



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
83,019,943

Unlisted Options
18,210,569

Company Details

Email
investors@intelicare.com.au
Website
www.intelicare.com.au

Registered & Principal Office

Level 1, 299 Vincent St
Leederville WA 6001

InteliCare Operations Update June 2021 Quarter

- **Chief Revenue Officer (CRO) engaged to further expand national sales strategy**
- **Marketing campaign delivers 7.5x B2C growth**
- **Revenue from sales up over 69% from previous quarter and 48% YTD from HY FY21**
- **H2 receipts from customers increased by 36% against H1 FY21**
- **Successful placement of \$2.5M to further expand national sales strategies**

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.

Building Sales Capability

The strategy to further build strong B2B growth and expand national sales strategies was begun with the engagement of a Chief Revenue Officer (CRO), Mark Geddes, after an extensive recruitment process.

Mr Geddes comes to the company after leading two pre-IPO start-up companies and successfully launching a new business unit and solution range for Telstra, as well as leading sales and delivery teams across the entire product range. Mr Geddes has a remit to grow the east coast sales team, deliver on stretch sales targets and deliver customer support and operational capability.

Previous results demonstrate that B2B sales growth is driven by a direct outbound go-to-market strategy. Hence, the Company intends to use funds received from the recent placement (further information below) to grow the national B2B sales team. Extensive recruiting work is in its late stages.

The Company expects this sales team expansion to give greater in-region presence, which overcomes some of the limitations of inter-State restrictions.

Marketing

The company previously reported \$539K in Q3 marketing and advertising costs representing over 65% percent other expenditure in FY20/21 and against \$790K in total use of funds from the IPO prospectus. The campaign was primarily focussed on increasing brand

awareness to driver long-term growth in a market where assistive technology is poorly understood. It had a secondary aim of increasing direct responses and lead generation for consumers with immediate needs.

The TV and radio media elements of the campaign were limited to Western Australia to control costs and create a test-bed before committing nationally. Brand awareness results are undergoing external analysis.

However, the direct response was better than expected:

- 5.67 million exposures, 21% above planned;
- includes 2.1 million Metro TV exposures in Perth;
- over 352K exposures via social media;
- 18,741 total website pageviews at a rate of 28,000/mth, 263% above a baseline of 7,700/mth;
- hitting 123% above the pageview target at this point of the campaign;
- 256% above the forecast Market Qualified Leads (MQL) per week target; and
- 7.5x increase in B2C monthly sales, per figure 1, with further conversions of leads expected as awareness campaign continues.

Sales Results

During the quarter, the Company concentrated resources on successfully executing conversions from the B2C marketing campaign, with positive results compared to the baseline, as demonstrated in figure 1.

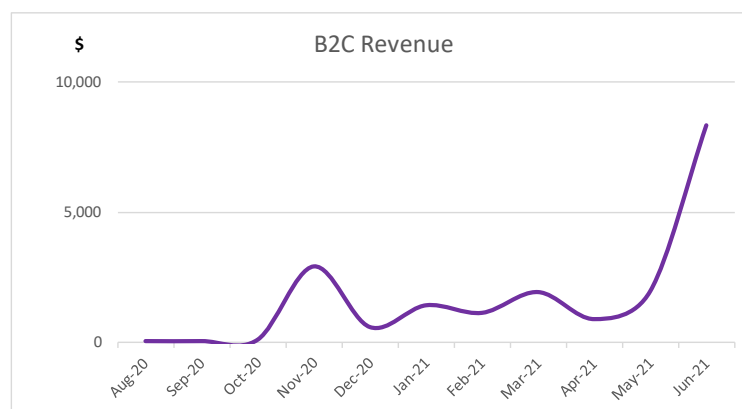


Figure 1

Full conversion results will only become apparent as increased consumer awareness cascades through ongoing direct response digital campaigns.

This did result in softer sales for the quarter through B2B channels as B2B resources onboarded and trained B2C sales and support teams.

However, as show in figure 2 unaudited full-year results show a strong growth trajectory, underpinned by commercial sales.

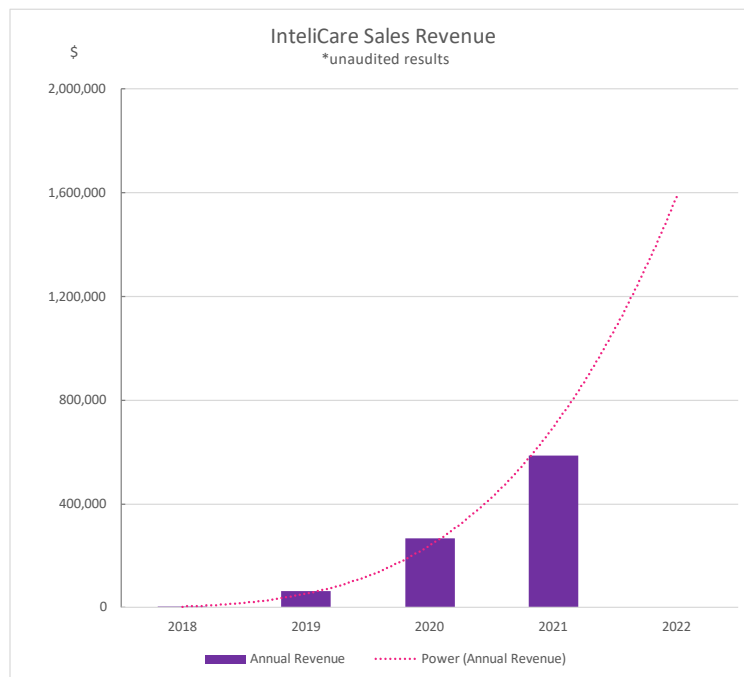


Figure 2

Product Development

The Company announced that in conjunction with the University of Sydney (USyd) and Macquarie University (MU) it has been awarded a grant by the New South Wales Smart Sensing Network (“NSSN”) for \$100,000 to further develop the Company’s machine learning capability.

The multi-disciplinary research team will build machine learning (ML) algorithms to predict and prevent events that are likely to impact on the quality of life of the elderly. These product features will extend Intellicare’s artificial intelligence (AI) accuracy at predicting risks of chronic disease and mental health deterioration that on their own can result in loss of independence, but can also lead to injury, including:

- cardio-pulmonary disease;
- cardio-vascular and circulation disease, by detecting deterioration of the circulation through reduced mobility;
- infection, characterised by loss of appetite, trouble sleeping, vomiting/diarrhoea and reduced mobility; and
- dementia, via monitoring of wandering, especially at night-time.

The researchers are leading experts in complementary research areas, which consist of Internet of Things (IoT), ML, business analytics, and ageing and health.

Product intellectual property developed through the project will be owned by Intellicare and deliver significant competitive advantage over out-dated assistive technology, particularly duress/alert wearables. In addition to the NSSN funds, Intellicare will provide a co-contribution of \$152,898 in cash and the universities will provide \$161,021 of in-kind support.

Capital placement

InteliCare successfully raised \$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 InteliCare to fund:

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

COVID-19

On one occasion in the quarter staff moved to a working from home environment in accord with the WA Government lockdown requirements with no significant impact on operations. The Company subsequently resumed normal operations. 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

Following a successful capital raise, InteliCare closed the quarter with cash and cash equivalents of \$2.673 million.

Cash outflows from operating activities for the quarter amounted to \$1.475 million, representing a 12% increase. This comprised lower receipts from customers of \$37K, increased operating expenses included product manufacturing costs of \$409K (including forward ordering components to increase inventory in mitigation of the global chip shortage), lower marketing and advertising costs of \$307K, lower staff costs of \$401K and other costs of \$378K.

InteliCare made payments of \$147K 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	total to date
	\$A'000	\$A'000
Costs of the Offers	698	738
Hardware purchases	400	504
Logistics	300	90
Marketing	790	1,231
IT/data security	350	157
New management personnel	250	349
New operations/sales team	500	313
- Technology development team	300	476
- IntelliCare Essentials development	750	855
- Development IntelliCare Gen 2	500	130
Working capital/ corporate overheads	1,009	1,594
Repayment of Frontline Loan and services	110	108
Total Use of Funds	5,957	6,545

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.

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. IntelliCare 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), IntelliCare aims to enable people to stay in their own homes for longer while empowering healthcare providers to deliver higher quality, more efficient services.