



InteliCare Holdings Ltd
ABN 84 622 484 397

ASX Code
ICR

Corporate Directory

Chief Executive Officer &
Managing Director
Mr Jason Waller

Non-Exec Chairman
Mr Greg Leach

Non-Executive Director
Mr Branden Dekenah

Non-Executive Director &
Company Secretary
Mr Neil Hackett

Non-Executive Director
Mr Scott Taylor

Issued Shares
73,123,789

Unlisted Options
13,262,500

Company Details
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InteliCare Operations Update March 2021 Quarter

- **Receipts from customers increased by 911% against Q2 FY21 and up 123% YTD over half-year results**
- **Revenue from sales up over 22% from previous quarter and 55% YTD from HY FY21**
- **Over \$350k invested in the launch of a WA consumer marketing campaign**
- **Strong initial marketing campaign results** with 835k metro TV exposures in Perth, over 840k exposures via digital media delivering **increased page views in WA by 650% WoW and 271.9% WoW nationally**
- **Customer experience and B2C sales staff recruitment drove increased staff costs**
- **Subsequent to the end of the period, successful placement of \$2.5M to further expand national sales strategies** including recent TV, social, digital and radio consumer campaigns

InteliCare Holdings Ltd (“InteliCare” or the “Company”) (ASX: ICR), an Australian technology company that has commercialised a subscription-based Internet of Things (IoT) and Artificial Intelligence (AI) product for use in the aged care and health industries, is pleased to provide this Quarterly report together with an operational and business update.

Sales and Operations

Sales for the period continue to be encouraging with growth in receipts from customers, increasing by 911% against Q2 FY21, which has resulted in a 123% YTD increase over half-year results. Commensurately, revenue from sales was up over 22% from the previous quarter and 55% YTD from HY FY21 results. The sales have been from a combination of direct outbound B2B sales, inbound indirect B2B sales from distributor channels and inbound consumers, heavily biased towards B2B at this stage.

It is too early to extrapolate these results and provide detailed forecasts and the Company expects results will fluctuate as the commercialisation strategy executes. However, they demonstrate consistent progress to support further investment in sales teams and marketing at a national level.

The Company has continued to increase its distributor channels including signing a five-year Supply Agreement with Optus Networks Pty Ltd.

A milestone entering a new market in the disability sector was achieved with the company receiving an order to supply 15 IntelliLiving systems (IntelliLiving hardware and IntelliCare Pro subscriptions) coupled with a range of additional ancillary sensors to support a new specialist disability accommodation (SDA) reference site in Victoria.

This reference site is an initial project with further opportunities possible across the end-client's portfolio of over 10,500 properties under management in Australia across six States.

The SDA market is a large and growing segment that offers diversification opportunities for the Company. The government has set aside funding for SDA to the sum of \$700 million per year as the scheme matures. The lure of this funding has already begun to attract investment from the private sector and stimulate the development of new dwellings across Australia.

Marketing

To date, direct to consumer sales have flowed from organic growth and limited digital marketing, as well as word-of-mouth. As previously, announced the company engaged a team of independent creative and media specialists to develop an initial burst B2C consumer marketing campaign. This is part of IntelliCare's go-to-market strategy to scale consumer reach in WA alongside its B2B growth.

During the quarter the Company launched in Western Australia the fully integrated campaign which includes TV, online video, social, digital, radio, retail out-of-home (OOH) and native content. The strategy is to measure efficacy in a local, known market before risking significant capital on a broader reaching campaign. However, planning for a national campaign is underway assuming a successful state-based approach.

Although it is still early days, initial results have been encouraging. In the first week:

1. the campaign has delivered 835k Metro TV exposures in Perth,
2. over 840k exposures via digital media,
3. increased page views in WA by 650% week-on-week (WoW) and 271.9% WoW nationally, and
4. increase leads by 380% WoW, including a "halo effect" with increased B2B leads.

The objective now for the company is to convert the leads, which will be heavily dependent on customer buying cycles and lead times. From experience, consumer buying cycles for assistive technology can range from days to months. Leads from an awareness campaign of this nature will capture top-of-funnel downwards, biased towards the top in a market where the product is a new category, such as IntelliLiving®. Accordingly, full results are expected to only become apparent at 6+ months. To accelerate the process, where possible, the Company has recruited additional customer experience, product support and B2C sales staff as well as developing sales systems and collateral.

Product Development

New Health Metrics

As flagged in previous reports, the Company announced rollout of a new suite of analytics which provides significantly enhanced functional capacity to IntelliLiving® with real-time monitoring and reporting of personal health metrics. IntelliLiving® Health Metrics enables the capture and recording of health data. This is available via both manual and automated methods, through integrated smart health tracking devices, including Fitbit®.

The health metrics product is intended to support entry into markets aligned to the rapid global growth in Mobile health (mHealth) apps and associated remote patient monitoring (RMP), including consumer smart wearables, post-COVID telehealth, remote patient support and Hospital at Home (HaH) Providers.

As part of our ongoing technology roadmap, the Company intends to broaden the array of integrated sensors to track blood pressure, blood glucose, weight, activity (steps), respiration, blood oxygenation and heart rate.

New sensor integration

As part of the recent SDA proposal the Company integrated wireless sensor hardware customised for the end-client to provide real-time alert and panic systems. This technology has broader applications in the residential aged care sector, as well as across other disability settings.

The ability to quickly customise the IntelliLiving product by integrating new capabilities is testament to the Company's competitive advantage owning a proprietary open-architecture IoT platform, having an in-house development team and non-reliance on a single manufacturer.

Royal Commission into Aged Care Quality and Safety

During the period, IntelliCare welcomed the report handed down by the Royal Commission into Aged Care Quality and Safety. It was pleasing to note the report cited IntelliCare as an example of how innovation funding for assistive technology can deliver benefits to the aged care sector.

In particular, the Company sees future upside if recommendations 34, 35, 55 and 107, centred on reforms to care at home and assistive technology, are implemented.

The Company will remain actively engaged to shape report recommendations implementation and identify opportunities arising from the recently announced \$10bn increase to the federal budget over the next four years.

COVID-19

On two occasions, staff moved to a working from home environment in accord with the WA Government lockdown requirements with no significant impact on operations. The Company expects to resume normal operations under a COVIDSAFE Plan when restrictions are lifted. There remains a risk that due to further or additional government restrictions the Company may experience business continuity impact or sales pipeline execution delays, particularly as installation and distribution has been restricted in parts of the country due to isolation and lockdown measures.

Spending on track

IntelliCare closed the quarter with cash and cash equivalents of \$1.805 million.

Cash outflows from operating activities for the quarter amounted to \$1.313 million comprising increased receipts from customers of \$228K, operating expenses included product manufacturing costs of \$254K, marketing and advertising costs of \$539K, staff costs of \$457K and other costs of \$290K. Marketing and advertising costs include payments for an advertising campaign brought forward into the March quarter.

IntelliCare made payments of \$199K to related parties and their associates during the quarter. These payments relate to the existing remuneration agreements for the Executive and Non-Executive Directors.

Pursuant to ASX listing rule 4.7C.2, the Company advises the proposed use of funds contained in section 1.8 of Intelicare's Prospectus in comparison to the actual use of funds following admission of Intelicare to the official list of the ASX:

Appendix One to the Quarterly Activities Report	Prospectus Use	Funds used
	of Funds \$A'000	total to date \$A'000
Costs of the Offers	698	738
Hardware purchases	400	192
Logistics	300	78
Marketing	790	380
IT/data security	350	54
New management personnel	250	222
New operations/sales team	500	140
- Technology development team	300	253
- IntelliCare Essentials development	750	421
- Development IntelliCare Gen 2	500	67
Working capital/ corporate overheads	1,009	768
Repayment of Frontline Loan and services	110	108
Total Use of Funds	5,957	3,421

Intelicare confirms that it expects to utilise the funds raised under its Prospectus in accordance with the use of funds statement and the key business objectives underlying the expected use of funds remain intact.

Events subsequent to the period

Subsequent to the period, IntelliCare announced it has received binding commitments for \$2.5 million via a 2-tranche placement of 9,615,385 New Shares at AU\$0.26 per share (the Placement). As part of the Placement, the Company also offered investors one (1) free option to acquire a Share (exercise price AU\$0.50; expiry date 3 years) for every two (2) Shares subscribed (Options).

The Placement funds of \$2.5 million in conjunction with existing cash reserves will enable IntelliCare to fund:

1. Additional national marketing campaigns through TV, social, digital and radio platforms;
2. Expansion to a National Sales Team and implementation of newly outlined sales strategies;
3. General working capital requirements and the expenses of the Placement.

The issue of the options and Director shares is subject to shareholder approval.

Contact and Authorised for Release to the ASX

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About Intelicare Holdings Limited

InteliCare is an Australian technology company that has commercialised a predictive analytics hardware and software system for use in the aged care and health industries. InteliCare believes Australians deserve to age with dignity and through its business-to-business (B2B) and business-to-consumer (B2C) solutions built on its proprietary internet of things (IOT) platform utilising smart sensors and artificial intelligence (AI), InteliCare aims to enable people to stay in their own homes for longer while empowering healthcare providers to deliver higher quality, more efficient services.