



# **HALF-YEAR Report**

30 JUNE 2024

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The information contained in this document should be read in conjunction with Talius Group Limited's public announcements made in accordance with the continuous disclosure obligations arising from the Corporations Act 2001 and the ASX Listing Rules.

## DIRECTORS' REPORT

Your Directors present their report on the Consolidated Entity consisting of Talius Group Limited ("Talius" or "Company"), and the entities it controlled (together referred to as the "Consolidated Entity" or "Group") at the end of, or during, the half year ended 30 June 2024.

## DIRECTORS

The following persons were directors of Talius Group Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Name	Position	Period of Directorship
Graham Russell	Managing Director	Appointed 3 December 2019
Ramsay Carter	Non-Executive Director	Appointed 16 June 2020
Leylan Neep	Non-Executive Chairman	Appointed 1 September 2020
Maggie Haertsch	Executive Director	Appointed 15 August 2024

## PRINCIPAL ACTIVITIES

Talius provides a suite of technology enabled care solutions to the aged and disability sectors, across multiple verticals including retirement living, residential aged care, home, and community settings to improve the quality of life, later in life.

Talius' Software as a Service (SaaS) data analytics platform Talius Smart Care combines smart sensors with AI machine learning that delivers automated actions. Talius links awareness, analysis, and action through one platform allowing the care model to move from spot check care to sense-respond care. Talius helps protect and connect our elderly and people with disabilities with a scalable healthcare technology platform integrated with leading third-party providers to ensure end-to-end solutions for Connected Health.

## ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are not subject to any significant environmental regulation under Australian Commonwealth or State law.

## REVIEW OF OPERATIONS

### Sales

The Company generates revenue through hardware sales and ongoing software subscriptions. For the half year ending 30 June 2024, Talius reported \$3.5 million in revenue, representing a 42% decline compared to the previous period. This shortfall was primarily due to slower-than-expected customer conversions at the beginning of the year.

Despite the lower revenue, Talius secured substantial contract wins, including significant orders from two new partners: Hato Hone St John (HHSTJ) and ADT in New Zealand.

On 30 April 2024, Talius announced a major Frame Order from HHSTJ for 13,500 Personal Emergency Response Systems (PERs), with a commitment to purchase at least 1,500 units per month from July 2024 to June 2025. This order is expected to generate over \$4 million in revenue, with deliveries already underway. Following the Frame Order, Talius received an additional order of 3,000 MPERs from HHSTJ, adding approximately \$0.5 million in revenue.

On 11 June 2024, Talius received its first purchase orders from ADT in New Zealand, a subsidiary of Intelligent Monitoring Group (ASX:IMB). ADT has ordered 1,000 PERs units per month from August to December 2024, with expected revenue exceeding \$1.5 million for 5,000 units.

These substantial orders are expected to strengthen our second half results this year and contribute positively to the first half of next year.

### **Subscriptions**

Talius continued to witness growth in services subscriptions, with numbers now surpassing 35,000. This increase is largely attributed to the integration of new customers into the Talius Smart Care Platform, following the completion of various projects and recent sales efforts.

Recurring subscriptions revenues have now grown on an annualised basis, to \$2.4 million and continues to grow. Looking ahead, Talius is optimistic about continuing this growth trend. As more project sites become operational, it is we expected our subscriptions customer base to further expand.

Currently, with around 11,400 subscriptions contracted but not yet active, Talius is confident that it is on track to achieving a milestone of over 50,000 subscriptions.

### **Business Verticals**

#### *Retirement Villages Sector*

During the period, Talius achieved substantial progress in the Retirement Villages sector, advancing key project upgrades and securing important new contracts.

Talius successfully completed the final stage of PERs rollouts for prominent providers, including Keyton/Lendlease, Uniting NSW, Royal Freemasons, Whiddon, and Goodwin Aged Care. These upgrades have significantly enhanced the safety and connectivity of thousands of residents across these communities.

In addition, we have commenced the rollout of our solutions for our new partner in New Zealand, Hato Hone St John Ambulance, marking a significant expansion of our footprint in the region.

With the impending 3G network shutdown at the end of October 2024, Talius has proactively upgraded over 25,000 homes and apartments within retirement villages across Australia. These upgrades ensure uninterrupted, enhanced service delivery, safeguarding the wellbeing of residents as we transition to more advanced technologies.

Our account management team continues to focus on expanding our service offerings within this sector, aiming to further increase the value and reach of our recurring revenue streams, while solidifying Talius' position as a leader in the retirement village market.

#### *Residential Aged Care*

Over the past six months, Talius has made substantial progress in the Residential Aged Care sector, with various projects moving through stages of installation and deployment.

We have successfully implemented the Talius ecosystem of devices and the Talius Smart Care Cloud Platform at Whiddon, a residential aged care service in Sydney. This project, part of the Best Care Research initiative, is in partnership with CSIRO and funded by the Aged Care Research & Industry Innovation Australia (ARIIA) grants. The project, which aims to reduce falls among residents, has transitioned to the data research phase, with outcomes and reports from CSIRO expected soon.

Talius is also nearing completion of the 'Vita' project for ACH Group in Adelaide. This project is the final phase of our work across 10 residential aged care sites with ACH Group. Our collaboration will continue as we enhance the Talius system to support ACH Group's operational needs and improve care outcomes for their residents.

Additional projects include recent go-live at Yukana Aged Care for Civic Group in Toowoomba, and in Adelaide,

installations are underway at Perry Park, Highercombe, and Milpara for ACH Group.

Furthermore, Talius has been awarded a contract for deploying the Talius Smart Care Platform at Hyecorp's new boutique development, Heart of Willoughby in Sydney. This project includes a 45-bed Residential Aged Care facility and 126 Independent Living Units.

These projects underscore Talius' ongoing commitment to enhancing care quality and operational efficiency in residential aged care facilities.

### *Home and Community Care*

Talius is working with home care providers to develop a data-enabled care strategy in response to new government reforms requiring providers to demonstrate comprehensive client oversight.

Talius has introduced the Care@home Kits, which use IoT sensors to monitor daily activities, offering valuable insights to care providers and family members without compromising privacy, as they don't rely on cameras or audio devices.

During the period, Talius initiated deployment of this innovative solution through a pilot program with the Whiddon Home Care team in Sydney. With over 1.8 million aged care clients expected to double in the next two decades, this innovation has significant growth potential in enhancing home care services nationwide.

### **Research and Development**

During the period, Talius made significant strides in enhancing its technology platform and preparing for future growth.

A major achievement was transitioning our database to Databricks, improving the Company's ability to process large datasets and implement advanced machine learning models. This shift enables us to deliver better AI-driven decisions and more valuable outcomes for our clients.

The Company also advanced the Talius Track RTLS platform, which now offers real-time data insights into the movements of residents, staff, and assets. Integrated with Talius Connect, this system enhances operational efficiency and care quality.

To support future scaling, we invested in automating our IoT billing processes, ensuring accurate subscription accounting, improved cash flow, and precise client reporting. Additionally, we streamlined the onboarding process for sensors and clients, aligning with our strategy to scale the Talius Platform domestically and internationally.

The successful Whiddon pilot has strengthened the Company's R&D roadmap, particularly in the Homecare sector, where Talius is poised to expand with our premium partners. This market presents a significant growth opportunity, further supported by our entry into Remote Patient Monitoring.

These R&D initiatives are key to positioning Talius for continued growth and success as we advance our strategic objectives.

### FINANCIAL RESULTS

The Group's HY2024 revenues decreased 42% on the prior period:

- Hardware/project revenue were down 56% on the prior period. Whilst a number of large orders were secured during the half, such as Hato Hone St John and ADT in New Zealand, actual deliveries are not scheduled until the second half of 2024. In comparison, HY2023 saw the completion of the bulk of major orders from Chubb / VitalCall, Keyton Retirement Villages and Uniting NSW.ACT's Retirement Living division.
- Subscriptions revenue grew 68% on the prior period with subscription numbers now surpassing 35,000.

The Group's total loss for the HY2024 was \$1,696,306, compared with the HY2023 loss of \$289,968. The key movements compared to the prior year were:

- A \$440,152 decrease in gross profit (revenues less cost of sales) resulting from lower revenues. Hardware margin percentages increased compared to the prior period on account of more attractive pricing offered on hardware sale to large customers in H1 FY2023.
- Employee and consultant costs (including share based payments) increased \$501,163 (31%) as Talius continued to invest in team resources to strengthen our business development team, technical support, and corporate services to set a strong foundation for future expected growth;
- Amortisation and depreciation expense increased \$49,702 in line with recent investments in software assets and the eHomeCare business acquisition.
- Marketing, property, and administrative/corporate costs increased \$300,583 on the prior period, reflective of the larger operational base built over the previous 12 months.
- An inventory impairment of charge of \$200,000 was recognised (HY2022: \$Nil) for legacy security stock. This stock was initially acquired as part of the Homestay Care acquisition. This stock is not applicable to the aged care sector and whilst Talius will continue efforts to sell this inventory, Talius has taken a conservative view and recognised a full impairment charge.

Net cash outflows from operations were \$161,943 (HY2022: inflows of \$291,782).

The net asset position of the Group at 30 June 2024 was \$3,277,094. The Group's net working capital (current assets less current liabilities) is a surplus of \$2,712,200.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes during the period.

### LIKELY DEVELOPMENTS AND FUTURE OPERATIONS

The Company will continue to develop and commercialise its assistive technology enabled care solutions to the aged and disability sectors, across multiple verticals including retirement living, residential aged care, home, and community settings.

After considering external factors such as the shut-down of the 3G telecommunications network and the final report from the Royal Commission into Aged Care, the Company expects continuing strong growth in the use of assistive technology.

The Company earns revenue through hardware sales and recurring software subscriptions. As subscriptions on its Talius Smart Care Platform continue to grow, the Company expects recurring SaaS revenue to increase as part of the overall revenue mix.

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The Company will consider expanding the application of its SaaS solutions to other markets such as health care, and also consider the licensing of Talius as a 'platform as a service'.

### **BUSINESS RISKS**

Talius is subject to a number of risks which may have a material adverse effect on operating and financial performance. Talius' Risk Management Policy can be found on its website. It is not possible to identify every risk that could affect the business or shareholders and the actions taken to mitigate these risks cannot provide absolute assurance that a risk will not materialise or have a material adverse effect on business strategies, assets or future performance of Talius. A non-exhaustive list (in no particular order) of material risks and relevant mitigation strategies implemented by the Company are set out below.

Risk	Description and potential impact	Strategies used to mitigate the risk
<b>Pandemic</b>	Pandemics, such as Covid-19, may impact the Company's revenue and operations. The Company sells products and services to aged care providers who continue to experience operational challenges which may impact the pace at which implementation decisions are made in the aged care industry.	The Company's revenue mix is diversified across customer segments including residential aged care, retirement villages, and home care which may mitigate the impact a pandemic has on different industry groups.
<b>Product quality</b>	The Company may experience product failure, or customer dissatisfaction with its hardware solutions or software platform which may impact operations, reputation and have a detrimental impact on financial performance.	<p>The Company implements quality control processes and ensures appropriate testing and monitoring of products to ensure a high standard of safety and efficacy.</p> <p>The Company also maintains product liability insurance.</p>
<b>Funding</b>	<p>The Company may need to raise additional funds (debt or equity) to support its ongoing operations or implement its strategies. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time.</p> <p>Inability to obtain sufficient funds may result in the delay or cancellation of certain activities which would likely adversely affect Talius' growth.</p>	The Company actively manages its capital requirements and maintains close relationships with its existing investor base, as well as exploring both equity and debt new sources of capital should the need to raise additional funds arise.
<b>Technology</b>	The Company is reliant to a certain degree on third party developers, systems, and networks. Changes to the supply of platforms or hardware may impact operations and have a detrimental impact on financial performance.	<p>The Company's supplier agreements include protections for continuation of service.</p> <p>The Company has a diverse product range to minimise third party reliance, as well as continually monitoring the market for alternative suppliers.</p>
<b>Data security</b>	<p>The Company may experience a data breach or failure, or be the target of a cyber-attack, which may affect its operations as well as reputation.</p> <p>There is a risk that the collection, usage management of customer data is not consistent with regulatory obligations.</p>	<p>The Company has strategies and protections in place to mitigate security breaches and to protect data.</p> <p>The Company also has Cyber security insurance to mitigate potential financial losses.</p>



<b>People</b>	<p>The Company may lose key executives.</p> <p>The Company operates in a competitive environment in relation to attracting software development and technical personnel.</p> <p>The loss of key staff or the inability to attract personnel may adversely affect the Company's operations.</p>	<p>Identification of key people and the implementation of appropriate staff training as well as succession plans.</p> <p>The Company offers incentives and career development opportunities for key executives and senior management.</p>
<b>Product innovation and competition</b>	<p>Competitors may bring superior products or platforms to the market which may result in a loss of market share. Products and technologies developed by competitors may render the Company's product and platform obsolete or non-competitive.</p>	<p>The Company continuously monitors market developments and new products.</p> <p>Talius continues to invest in its platform development to improve its intellectual property and services.</p>
<b>Intellectual property infringement</b>	<p>The Talius Platform has been developed in-house and the Company is exposed to the risk of its proprietary know-how being misappropriated and Competitors using this information to disrupt the Company's market share.</p>	<p>In addition to network and product security measures, there are contractual protections included in our customer agreements, and where necessary confidentiality agreements are in place with parties with access to our know-how.</p>
<b>Interruption to product supply</b>	<p>The Company imports a range of hardware products from overseas markets, and these suppliers may suffer materials shortages which may cause disruption and delays to the Company's operations and revenue generation. While all care is taken to contract with third parties that have appropriate expertise and experience, there are no guarantees that those third parties will perform as expected or required.</p>	<p>The Company works closely with customers and suppliers to identify supply requirements.</p> <p>The Company maintains an appropriate level of inventory as a buffer for supply chain interruptions. The Company keeps abreast of alternative suppliers for its hardware, should the need to change supplier arise.</p>

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### EVENTS AFTER REPORTING DATE

There have been no events since 30 June 2024 that impact upon the financial report.

### DIVIDENDS

No dividends were paid or declared during the financial period.

### ROUNDING

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

### AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration on page 11 forms part of the Directors' Report.

Signed in accordance with a resolution of the board of directors of Talius Group Limited.

A handwritten signature in black ink, appearing to read 'G Russell'.

Graham Russell  
Managing Director  
30 August 2024



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### DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF TALIOUS GROUP LIMITED

As lead auditor for the review of Talius Group Limited for the half-year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Talius Group Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'T R Mann', with a long horizontal stroke extending to the right.

**T R Mann**  
Director

**BDO Audit Pty Ltd**

Brisbane, 30 August 2024

**Consolidated Statement of Comprehensive Income**  
**For the half-year ended 30 June 2024**

	Note	6 months ending June 2024 \$	6 months ending June 2023 \$
Revenue	3	3,495,729	6,010,867
Other income		273,130	162,194
Cost of sales		(2,309,304)	(4,384,290)
Amortisation and depreciation expense		(100,858)	(51,156)
Consulting fees		(249,985)	(237,602)
Employee benefits expenses		(1,815,557)	(1,208,417)
Corporate and insurance expenses		(226,827)	(110,344)
Travel and marketing expenses		(137,388)	(157,399)
Property expenses		(9,363)	(871)
Finance costs		(11,646)	(21,168)
Share based payments		(45,115)	(163,475)
Impairment of receivables		(7,011)	18,664
Impairment of inventories		(200,000)	-
Other expenses		(352,111)	(146,971)
<b>Loss before income tax</b>		<b>(1,696,306)</b>	<b>(289,968)</b>
Income tax		-	-
<b>Loss after income tax</b>		<b>(1,696,306)</b>	<b>(289,968)</b>
Other comprehensive income, net of tax		-	-
<b>Total comprehensive income</b>		<b>(1,696,306)</b>	<b>(289,968)</b>
<b>Loss per share</b>		<b>Cents</b>	<b>Cents</b>
Basic and diluted loss per share		(0.07)	(0.01)

*The Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.*

**Consolidated Statement of Financial Position**  
**As at 30 June 2024**

	Note	June 2024 \$	December 2023 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,299,003	1,910,469
Trade and other receivables		1,337,431	927,085
Inventories	4	2,438,554	2,359,449
Other current assets		357,666	240,557
<b>TOTAL CURRENT ASSETS</b>		<b>5,432,654</b>	<b>5,437,560</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		67,935	71,014
Intangible assets	5	450,984	205,088
Right-of-use assets		100,442	136,126
<b>TOTAL NON-CURRENT ASSETS</b>		<b>619,361</b>	<b>412,228</b>
<b>TOTAL ASSETS</b>		<b>6,052,015</b>	<b>5,849,788</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	2,317,394	498,612
Contract liabilities		98,281	28,539
Borrowings		119,012	39,380
Short-term provisions		104,427	106,275
Lease liabilities		81,340	86,411
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,720,454</b>	<b>759,217</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		54,467	90,443
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>54,467</b>	<b>90,443</b>
<b>TOTAL LIABILITIES</b>		<b>2,774,921</b>	<b>849,660</b>
<b>NET ASSETS</b>		<b>3,277,094</b>	<b>5,000,128</b>
<b>EQUITY</b>			
Contributed capital	7	20,306,790	20,174,887
Reserves	8	441,363	599,994
Accumulated losses		(17,471,059)	(15,774,753)
<b>TOTAL EQUITY</b>		<b>3,277,094</b>	<b>5,000,128</b>

*The Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.*

## STATEMENT OF CHANGES IN EQUITY

### Consolidated Statement of Changes in Equity For the half year ended 30 June 2024

	Contributed Capital \$	Accumulated Losses \$	Share Based Payment Reserve \$	Total \$
<b>Balance at 1 January 2023</b>	17,753,233	(15,334,776)	1,212,144	3,630,601
<b>Transactions with owners in their capacity as owners</b>				
Share based payments	-	-	163,475	163,475
Transfer of expired performance rights and options	-	43,905	(43,095)	-
Total	-	43,095	119,570	163,475
<b>Comprehensive income</b>				
Loss after income tax	-	(289,968)	-	(289,968)
Total comprehensive income	-	(289,968)	-	(289,968)
<b>Balance at 30 June 2023</b>	<b>17,753,233</b>	<b>(15,580,839)</b>	<b>1,331,714</b>	<b>3,504,108</b>
<b>Balance at 1 January 2024</b>	20,174,887	(15,774,753)	599,994	5,000,128
<b>Transactions with owners in their capacity as owners</b>				
Share based payments	-	-	45,115	45,115
Conversion of performance rights	203,746	-	(203,746)	-
Share buy-back	(71,843)	-	-	(71,843)
Total	131,903	-	(158,631)	(26,728)
<b>Comprehensive income</b>				
Loss after income tax	-	(1,696,306)	-	(1,696,306)
Total comprehensive income	-	(1,696,306)	-	(1,696,306)
<b>Balance at 30 June 2024</b>	<b>20,306,790</b>	<b>(17,471,059)</b>	<b>441,363</b>	<b>3,277,094</b>

*The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.*

**Consolidated Statement of Cash Flows**  
**For the half-year ended 30 June 2024**

	6 months ending June 2024 \$	6 months ending June 2023 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers (inclusive of GST)	3,565,616	6,668,673
Payments to suppliers and employees (inclusive of GST)	(3,718,435)	(6,532,075)
Interest received	2,522	183
Grant income received	-	176,168
Finance costs	(11,646)	(21,168)
Net cash used in operating activities	(161,943)	291,781
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for plant & equipment	(13,891)	(15,129)
Payments for intangible assets	(263,135)	(51,715)
Net cash used in investing activities	(277,026)	(66,844)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cost associated with the issue of shares	(7,500)	-
Payments for share buy-back	(71,843)	-
Repayment of borrowings (insurance financing)	(52,107)	(24,309)
Lease principal payments	(41,047)	(34,096)
Net cash provided by/(used in) financing activities	(172,497)	(58,405)
Net increase/(decrease) in cash and cash equivalents held	(611,466)	166,532
Cash and cash equivalents at the beginning of the financial period	1,910,469	825,813
<b>Cash and cash equivalents at the end of the financial period</b>	<b>1,299,003</b>	<b>992,346</b>

*The Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.*

**NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES****(a) Reporting Entity**

Talius Group Limited (the "Company"), is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 30 June 2024 comprises the Company and its controlled entities (together referred to as the "Consolidated Entity").

**(b) Statement of Compliance**

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. The Company is a for-profit entity for the purpose of preparing the interim financial report. The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity as at and for the year ended 31 December 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

**(c) Going Concern**

As at 30 June 2024 the Consolidated Entity had cash reserves of \$1,299,003, net current assets of \$2,712,200 and net assets of \$3,277,094. During the year the Consolidated Entity incurred a loss of \$1,696,306, incurred operating cash outflows of \$161,943, investing activity outflows of \$277,026 and financing activity outflows of \$172,497.

The ability of the Consolidated Entity to continue as a going concern is dependent upon one or more of the following:

- The successful conversion of future customer opportunities to positive operating cashflows;
- Effective cash flow management.
- Further subsequent capital raises where required.

These conditions give rise to material uncertainty which may cast significant doubt over the Consolidated Entity's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Consolidated Entity has received a number of large first purchase orders from key customers which will be converted to operating cash inflows in the second half of the financial year;
- The level of existing cash reserves and current assets; and
- The directors believe there is sufficient cash available for the Consolidated Entity to continue operating based on its cash flow forecast.

Should the Consolidated Entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Consolidated Entity be unable to continue as a going concern.



**NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)****New Accounting Standards**

The accounting policies adopted are consistent with those of the previous financial year. Several other amendments and interpretations applied for the first time during the year, but these changes did not have an impact on the Consolidated Entity's financial statements and hence, have not been disclosed. The Consolidated Entity has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

**New Standards and Interpretations Not Yet Adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods. The Consolidated Entity has decided against early adoption of these standards. The Consolidated Entity has assessed the impact of these new standards and interpretations and does not expect that there would be a material impact on the Consolidated Entity in the current or future reporting periods and on foreseeable future transactions.

**NOTE 2 SEGMENT REPORTING**Reportable Segments

The Consolidated Entity has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources.

Management currently identifies the Consolidated Entity as having only one reportable segment, providing technology enabled care solutions to the aged and disability sectors in Australia. The financial results from this segment are equivalent to the financial statements of the consolidated entity. All assets are located in Australia.

**NOTE 3 REVENUES**

	<b>6 months ending June 2024</b>	<b>6 months ending June 2023</b>
	<b>\$</b>	<b>\$</b>
Software revenue	1,171,936	698,514
Hardware sales	2,321,271	5,312,170
Interest revenue	2,522	183
<b>Total revenue</b>	<b>3,495,729</b>	<b>6,010,867</b>

Software revenue incorporates hardware sales and ongoing fixed-price monthly access subscription software as a service style contracts (SAAS). Revenue from the sale of term (subscription) licences are recognised over time on a straight-line basis over the subscription term.

In the case of SAAS monthly subscription contracts, agreements are entered with clients to provide ongoing access to the software over a fixed period. The client pays a fixed amount in line with SAAS contract. If the payments exceed the services rendered, a contract liability is recognised.

For hardware sales revenue, revenue is recognised upon the transfer of the hardware to the customer along with any associated hardware commissioning.

**NOTE 4 INVENTORIES**

	June 2024 \$	December 2023 \$
Aged care specialist sensors	2,938,883	2,718,750
Provision for diminution	(500,329)	(359,301)
	2,438,554	2,359,449

Inventories are aged care specialist sensors that are utilised as part of the software services provided to customers. Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

An inventory impairment of charge of \$200,000 was recognised (HY2022: \$Nil) for legacy security stock. This stock was initially acquired as part of the Homestay Care acquisition. This stock is not applicable to the aged care sector and whilst Talius will continue efforts to sell this inventory, Talius has taken a conservative view and recognised a full impairment charge.

**NOTE 5 INTANGIBLE ASSETS**

	June 2024 \$	December 2023 \$
Software at cost	396,866	102,766
Accumulated amortisation	(55,677)	(30,126)
	341,189	72,640
Other intangibles at cost	143,200	143,200
Accumulated amortisation	(33,405)	(10,752)
	109,795	132,448
<b>Total intangible assets</b>	<b>450,984</b>	<b>205,088</b>

**Movements during the period**

Half Year Ending 30 June 2024	Software	Other	Total
Balance at 1 January 2023	72,640	132,448	205,088
Additions	294,100	-	294,100
Amortisation	(25,551)	(22,653)	(48,204)
<b>Balance at 30 June 2024</b>	<b>341,189</b>	<b>132,448</b>	<b>450,984</b>

**NOTE 6 TRADE AND OTHER PAYABLES**

	June 2024 \$	December 2023 \$
Trade payables	2,123,184	293,573
Other payables and accrued expenses	194,210	205,039
	2,317,394	498,612

**NOTE 7 CONTRIBUTED CAPITAL**

	June 2024 \$	December 2023 \$
2,574,436,469 fully paid ordinary shares (December 2023: 2,563,917,116)	20,306,790	20,174,887

**Ordinary Shares**

	June 2024 \$	December 2023 \$	June 2024 #	December 2023 #
At the beginning of the year	20,174,887	17,753,233	2,563,917,116	2,228,639,337
Share buy-back <sup>1</sup>	(71,843)	-	(8,980,646)	-
Conversion of Performance Rights <sup>2</sup>	203,746	87,904	19,500,000	7,500,000
Issue of Fourth Milestone Shares <sup>3</sup>	-	-	-	50,000,000
Share placement <sup>4</sup>	-	2,500,000	-	277,777,779
Share issue costs	-	(166,250)	-	-
<b>At reporting date</b>	<b>20,306,790</b>	<b>20,174,887</b>	<b>2,574,436,470</b>	<b>2,563,917,116</b>

**Notes**

1. June 2024 unmarketable parcel share buy-back of 8,980,646 shares at \$0.008 per share.
2. Conversion of performance rights to ordinary shares at a range of \$0.0079 to \$0.012 per share (2023: range of \$0.011 to \$0.0119)
3. Shares issued as deferred consideration to the vendors of HomeStay Care International Pty Ltd.
4. December 2023 share placement of 277,777,779 ordinary share at \$0.009 per share.

**NOTE 8 RESERVES**

	June 2024 \$	December 2023 \$
Share based payment reserve	441,363	599,994

The share based payments reserve is used to record the value of share based payments provided to employees as part of their remuneration and to consultants for services provided.

**NOTE 9 SHARE BASED PAYMENTS****Performance Rights**

The Company has granted performance rights to directors, employees and consultants. Each equity-settled performance right which vests and is exercised converts to an ordinary share in the Company at nil exercise price. The performance rights are not quoted on the ASX. Performance rights granted carry no dividend or voting rights.

Details of performance rights issued, exercised and expired during the half-year are set out below:

Grant Date	Vesting Date	Expiry Date	Tranche #	Movements				
				1 January 2024	Issued	Exercised	Lapsed	30 June 2024
15-Jun-20	15-Jun-22	15-Jun-25	Director 2	15,000,000	-	-	-	15,000,000
22-Mar-22	31-Dec-22	31-Dec-25	Employee 3	1,000,000	-	-	-	1,000,000
22-Mar-22	31-Dec-23	31-Dec-26	Employee 4	3,000,000	-	-	-	3,000,000
22-Mar-22	31-Dec-24	31-Dec-27	Employee 5	3,000,000	-	-	-	3,000,000
19-May-22	31-Dec-22	31-Dec-25	Director 5	4,000,000	-	-	-	4,000,000
19-May-22	31-Dec-23	31-Dec-26	Director 6	8,000,000	-	-	-	8,000,000
19-May-22	31-Dec-24	31-May-27	Director 7	8,000,000	-	-	-	8,000,000
19-May-22	31-Dec-23	31-Dec-26	Director 9	3,000,000	-	(3,000,000)	-	-
19-May-22	31-Dec-24	31-May-27	Director 10	4,000,000	-	-	-	4,000,000
19-May-22	31-Dec-23	31-Dec-26	Director 12	3,000,000	-	(3,000,000)	-	-
19-May-22	31-Dec-24	31-May-27	Director 13	4,000,000	-	-	-	4,000,000
28-Jul-22	31-Dec-23	31-Dec-26	Employee 8	3,000,000	-	(3,000,000)	-	-
28-Jul-22	31-Dec-24	31-Dec-27	Employee 9	3,000,000	-	-	-	3,000,000
15-Dec-22	31-Dec-23	31-Dec-26	Employee 10	7,000,000	-	(4,000,000)	-	3,000,000
15-Dec-22	31-Dec-24	31-Dec-27	Employee 11	7,000,000	-	-	(3,000,000)	4,000,000
4-Apr-23	31-Dec-23	31-Dec-26	CFO 1	3,000,000	-	(3,000,000)	-	-
22-May-23	31-Dec-23	31-Dec-26	Employee 12	1,000,000	-	(1,000,000)	-	-
22-May-23	31-Dec-24	31-Dec-27	Employee 13	1,000,000	-	-	(1,000,000)	-
3-Jul-23	31-Dec-23	31-Dec-26	Employee 14	1,000,000	-	(1,000,000)	-	-
3-Jul-23	31-Dec-24	31-Dec-27	Employee 15	1,000,000	-	-	-	1,000,000
21-Sep-23	19-Mar-24	30-Apr-24	Consultant 3	1,500,000	-	(1,500,000)	-	-
				84,500,000	-	(19,500,000)	(4,000,000)	61,000,000

The following performance rights Tranches have vested and were exercisable at 30 June 2024:

Tranche	Number of vested and exercisable rights
Director 2	15,000,000
Employee 3	1,000,000
Employee 4	3,000,000
Director 5	4,000,000
Director 6	8,000,000
Employee 10	3,000,000
	<u>34,000,000</u>

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**NOTE 9      SHARE BASED PAYMENTS (continued)****Performance Rights Vesting Conditions**

Tranche “Director 2” rights vest and become exercisable into shares upon the 20-day volume weighted average price of shares being at least \$0.02 per share on or before 15 June 2022 together with continued service to that date. Both conditions have been met and the rights have vested and are exercisable.

Tranches “Director 7”, “Director 10” and “Director 13” rights vest and become exercisable into shares upon the 5-day volume weighted average price of shares being at least \$0.03 per share on or before 31 December 2024 together with continued service to that date.

All other tranches vest upon continuing service by the recipient until the vesting date noted in the above table.

**NOTE 10      CONTINGENT LIABILITIES**

The Group did not have any contingent liabilities as at 30 June 2024 (December 2023: \$Nil).

**NOTE 11      EVENTS AFTER BALANCE DATE**

There have been no events since 30 June 2024 that impact upon the financial report.

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### DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'G Russell'.

Graham Russell  
Managing Director  
30 August 2024

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Talius Group Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Talius Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

**Material uncertainty relating to going concern**

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

**Responsibility of the directors for the financial report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

**Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. 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 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.

**BDO Audit Pty Ltd**



**T R Mann**  
Director

Brisbane, 30 August 2024



## **TALIUS GROUP LIMITED CORPORATE INFORMATION**

### **DIRECTORS**

Leylan Neep (Non-Executive Chairman)  
Graham Russell (Executive Director)  
Ramsay Carter (Non-Executive Director)  
Maggie Haertsch (Executive Director)

### **COMPANY SECRETARY**

Stephen Rodgers

### **REGISTERED OFFICE**

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Loganholme QLD 4129  
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### **SHARE REGISTRY**

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Phone: +61 8 9324 2099

### **AUDITORS**

BDO Audit Pty Limited  
Level 10, 12 Creek Street  
Brisbane QLD 4000  
Phone: + 61 7 3237 5999

### **COUNTRY OF INCORPORATION**

Australia

### **INTERNET ADDRESS**

[www.talius.com.au](http://www.talius.com.au)

### **AUSTRALIAN BUSINESS NUMBER**

ABN 62 111 823 762