to all or any of the provisions of the New Plan or the terms or conditions of any New Plan Security granted under the New Plan; and

(ii) any amendment may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

No amendment to any provision of the New Plan rules may be made if the amendment would have a materially prejudicial effect upon the Eligible Participant other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, to take into consideration possible adverse taxation implications.

(r) Plan duration

This New Plan will continue until terminated by the Board. The Board may terminate the New Plan at any time by resolution. Termination shall not affect the rights or obligations of an Eligible Participant or the Company which have arisen under the New Plan before the date of termination and the provisions of the New Plan relating to an Eligible Participant's New Plan Security shall survive termination of the New Plan until fully satisfied and discharged.

8.4 Effects of the Offers on control and substantial Shareholders

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows.

Name	Number of Shares	% of Shares
Dempsey Capital Pty Ltd	11,466,383	17.85%
JMT Investment Group Vic Pty Ltd and JMT Investment Group Vic Pty Ltd <John Turner Superannuation Fund>	7,500,000	11.68%
Growth Endeavours Pty Ltd and Ascent Super Fund Pty Ltd	6,334,294	9.86%
Deakin University	4,995,571	7.78%
Ian Heraud Holdings Pty Ltd	4,074,008	6.34%

Based on the information known as at the date of this Prospectus, on Admission the following persons will have an interest in 5% or more of the Shares on issue:

Name	Number of Shares held based on a $6,000,000 Subscription	% of total Shares held based on a $6,000,000 Subscription
Dempsey Capital Pty Ltd	15,367,084	12.44%
JMT Investment Group Vic Pty Ltd and JMT Investment Group Vic Pty Ltd <John Turner Superannuation Fund>	7,500,000	6.07%
Growth Endeavours Pty Ltd and Ascent Super Fund Pty Ltd	6,334,294	5.13%

8.5 Summary of tax issues

(a) Summary of tax issues for investors

The comments in this Section 8.5 provide a general outline of Australian tax issues for Australian and foreign tax resident Shareholders who acquire Shares under this Prospectus and that hold Shares in the Company on capital account for Australian income tax purposes. The categories of Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation funds that hold their shares on capital account.

This summary does not consider the consequences for insurance companies, banks, Shareholders that hold their shares on revenue account or carry on a business of trading in shares, Shareholders who are exempt from Australian tax, or Shareholders who are subject to the Taxation of Financial Arrangements rules contained in Division 230 of the *Income Tax Assessment Act 1997*.

The summary in this Section is general in nature and is non exhaustive of all Australian tax consequences that could apply in all circumstances of any given Shareholder. The individual circumstances of each Shareholder may affect the taxation implications of the investment of the Shareholder.

It is recommended that all Shareholders consult their own independent tax advisers regarding the income tax (including capital gains tax), stamp duty and GST consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstances.

The summary in this Section is based on the relevant Australian tax law in force, established interpretations of that law and understanding of the practice of the relevant tax authority at the time of issue of this Prospectus. The summary does not take into account the tax law of countries other than Australia.

Tax laws are complex and subject to ongoing change. The tax consequences discussed in these summaries do not take into account or anticipate any changes in law (by legislation or judicial decision) or any changes in the administrative practice or interpretation by the relevant authorities. If there is a change, including a change having retrospective effect, the income tax, stamp duty and GST consequences should be reconsidered by Shareholders in light of the changes. The precise implications of ownership or disposal of the Shares will depend upon each Shareholder's specific circumstances.

This summary does not constitute financial product advice as defined in the Corporations Act.

(b) Dividends paid on Shares

Dividends may be paid to Shareholders by the Company. The Company may attach 'franking credits' to such dividends. Franking credits broadly represent the extent to which a dividend is paid by the Company out of profits that have been subject to Australian tax. It is possible for a dividend to be fully franked, partly franked or unfranked. The dividend should be included in each Shareholder's assessable income for the relevant year of income.

It should be noted that the concept of a dividend for Australian income tax purposes is very broad and can include payments that are made in respect of such things as off-market share buy-backs.

To the extent that franking credits are attached to a dividend, Australian tax resident Shareholders should include in their assessable income an amount equal to the franking credits (in addition to the dividend paid) in the income year in which the dividend is paid or credited.

Australian tax resident Shareholders should be entitled to a tax offset equal to the franking credits attached to the dividend so long as they are a "qualified person". A "qualified person" is a Shareholder who, in broad terms, hold Shares in the Company "at risk" for a period of more than 45 days within a period beginning on the day after the date on which the Shareholder acquired the Shares and ending on the 45th day after the date on which the Shares became "ex dividend". An individual may also be a "qualified person" where their total franking credit entitlement in the relevant income year is below $5,000 for the relevant year.

In some cases, an amount of a tax offset not applied against an Australian tax resident Shareholder's tax liability can be refunded to that Shareholder. Whether this is available depends on the particular circumstances of the Shareholder, including their entity type.

Foreign tax resident Shareholders may be subject to withholding tax on the dividend payments they receive. While withholding tax is not imposed on fully franked dividends, it is necessary that the Company withhold tax on unfranked and some partially-franked dividends paid to foreign tax resident Shareholders. Withholding tax is also not imposed on dividends paid to foreign tax resident Shareholder that are declared as conduit foreign income – broadly, dividends paid from income derived by a foreign subsidiary that is repatriated to the Australian parent company and is non-assessable to the parent company.

For unfranked dividends paid to foreign tax resident shareholders, or where such dividends are not declared from conduit foreign income, if Australia does not have a double tax agreement with the foreign tax resident Shareholder's country of residence, the withholding rate is 30%. However, where there is such an agreement, the rate will generally be reduced to between 0 to 15%.

(c) Australian Capital gains tax (CGT) implications for Australian tax resident Shareholders on a disposal of Shares

Australian tax resident Shareholders who hold their Shares on capital account will be required to consider the impact of the Australian CGT provisions in respect of the disposal of their shares. A capital gain will arise where the capital proceeds on disposal exceed the cost base of the share (broadly, the cost base is the amount paid to acquire the share plus any (non-tax deductible) transaction costs incurred in relation to the acquisition or disposal of the shares).

In the case of an arm's length on-market sale, the capital proceeds should be the total amount of the money and property received from the sale of the shares. A CGT discount may be applied against the capital gain (after first deducting any available capital losses, see below) where the Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for more than 12 months prior to the CGT event. Where the CGT discount applies, any capital gain arising to individuals and entities acting as Trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

Where the Shareholder is the trustee of a trust that has held the Shares for more than 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss will be realised where the reduced cost base of the share (the reduced cost base is determined by a similar (although not identical) calculation to the cost base) exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other forms of assessable income.

(d) Australian CGT implications for foreign tax resident Shareholders on a disposal of Shares

Foreign tax resident Shareholders may make a capital gain on the disposal of taxable Australian property (including shares). For tax purposes, the Shares will only be considered taxable Australian property where broadly:

(i) the foreign tax resident Shareholder, together with its Associates, owns an interest of 10% or more in the Company at the time of the disposal, or for a 12 month period in the 24 months preceding the disposal; and

(ii) more than 50% of the value of the Company relates to taxable Australian real property (i.e. Australian land or buildings).

On the basis that the value of the Company is unlikely to be generated mostly from Australian real property interests, it is unlikely that the Shares would be considered taxable Australian property. As such, foreign tax resident Shareholders who acquire and subsequently dispose of their Shares are unlikely to be subject to Australian tax on any gains from the disposal of the Shares. At the same time, any capital loss cannot be utilised by the foreign tax resident Shareholder to reduce their Australian tax liability (if any).

(e) Withholding Tax

Australian tax resident Shareholders may, if they choose, notify the Company of their tax file number (TFN), ABN, or a relevant exemption from withholding tax with respect to dividends.

In the event that the Company is not so notified, Australian tax may be required to be deducted at the maximum marginal tax rate plus the Medicare levy from the cash amount of the unfranked portion (if any) of the dividends. No amount is required to be deducted by the Company in respect of fully franked dividends. The rate of withholding is currently 47%.

The Company is required to withhold and remit to the ATO such tax until such time as the relevant TFN, ABN or exemption notification is given to the Company. Resident Shareholders will be able to claim a tax credit/rebate (as applicable) in respect of any tax withheld on the dividends in their individual income tax returns.

A Shareholder that holds Shares as part of an enterprise may quote their ABN instead of their TFN. Foreign tax resident Shareholders are not required to comply with the above requirement.

(f) Stamp Duty

Shareholders should not be liable for stamp duty in respect of their initial subscription of Shares on the basis that the Company does not hold any relevant interests in real property. Under current stamp duty legislation, no stamp duty should ordinarily be payable by Shareholders on any subsequent transfer of Shares whilst the Company remains listed.

Shareholders should seek their own advice as to the impact of stamp duty in their own particular circumstances.

(g) Australian Goods and Services Tax (GST)

Under current Australian law, no GST should be payable by Shareholders in respect of the issue, acquisition, disposal or transfer of their Shares in the Company regardless of whether or not the Shareholder is registered for GST. Shareholders may not be entitled to claim full input tax credits in respect of any GST included in the costs they have incurred in connection with their acquisition of the Shares. Separate GST advice should be sought by Shareholders in this respect relevant to their particular circumstances.

No GST should be payable by Shareholders on receiving dividends distributed by the Company.

8.6 Interests of Promoters, Experts and Advisers

(a) No interest except as disclosed

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or held at any time during the last 2 years, any interest in:

(i) the formation or promotion of the Company;

(ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or

(iii) the Offers,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offers.

(b) Share registry

Automic Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus and will be paid for these services on standard industry terms and conditions.

(c) Auditor

RSM Australia Partners has been appointed to act as auditor to the Company. The Company estimates it will pay RSM Australia Partners a total of $72,000 (excluding GST) for these services. During the 13 months preceding lodgement of this Prospectus with ASIC, RSM Australia Partners has acted as the auditor of the Company and has been paid fees of approximately $13,000.

(d) Australian legal adviser

HWL Ebsworth Lawyers (**HWLE**) has acted as the Australian solicitors to the Company in relation to the Offers. The Company estimates it will pay HWLE $100,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, HWLE has acted for the Company and provided other legal services to the Company and paid fees of approximately $108,736.

(e) Investigating Accountant

RSM Corporate Australia Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Annexure A of this Prospectus. The Company estimates it will pay RSM Corporate Australia Pty Ltd a total of $15,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, RSM Corporate Australia Pty Ltd has not provided any other services to the Company.

(f) Lead Manager

Canaccord Genuity (Australia) Limited has acted as the Lead Manager to the Broker Offer, the Institutional Offer and the Priority Offer. Details of the payments to be made to the Lead Manager are set out in Sections 1.7 and 7.1. During the 24 months preceding lodgement of this Prospectus with ASIC, the Lead Manager has not provided any other services to the Company.

8.7 Consents

(a) Each of the parties referred to below:

(i) does not make the Offers;

(ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;

(iii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and

(iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

(b) Share Registry

Automic Pty Ltd has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry of the Company in the form and context in which it is named.

(c) Auditor

RSM Australia Partners has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Company in the form and context in which it is named.

(d) Australian legal adviser

HWL Ebsworth has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Australian legal adviser to the Company in the form and context in which it is named.

(e) Investigating Accountant

RSM Corporate Australia Pty Ltd has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Investigating Accountant's Report in the form and context in which it is included.

(f) Lead Manager

Canaccord Genuity (Australia) Limited has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Lead Manager to the Broker Offer, the Institutional Offer and the Priority Offer in the form and context in which it is named.

8.8 Expenses of Offer

The total approximate expenses of the Offers payable by the Company are:

	$
ASIC Lodgement Fee	3,206
ASX Quotation Fee	119,000
Legal Fees	110,000
Investigating Accountant Fees	15,000
Audit Fees	72,000
Payment to Lead Manager[1]	300,000
Share Registry	5,000
Printing, Postage and Administration Fees	46,000
Total	**670,206**

Notes:

1. Details of the payments to be made to the Lead Manager are set out in Section 1.7(a).

8.9 Continuous Disclosure Obligations.

Following Admission, the Company will be a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

8.10 Litigation

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

8.11 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Securities in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the relevant Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the relevant electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

8.12 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

(a) this Prospectus;

(b) the Constitution; and

(c) the consents referred to in Section 8.7 of this Prospectus.

8.13 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 6 and Annexure A, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

9.
Authorisation

9. Authorisation

The 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 Prospectus with ASIC and has not withdrawn that consent.

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

Mark Simari
Non-Executive Chairman

Dated: 24 November 2021

10.
Glossary of Terms

10. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

A$** or **$	means Australian dollars.
Admission	means admission of the Company to the Official List, following completion of the Offers.
AEDT	means Australian Eastern Daylight Time, being the time in Sydney, New South Wales.
AI	means artificial intelligence.
Annexure	means an annexure to this Prospectus.
API	means Application Programming Interface.
Applicant	means a person who submits an Application Form.
Application	means a valid application for Securities pursuant to this Prospectus.
Application Forms	means the application forms attached to this Prospectus.
Application Monies	means application monies for Shares under the Offers received and banked by the Company.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.
ASX Settlement	means ASX Settlement Pty Limited ACN 008 504 532.
ASX Settlement Rules	means ASX Settlement Operating Rules of ASX Settlement.
Australian Subsidiary	means Ward Health Group Pty Ltd ACN 079 817 637 trading as Ward Medication Management.
B2B	means business-to-business.
B2C	means business-to-consumer.
Board	means the board of Directors of the Company.
Broker	means an ASX participating organisation selected by the Lead Manager and the Company to act as a broker to the offer of shares under this Prospectus.
Broker Offer	means the offer of Shares under this Prospectus to Australian retail clients of participating Brokers that have a registered address in Australia and received an invitation from a Broker to acquired Shares under this Prospectus.
CEDA	means Committee for Economic Development of Australia.

10. Glossary of Terms continued

CEO or **Chief Executive Officer**	means the chief executive officer of the Company.
CFO or **Chief Financial Officer**	means the chief financial officer of the Company.
Chairman	means the chairman of the Board.
CHESS	means the Clearing House Electronic Subregister System operated by ASX Settlement.
Closing Date	means the date that the Offer closes which is 5.00pm (AEDT) on 1 December 2021 or such other time and date as the Board determines.
Commonwealth	means the Commonwealth of Australia as represented by the Department of Health, or any other department or agency of the Commonwealth of Australia which is from time to time responsibly for the administration of the RMMR program.
Company or **Careteq**	means Careteq Limited ACN 612 267 857.
Constitution	means the constitution of the Company.
COO	means chief operating officer.
Corporations Act	means the *Corporations Act 2001* (Cth).
Directors	means the directors of the Company.
Eazense	has the meaning provided for under Section 2.5(d).
EBITDA	means earnings before interest, tax, depreciation and amortisation.
Electronic Prospectus	means the electronic copy of this Prospectus located at the Company's website http://careteq.com.au.
Executive Director	means an executive director of the Company, as appointed from time to time.
Exposure Period	means the period of seven days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than seven days pursuant to section 727(3) of the Corporations Act.
Group	means the Company and its Australian Subsidiary and U.S. Subsidiary.
GST	means Goods and Services Tax.
Home	has the meaning provided under Section (a).
Indicative Timetable	means the indicative timetable for the Offers on page of this Prospectus.

Institutional Investor	means an investor who is a person who is a wholesale client under section 761G of the Corporations Act and either a 'professional investor' or a 'sophisticated investor' under section 708(11) and 708(8) of the Corporations Act, or an institutional investor in New Zealand, Hong Kong, Singapore or the UK to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approved by, any government agency, provided that in each case such investor is not in the U.S.
Institutional Offer	means the offer of Shares under this Prospectus to Institutional Investors.
Investigating Accountant	means RSM Corporate Australia Pty Ltd (ACN 050 508 024).
Investigating Accountant's Report	means the report contained in Annexure A.
IPO	means initial public offer.
Issue Date	means the date, as determined by the Directors, on which the Shares offered under this Prospectus are allotted, which is anticipated to be the date identified in the Indicative Timetable.
KPI	means key performance indicator.
Lead Manager Offer	means the offer of the Lead Manager Options to be issued to the Lead Manager (or its nominees) pursuant to the Lead Manager Mandate.
Lead Manager Options	has the meaning provided under Section 1.4.
Lead Manager or **Canaccord**	means Canaccord Genuity (Australia) Limited ACN 075 071 466.
Legacy Plan	means as the context requires, the Company's employee share option plan and director share option plan as described under Section 8.2(a).
Listing Rules	means the listing rules of ASX.
NDIS	means the National Disability Insurance Scheme administered by the Australian National Disability Insurance Agency.
New Plan	means the Company's Performance Rights and Options Plan as described under Section 8.3.
New Plan Security	means a Performance Right or Option issued under the New Plan.
Notice of Exercise	has the meaning provided under Section 8.2(a)(iv).
Offer Management Agreement or **OMA**	has the meaning given in Section 7.1.
Offer Period	means the period of time commencing on the Opening Date and ending on the Closing Date.

10. Glossary of Terms continued

Offer Price	means $0.20 per Share under the Broker & Institutional Offer.
Offers	means the Broker Offer, Institutional Offer, the Priority Offer and Lead Manager Offer.
Official List	means the official list of ASX.
Official Quotation	means official quotation by ASX in accordance with the Listing Rules.
Opening Date	means the date specified as the opening date in the Indicative Timetable.
Option	means an option to acquire a Share.
Optionholder	means a holder of one or more Options.
Performance Right	means a right to acquire a Share.
Performance Right Holder	Means a holder of one or more Performance Rights.
Pharmacy Programs Administrator	means Australian Healthcare Associates Pty Ltd ABN 82 072 790 848.
Priority Offer	means the priority allocation of no more than 5,000,000 Shares to raise $1 million (before costs) open to selected retail investors and Institutional Investors in Australia, New Zealand, Hong Kong, Singapore and the United Kingdom who have received an invitation under the Chairman's List Offer.
Priority Offer Application Form	means the Application Form in respect of the Priority Offer.
Pro Solutions	has the meaning provided under Section 2.5(c).
Prospectus	means this prospectus dated 12 November 2021.
RAC	means Residential Aged Care.
R&D	means research and development.
SaaS	means software as a service.
Section	means a section of this Prospectus.
Secure	has the meaning provided under Section 2.5(b).
Securities	means any securities, including Shares and Options, issued by the Company.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of one or more Shares.

Share Registry	means Automic Pty Ltd ACN 152 260 814.
Sofihub	means the brand of assisted living technology hardware and software developed by the Company as explained under Section 2.1.
Sofihub App	has the meaning provided under Section 2.6(b).
Sofihub Portal	has the meaning provided under Section 2.6.
UK	means the United Kingdom.
United States or **U.S.**	means the United States of America.
U.S. Subsidiary	means Careteq International Inc.
Ward Medication Management	has the meaning provided for under Section 2.1.

ANNEXURE A
Investigating Accountant's Report

Annexure A: Investigating Accountant's Report

RSM Corporate Australia Pty Ltd
Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007
T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199
www.rsm.com.au

24 November 2021

The Board of Directors
Careteq Limited
C/- DLK Advisory Pty Ltd
Level 10, 99 Queen Street
Melbourne VIC 3000

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report on Careteq Limited's and Ward Health Group Pty Ltd's statutory historical financial information and Careteq Limited's pro forma historical financial information

We have been engaged by Careteq Limited ("Careteq" or "the Company") to report on certain statutory historical financial information and pro forma financial information for inclusion in a Prospectus dated on or about 24 November 2021.

The Prospectus relates to the Company's proposed listing of ordinary shares on the Australian Securities Exchange ("ASX") via an Initial Public Offering ("Offer"), to raise $6.0 million.

Expressions and terms defined in the Prospectus have the same meaning in this report.

Scope

Statutory Historical Financial Information

You have requested RSM Corporate Australia Pty Ltd ("RSM") to review the statutory historical financial information of Careteq and Ward Health Group Pty Ltd ("Ward") included in Section 6 of the Prospectus, comprising:

- the statutory historical income statements of Careteq and Ward for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;
- the statutory historical cash flow statements of Careteq and Ward for the years ended 30 June 2019, 30 June 2020 and 30 June 2021; and
- the statutory historical statement of financial position of Careteq and Ward as at 30 June 2021,

collectively "the Statutory Historical Financial Information".

The Statutory Historical Financial Information of Careteq and Ward has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and Careteq's and Ward's adopted accounting policies.

RSM

The Statutory Historical Financial Information of Careteq relating to the year ended 30 June 2019 has been extracted from the audited general purpose financial statements of Careteq for the year ended 30 June 2019, which were audited by Loren Michelle Datt (registration: 339204) and on which an unqualified audit opinion was issued.

The Statutory Historical Financial Information of Careteq relating to the years ended 30 June 2020 and 30 June 2021 have been extracted from the audited general purpose financial statements of Careteq for the years ended 30 June 2020 and 30 June 2021, which were audited by RSM Australia Partners and on which unqualified audit opinions were issued. Without modification of its audit opinion, RSM Australia Partners' audit report for FY2020 included a paragraph drawing attention to the fact that there were events or conditions, along with other matters disclosed in the financial statements indicating that a material uncertainty existed that may cast doubts on Careteq's ability to continue as a going concern.

The Statutory Historical Financial Information for FY2019 and FY2020 for Ward has been derived from the FY2019 and FY2020 audited special purpose financial statements of Ward. The Statutory Historical Financial Information for FY2021 for Ward has been derived from the FY2021 audited general purpose financial statements of Ward.

The financial statements of Ward for FY2019, FY2020 and FY2021 were audited by RSM Australia Partners in accordance with Australian Auditing Standards. RSM Australia Partners has issued unqualified audit opinions on these financial statements.

The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested RSM to review the pro forma historical financial information included in Section 6 of the Prospectus and comprising:

- the pro forma consolidated historical income statements for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;
- the pro forma consolidated historical cash flow statements for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;
- the pro forma consolidated historical statement of financial position as at 30 June 2021; and
- the pro forma adjustments as described in Section 6 of the Prospectus,

collectively referred to as "the Pro Forma Historical Financial Information".

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of Careteq and Ward, adjusted for the transactions/adjustments summarised in Section 6 of the Prospectus. The stated basis of preparation is the recognition and measurement requirements of Australian Accounting Standards and Careteq's adopted accounting policies applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in section 6 of the Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information.

Due to its nature, the Pro Forma Historical Financial Information does not represent Careteq's or Ward's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Directors' responsibility

The directors of Careteq are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information; and
- the preparation and presentation of the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information.

This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Statutory Historical Financial Information and the Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

We made such enquiries, primarily of persons responsible for financial and accounting matters, and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a consistency check of the application of the stated basis of preparation, to the Statutory Historical Financial Information and Pro Forma Historical Financial Information;
- a review of Careteq's work papers, accounting records and other supporting documents;
- a review of Ward's work papers, accounting records and other supporting documents;
- enquiry of directors, management personnel and advisors; and
- the performance of analytical procedures applied to the Statutory Historical Financial Information and Pro Forma Historical Financial Information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as source of the financial information.

RSM

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of Careteq and Ward, as described in Section 6 of the Prospectus, and comprising:

- the statutory historical income statements of Careteq and Ward for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;
- the statutory historical cash flow statements of Careteq and Ward for the years ended 30 June 2019, 30 June 2020 and 30 June 2021; and
- the statutory historical statement of financial position of Careteq and Ward as at 30 June 2021,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as set out in Section 6 of the Prospectus, and comprising:

- the pro forma consolidated historical income statements for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;
- the pro forma consolidated historical cash flow statements for the years ended 30 June 2019, 30 June 2020 and 30 June 2021;
- the pro forma consolidated historical statement of financial position as at 30 June 2021; and
- the pro forma adjustments as described in Section 6 of the Prospectus,

is not presented fairly in all material aspects, in accordance with the stated basis of preparation, as described in Section 6 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 6, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

RSM Corporate Australia Pty Ltd has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

Declaration of Interest

RSM Corporate Australia Pty Ltd does not have any interest in the outcome of this transaction other than the preparation of this report for which normal professional fees will be received.

Yours faithfully

A. Clifford

RSM CORPORATE AUSTRALIA PTY LTD
Andrew Clifford
Director

ANNEXURE B
Significant Accounting Policies

Annexure B: Significant Accounting Policies

General Information

Basis of preparation

The Financial Information has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities.

The Financial Information is presented in Australian dollars, which is Careteq's functional and presentation currency, and are rounded to the nearest whole dollar.

(i) Historical cost convention

The Financial Information has been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income.

(ii) Critical accounting estimates

The preparation of the Financial Information requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based payment transactions

The company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Recognition of R&D tax offset receivable

For financial reporting purposes, the R&D tax offset is analogised as other income. A credit will be recognised within other income when the entity satisfies the criteria to receive the credit. Management has opted to treat R&D tax refunds on an accrual basis.

(iii) Going Concern

The Financial Information has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the normal course of business.

(iv) New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

(v) Significant accounting policies

The principal accounting policies adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Careteq Limited.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvements with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisitions of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity, The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Careteq Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign Operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Annexure B: Significant Accounting Policies continued

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services

Careteq primarily generates revenue from sale of its hardware products and subscription services.

Careteq recognises subscription revenue over the subscription period on a straight-line basis.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants

Government grants are recognised in the profit or loss on a systematic basis over the periods in which Careteq recognises, as expenses, the related costs for which the grants are intended to compensate.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Convertible loan notes issued by the company have been treated as hybrid financial instruments, consisting of a liability classified and measured at amortised cost, and an embedded derivative financial liability, representing the conversion feature of these notes.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	3-10 years
Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Website

Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Contract assets

Contract assets are recognised when the group has transferred goods or services to the customer but where the group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(vi) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2020. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the company may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the company's financial statements.

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Corporate Directory

Directors

Peter Scala
Chief Executive Officer & Managing Director

Mark Simari
Non-Executive Chairman

Brett Cheong
Non-Executive Director

Stephen Munday
Non-Executive Director

Alex Boyd
Executive Director

Chief Financial Officer and Company Secretary

David Lilja

Registered and Principal Office

C/- DLK Advisory Pty Ltd
Level 10, 99 Queen Street
Melbourne VIC 3000

Phone: 1300 110 366
Email: investors@careteq.com.au
Website: www.careteq.com.au

Proposed Securities Exchange Listing

Australian Securities Exchange (**ASX**)

Proposed ASX Code: **CTQ**

Lead Manager

Canaccord Genuity (Australia) Limited

Level 15, 333 Collins Street
Melbourne VIC 3000

Lawyers (Australia)

HWL Ebsworth Lawyers

Level 14, 264 – 268 George Street
Sydney NSW 2000

Investigating Accountant

RSM Corporate Australia Pty Ltd

Level 21, 55 Collins Street
Melbourne VIC 3000

Share Registry*

Automic Registry Services

Level 5, 126 Phillip Street
Sydney NSW 2000

Phone (within Australia): 1300 288 664
Phone (outside Australia): +61 (0) 2 9698 5414

Auditor*

RSM Australia Partners

Level 21, 55 Collins Street
Melbourne VIC 3000

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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