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**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**
72,899,706

**Unlisted Options**
13,262,500

**Company Details**
Email
investors@InteliCare.com.au
Website
www.InteliCare.com.au

**Registered & Principal Office**
Level 1, 299 Vincent St
Leederville WA 6001
+61 1300 001 145

# InteliCare Operations Update September 2020

- Strong sales growth in the September Quarter of 29% with underlying costs falling by 23% increasing overall margin.
- InteliCare also reports in the 12 months to September:
  - 360% growth in distributor arrangements with substantial additional pipeline.
  - More than 10x increase of InteliCare units commercially deployed.
  - Increasing revenue by 312% and cash sales by over 500%.
- Substantial product development continuing and a key driver for future growth and sales.
- Growth strategy on track as planned and gaining market traction.

InteliCare Holdings Ltd ("InteliCare" or the "Company") (ASX: ICR), an Australian technology company that has commercialised a predictive analytics hardware and software system for use in the aged care and health industries, is pleased to provide this Quarterly report together with an operational and business update.

InteliCare's sales and opportunity pipeline experienced healthy growth in the September Quarter. During the Quarter, receipts from customers have increased by 29% while underlying costs have fallen by 23%, in line with company expectations.

In the 12 months to September, the Company has undergone significant growth on a number of additional metrics, including:

- increasing our product installed base by over ten-fold, with confirmed orders taking InteliCare installations to an over 16x increase,
- growing market channels from three distributors to 11, with many more in the pipeline,
- the provision of sales to some of Australia's largest aged and disability care providers and their clients, including the WA Department of Communities, Silver Chain Group, Community Home Care Inc, Brightwater Care Group Limited, Alzheimer's WA, Baptistcare WA Ltd and Anglican Aged Care Services Group, and
- in the process, increasing revenue by 312% and cash sales by over 500%.

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**Sales and Operations**

As previously announced, InteliCare has increased its expansion into Victoria through executing an Agency Agreement with Rehab Hire, a substantial sales and service business based in Melbourne, specialising in the supply of hospital and rehabilitation equipment. This key agreement has further strengthened our eastern seaboard exposure following sales of 120 systems in New South Wales.

Rehab Hire has informed InteliCare of its intention to grow its distribution network across all regions in Australia and commit significant new and existing resources towards increased distribution and sales, and will work with InteliCare in Victoria and beyond to drive increased sales and installations.

As part of our distribution strategy, InteliCare's partners undertake a process of induction and product training, before becoming fully sales-ready. The Company therefore expects there to be a period of ramp-up through this period. In light of this, distributors engaged in the previous quarter have now commenced making early sales and growing the installed base and recurring revenue.

Subsequent to the end of the quarter, the Company announced it had completed a major milestone in the execution of its Business-to-Consumer (B2C) sales strategy through the launch of its new online platform and e-Commerce marketplace. InteliCare will increase its focus on expansion into the DIY aged care market, the largest and fastest growing Total Addressable Market.

Our eCommerce marketplace provides seamless access for both national and international consumers to purchase InteliLiving. InteliLiving provides a low cost, entry level product to cater for the B2C market. All of InteliCare's products are NDIS approved and qualify as approved expenditure under the government's Commonwealth Home Support Program (CHSP) and Home Care Packages (HCP) programs.

Importantly, the eCommerce marketplace gives the Company a platform to test and refine pricing and product positioning strategies to increase market penetration.

From the outset, InteliCare's strategy has been to develop a proven sales and go-to-market strategy locally in Western Australia, before expanding to the east coast and then internationally. This is to ensure capital is allocated efficiently and effectively without incurring large sunk costs. The first phase is largely complete and national expansion is now underway. The company has also begun early-stage discovery for international opportunities.

**Marketing**

Since listing, InteliCare has undertaken marketing primarily through digital channels. The target audience has consisted of independent adults, the families of independent adults and care givers/healthcare service providers. Our key focal point has been to beta test value propositions, messaging and audience engagement. These results have been encouraging and have increased our corporate knowledge regarding the nuanced needs of each of these discrete end-users. This knowledge has been used to drive further technological enhancements to our technology agnostic, internally developed and proprietary artificial intelligence platform to ensure it remains the leading product in care support and assistive living technology.

InteliCare has now engaged additional marketing resources to leverage these findings and develop our core Brand Strategy, Marketing Strategy and Channel Plan, which we are now in the process of refining and rolling out.



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**Product development**

InteliCare's two core products, InteliLiving and InteliCare Pro, continue to form the backbone of sales and will remain the drivers for future growth. The Company's strategy as an Internet-of-Things (IoT) platform remains underpinned by its ability to leverage its open IoT architecture to expand the suite of InteliCare-enabled sensors.

Our product sales strategy is centred around the provision of low margin hardware and installation, followed by rapid scaling of higher margin and recurring Software-as-a-Service (SaaS) revenue. Hence, our product development strategy hinges on three lines of operations:

1. **Improving the Off-the-Shelf Product.** The goal is to achieve a retail-ready product for sales beyond eCommerce and through retail distributors. This allows the Company to move beyond government funded channels and tap into the largest Total Addressable Market worldwide: self-funded and family-funded ageing in place. It requires development work to improve the user experience and installation journey, as well as increasing automation of supply chain and logistics. During the quarter much of the back-end development work was complete and the distribution, fulfillment and customer experience work commenced.

2. **More powerful Artificial Intelligence (AI).** This is achieved by both increasing the use of AI to detect incidents and events that would trigger a loss of independence (and a subsequent move to residential care for the end-user) and expanding our machine learning capability to predict trigger events. This will be a longer journey as machine learning requires a large installed base, subject matter experts, robust training and test data, and an ability to remove false positives. The Company has engaged additional resources in each of these domains and has developed mechanisms for training our neural network machine learning algorithms.

3. **Integrated best-of-breed sensors.** The company will exploit its competitive advantage as a non-manufacturer with its proprietary open IoT architecture to integrate new sensors such as the previously announced radar sensor. Sensor technology is moving at a rapid rate and additional sensors act as pathfinders to new markets, different use cases and improved AI. Nevertheless, the focus remains on passive sensors due to their innate ability to overcome limitations of wearables (reluctance of seniors to wear, require charging, not activated by end-users). Wearables still have their place and the Company has a range already integrated for falls detection and duress notification. In particular, InteliCare sees further opportunity exploiting voice-activated technology.

**COVID-19**

The Company continues normal office operations under a COVIDSAFE Plan. 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.

InteliCare is also taking a strategic approach to broader stakeholder engagement in order to best promote assistive living technology and accelerate the advances made in technology adoption from the tragedy of COVID-19. During the quarter, InteliCare has engaged extensively with state and federal leaders, policy makers and industry peak bodies to develop a product which can leverage our remote monitoring and adaptive AI technology to form a significant part of the post-COVID healthcare landscape to reduce the burden on aged care, quarantine and solve for existing problems. We are now in the process of seeking further Commonwealth support beyond increasing funding for care packages.



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**Solid cash position**

The cash position of the Company remains very healthy at $3.6m and reflects a steady net cash burn of approximately $200k per month. This provides a solid runway and foundation for increasing marketing and expanding sales resources as traction increases.

**Contact and Authorised for Release to the ASX**

Jason Waller, Chief Executive Officer and Managing Director, InteliCare Holdings Ltd, +61 1300 001 145 , investors@InteliCare.com.au

***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.*