



Intelicare Holdings Limited

ABN 84 622 484 397

**Financial Report
30 June 2023**

Directors	Neale Fong Greg Leach Cam Ansell
Company Secretary	Neil Hackett
Registered office and principal place of business	Level 1 299 Vincent Street Leederville WA 6007 Phone: 1300 001 145
Share Register	Automic Registry Services Level 2 267 St Georges Terrace Perth WA 6000 Phone: (08) 9342 2099
Auditor	RSM Australia Partners Level 32 Exchange Tower 2 The Esplanade Perth WA 6000
Solicitors	Hamilton Locke Level 27 152-158 St Georges Terrace Perth WA 6000
Stock exchange listing	Intelicare Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: ICR)
Website	www.intelicare.com.au
Corporate Governance Statement	https://intelicare.com.au/wp-content/uploads/ICR-Appendix-4G-CGS-Combined-1.pdf

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Intelicare Holdings Limited
Directors Report
30 June 2023

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity') consisting of Intelicare Holdings Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entity it controlled as at the end of, or during the year ended 30 June 2023.

Directors

The following persons were directors of Intelicare Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Neale Fong
Greg Leach
Cam Ansell
Scott Taylor (resigned 13 June 2023)
Neil Hackett (resigned 15 September 2022, but remaining as Company Secretary)

Company secretary

Neil Hackett

Principal activities

During the financial year the principal continuing activities of the Consolidated Entity consisted of:

- Production monitoring solution for seniors and at-risk individuals
- Sales and marketing
- Research and development activities

Dividends

There were no dividends declared for the year ended 30 June 2023 (2022: nil).

Review of Operations

The loss for the consolidated entity after providing for income tax amounted to \$2,998,160 (30 June 2022: \$3,932,938).

- Sales performance has been weak when compared to the prior year, however current business development activities position the Consolidated Entity well for the 2024 financial year.
- In December 2022, the Consolidated Entity successfully completed a capital raise of \$2,211,000 through an entitlement offer and underwritten placement. The Entitlement Offer shortfall was allocated by Westar Capital Ltd.
- In October 2022, in advance of receiving of the R&D tax revenue the consolidated entity negotiated a funding facility of \$872,628 secured against the FY22 R&D tax claim. This was fully repaid in January 2023 when the R&D tax revenue of \$1,091,540 for the tax period ending 30 June 2022 (2021: \$756,319) was received.
- In June 2023, the Consolidated Entity negotiated a funding facility of \$726,567 against the FY23 R&D tax claim which will be repaid in full when the R&D refund is received later in the year.

Revenue and Sales

The Consolidated Entity has had a softer year with regards to new sales which has been influenced by the core markets in which IntelliCare was established to provides solutions (the aged care sector and disability sector) continuing to manage through significant policy, legislative and funding reforms.

During the reporting period the Consolidated Entity has continued to consolidate its approach in the residential aged care through successful pilot programs with Western Australian Country Health Service (WACHS)¹ and Bethanie.

At the same time, the Consolidated Entity has been developing the platform to respond to opportunities to support healthcare/hospital settings in the growing Remote Patient (Clinical) Monitoring markets.

1. Dr Neale Fong is the Chair of the Western Australia Country Health Service, having been appointed in July 2016

Restructuring the business to prepare for future growth

The commencement of the new Chief Executive Officer in July 2022 also aligned with the appointment of two new directors late in the 2022 financial year with considerable governance, executive and commercial experience in the health, aged care, retirement living and disability sectors. We are confident this ensures a solid foundation for future growth.

During the reporting period the CEO has led a review of the strategy and structure of the Consolidated Entity with a view to ensuring the right capability and a reduced cost to prepare for future growth. Over the course of the reporting period the monthly cash burn has reduced significantly due to operational efficiencies.

The Consolidated Entity has reviewed its approach to hardware having now moved from elements built in-house to all being now procured as best-of-breed products to be on-sold as part of the total solution which firmly places the Consolidated Entity in its true position as Software as a Service platform provider. Further our platform continues to be developed (see below) to ensure that as a hardware agnostic platform that we can swiftly support the needs of the providers already using the platform and those in the pipeline.

Refocusing the strategy, re-establishing the pipeline, listening to our customer base and looking for new opportunities

The strategic restructure has resulted in an increased focus on B2B relationships and a broadening of scope to include providers of residential aged care, retirement (and independent living) and supported disability accommodation market segments, beyond our previous approach largely focused on home-based aged care providers. This has also resulted in a move away from direct B2C marketing and a focus on bigger B2B customer opportunities in these markets, building on pilot programs with various customers.

The refined strategy to focus in on building opportunities with larger providers across a more refined scope of the provider marketplace has led to a more refined business development approach to deliver a stronger pipeline leading to faster pilots and commercial outcomes. As part of this approach the Consolidated Entity is looking to the development of stronger partnerships with aligned technology providers who already have established presences in the market. Through such partnerships the Consolidated Entity aims to achieve a more effective market deployment with strong commercial outcomes through leveraging the existing relationships of partners.

Over the reporting period the Consolidated Entity has successfully implemented pilot projects in the residential aged care setting with Western Australian Country Health Service (WACHS) and Bethanie. Further the Consolidated Entity continues to work closely with St John of God Accord disability accommodation services (based in Victoria) and have now successfully deployed across two sites, with three further sites expected throughout FY24. Each of these pilots is providing a successful platform for future expansion within these care providers, and also building an evidence base for the development of the pipeline.

As referred to above, a new line of opportunity has opened up the valuable role that the IntelliCare platform can play in hospital/healthcare settings in supporting remote patient monitoring RPM solutions. There is a growing demand for enhanced (and in some cases virtual) RPM solutions to support the hospital, hospital in the home and primary/community care settings. The Consolidated Entity, in partnership with best-of-breed TGA approved real-time wearables, have now enhanced the platform to be used in these environments through a clinically aligned, real-time display for a selection of various vitals and health metrics. This development has only been enabled through the strength that had already been developed in the platform and shows the versatility of what the Consolidated Entity has built in order to respond to the broader healthcare market. Pilot projects in this market are being planned for early in the 2024 financial year.

Executing the technology roadmap

To support growth and expansion opportunities, in 2023 the Consolidated Entity continued to execute the technology roadmap to better meet the needs of providers of aged care, healthcare and disability care, and to deliver improved health and wellbeing outcomes for their customers.

Throughout the reporting period the Consolidated Entity delivered on a number of strategic initiatives. These initiatives delivered improvements in operational efficiency, logistics as well as client facing product enhancements.

The outcomes are that the Consolidated Entity is now providing higher quality products to an expanded share of the Aged Care, Disability and Rapidly growing RPM markets.

- **Hardware and logistics improvements.** The Consolidated Entity has now completed the integration of new standard hub and sensor equipment. Previously the Consolidated Entity sourced and assembled components for our proprietary hub and utilised industry standard smart home sensors. The upgraded hardware has been sourced as a pre-assembled kit eliminating logistics and development / support cost overheads. The new Hub supports an expanded sensor set, 4G for internet backup, 5+ year battery life for sensors and is a Personal Emergency Response System (PERS) standard compatible device. This new standard has been successfully rolled out to new clients since February 2023.
- **Product Enhancements.** The Consolidated Entity's analytics and reporting have been expanded and enhanced based on customer feedback received from ongoing long-term pilots in the Residential Aged Care environment. The introduction of contactless vitals sensing to the Consolidated Entity's existing set of analytics provides staff with a 360-degree view of residents' wellbeing. New product capabilities targeted at supporting residential aged care facilities include urgent alerting and response (e.g., falls detection) and real-time dashboards to provide onsite staff with information on residents who may need assistance. Enhancements to the alert management workflows as well as the expanded hardware options provides for nurse call aligned features and reporting capabilities.
- **Remote Patient Monitoring.** Through integration with existing TGA approved smart health devices and newly available TGA approved BioPatches, the Consolidated Entity is now able to display both real-time and historic vitals (BP, Pulse, ECG, Temperature etc.) to support Remote Patient monitoring services. The Intelicare platform is now capable of providing customised views, workflows and alerting metrics based on the defined user roles within care or clinical settings. The Consolidated Entity's agnostic platform provides for rapid integration of new sensor and data sources reducing the need for customers to support multiple integrations as new, advanced technology becomes available.

These features assist providers across the various sectors address key challenges including workforce pressures and staff shortages and increasing regulatory and reporting requirements.

Financial

The Consolidated Entity's total revenue for 2023 was \$1,509,594 (2022: \$1,244,219). Included in expenses for the year were staff expenses of \$2,423,839 (2022: \$2,404,394) and share based payments of \$333,704. In addition to this and share based payments to the value of \$132,800 was issued as consideration for capital raising costs (2022: \$309,298). The net loss after tax for the year was \$2,998,160 (2022: \$3,932,938).

Net cash outflows from operations were \$3,096,794 (2022: \$3,102,876) and net cash inflows from financing activities were \$2,775,606 (2022: \$2,733,217).

Sales of IntelliCare hardware are typically bundled with associated subscription services. In line with the Consolidated Entity's accounting policy regarding revenue, sales of hardware are recognised over time rather than upfront, resulting in the recognition of deferred revenue that is recognised to revenue over that period.

The deferred revenue of \$434,445 as at 30 June 2023 is expected to be recognised as revenue in the financial year ending 30 June 2024. However, in the statement of cash flows, receipts from customers represent all cash received from sales regardless of whether it has been recognised as revenue or not as at 30 June 2023, which may provide investors with additional insight into sales progress.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Consolidated Entity incurred a loss of \$2,998,160 and had net cash outflows from operating activities of \$3,096,794 for the year ended 30 June 2023.

These factors indicate material uncertainty as to whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern, after consideration of the following factors:

- The ability to issue additional shares under the Corporation Act 2001 to raise further working capital; and
- The Consolidated Entity has the ability to scale down its operations in order to curtail expenditure, in the event cash available is insufficient to meet projected expenditure.

Accordingly, the Directors believe that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year

On 29 August 2023, the Group signed a non-binding Heads of Agreement with JNC Technologies Group to leverage the Intelicare Platform with JNC's network of Aged Care Providers. The Heads of Agreement sets out the principal terms and conditions that needs to be met for a binding agreement between both entities to deliver technology, software services and platforms to the aged care sector.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Likely developments and expected results of operations

The Consolidated Entity's principal continuing activity is the commercialisation of the Intelicare product. The Consolidated Entity's future developments, prospects and business strategies are to continue to execute its commercialisation strategy with regards to its predictive analytics hardware and software system which is expected to improve the Consolidated Entity's sales revenue.

Environmental regulation

The Consolidated Entity's is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Directors

Name:	Neale Fong
Title:	Non-Executive Director, Chairman
Qualifications, experience and expertise:	Neale is a registered medical practitioner with over 35 years' experience in a wide range of leadership roles in the private and public hospital systems. Neale is CEO and Executive Director of Bethesda Health Care, Chair of the Western Australian Country Health Service, Chairman of the Wyllie Group and President of the Australasian College of Health Service Management. Neale was previously the Director General of the WA Department of Health, CEO of St John of God Subiaco, Deputy Chair of the Bethanie Aged Care Group and Professor of Healthcare Leadership and Director of the Curtin Health Innovation Research Institute at Curtin University.
Other current directorships:	Non-Executive Director of Little Green Pharma Limited (from Nov 2018 to present)
Former directorships (last 3 years):	None
Interests in shares:	None
Interests in performance rights:	5,000,000
Interests in options:	3,000,000
Contractual rights to shares:	1,000,000 (vested on 18 July 2023)
Name:	Greg Leach
Title:	Non-Executive Director
Qualifications, experience and expertise:	Greg is a founder of IntelliCare and has been in the Information and Communications Technology industry for over 30 years and during that time has established and continues to oversee multiple successful companies and held multiple executive level roles spanning management, technology and innovation. Greg was a co-founder and previously chief technology officer of Empired Limited (ASX:EPD). He also co-founded Frontline Services (of which he is a director), BigRedSky Limited and founded Alkypro Fuel Systems. He founded and is currently a director and CEO of Blockhead Technologies Pty Ltd.
	Greg holds a Bachelor of Business (Information Processing).
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	96,154
Interests in performance rights:	1,900,000
Interests in options:	548,077
Contractual rights to shares:	200,000 (vested on 18 July 2023)
Name:	Cam Ansell
Title:	Non-Executive Director
Qualifications, experience and expertise:	Cam is the founder of Ansell Strategic, a leading aged care consultancy with engagements across Australia, New Zealand, Asia and USA. Cam is a recognized national and international speaker on the changing trends in seniors' accommodation and care services and has conducted numerous in-depth studies for Government and private industry for over 25 years.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in performance rights:	1,900,000
Interests in options:	None
Contractual rights to shares:	200,000 (vested on 18 July 2023)

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Name: **Scott Taylor** (resigned 13 June 2023)
Title: Non-Executive Director
Qualifications, experience and expertise: Scott holds a Bachelor of Laws and is the founding Partner of Taylor David Lawyers with over 15 years' experience in reconstruction and insolvency law. He acts for Federal Government departments, Fortune 500 companies, global leading insolvency practitioners and foreign multinationals. Scott's engagements include advising on acquisitions, securities, risk mitigation, asset management and debt equity swaps in addition to leading strategic negotiations. Scott has sat on the London based expert review panel for The Law Reviews and is the author of the Australian chapter of the annual International Insolvency Review. Scott was previously a non-executive director of the Children's Hospital Foundation Queensland.

Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: Not applicable as no longer a director
Interests in performance rights: Not applicable as no longer a director
Interests in options: Not applicable as no longer a director
Contractual rights to shares: Not applicable as no longer a director

Name: **Neil Hackett (resigned directorship 15 September 2022)**
Title: Non-Executive Director, Company Secretary
Qualifications, experience and expertise: Neil works closely with ASX boards, directors, CEO's, government enterprises and private boards on strategic and corporate governance requirements. Neil has project-managed multiple corporate transactions including public equity capital raisings, debt financing, corporate takeovers and business acquisitions and has 25 years' ASX company expertise.
Neil holds a Bachelor of Economics from the University of Western Australia, post-graduate qualifications in applied finance and investment, post-graduate qualifications in financial planning, is a graduate and facilitator with the Australian Institute of Company Directors and is a Fellow of the Financial Services Institute of Australia.

Other current directorships: Hastings Technology Metals Ltd (ASX:HAS).
Former directorships (last 3 years): Ardiden Ltd, Calima Energy Ltd, Intelicare Holdings Ltd
Interests in shares: Not applicable as no longer a director
Interests in performance rights: Not applicable as no longer a director
Interests in options: Not applicable as no longer a director
Contractual rights to shares: Not applicable as no longer a director

Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Meeting of directors

The number of meetings of the Consolidated Entity's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Attended	Entitled to Attend
Greg Leach	11	11
Scott Taylor	10	10
Neale Fong	11	11
Cam Ansell	10	11
Neil Hackett	3	3

Entitled to Attend: represents the number of meetings held during the time the director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 16 October 2019, where the shareholders approved a maximum annual aggregate remuneration of \$250,000 per annum.

Executive remuneration

The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and provides additional value to the executive.

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The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the Consolidated Entity's direct competitors. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2021.

Company performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Consolidated Entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

The Nomination and Remuneration Committee is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Use of remuneration consultants

During the year, the Consolidated Entity did not engage any remuneration consultants.

Voting and comments made at the company's 2022 Annual General Meeting ('AGM')

At the 2022 AGM, 63.44% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The company did not receive any specific feedback at the AGM regarding its remuneration practices however the board reduced the number of directors during the year.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

The key management personnel of the Consolidated Entity consisted of the following directors and management of Intelicare Holdings Limited:

- Greg Leach
- Scott Taylor (resigned 13 June 2023)
- Neil Hackett (resigned 15 September 2022)
- Mike Tappenden
- Neale Fong
- Cam Ansell
- Daniel Pilbrow (appointed 21 April 2022, commenced 18 July 2022)

		Short-term benefits			Post employment benefits	Long-term benefits	Share-based payments		
		Cash salary and fees	Cash Bonus	Non-monetary	Super-annuation	Long Service Leave	Equity settled shares	Equity settled options and performance rights	Total
		\$	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors									
Greg Leach									
	2023	40,843	-	-	4,157	-	-	17,958	62,958
	2022	37,159	-	-	341	-	-	7,370	44,870
Branden Dekenah									
	2023	-	-	-	-	-	-	-	-
	2022	24,000	-	-	-	-	-	7,370	31,370
Scott Taylor									
	2023	45,000	-	-	-	-	-	1,505	46,505
	2022	37,500	-	-	-	-	-	7,370	44,870
Neil Hackett*									
	2023	55,500	-	-	-	-	-	17,958	73,458
	2022	85,500	-	-	-	-	-	7,370	92,870
Neale Fong									
	2023	90,220	-	-	9,473	-	-	61,015	160,708
	2022	15,000	-	-	-	-	-	-	15,000
Cam Ansell									
	2023	45,000	-	-	-	-	-	16,453	61,453
	2022	7,500	-	-	-	-	-	-	7,500
Executive Directors									
Jason Waller									
	2023	113,483	-	-	8,750	-	-	35,219	157,452
	2022	250,000	-	-	25,000	-	-	35,219	310,219
Other Key Management Personnel									
Mike Tappenden									
	2023	180,000	-	-	18,900	-	-	-	198,900
	2022	180,000	-	-	18,000	-	-	-	198,000
Daniel Pilbrow									
	2023	266,812	-	-	28,015	-	-	169,108	463,935
	2022	-	-	-	-	-	-	-	-
Total									
	2023	836,858	-	-	69,295	-	-	319,216	1,225,369
	2022	636,659	-	-	43,341	-	-	64,699	744,699

*The fee includes company secretary fees of \$48,000.

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The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk – STI		At risk – LTI	
	2023	2022	2023	2022	2023	2022
Non-Executive Directors:						
Greg Leach	71%	84%	-	-	29%	16%
Neale Fong	62%	100%	-	-	38%	-
Cam Ansell	73%	100%	-	-	27%	-
Scott Taylor	97%	84%	-	-	3%	16%
Neil Hackett	76%	92%	-	-	24%	8%
Executive Directors:						
Jason Waller	78%	89%	-	-	22%	11%
Other Key Management Personnel:						
Daniel Pilbrow	64%	n/a	-	n/a	36%	n/a
Mike Tappenden	-	100%	-	-	-	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Daniel Pilbrow
Title:	Chief Executive Officer
Agreement commenced:	21 April 2022, commenced 18 July 2022
Term of agreement:	Indefinite, until terminated by the Consolidated Entity or Mr Pilbrow by giving no less than 3 months written notice of termination.
Details:	Base salary of \$280,000 per annum plus superannuation. Annual short-term incentive of up to \$150,000, subject to key performance hurdles, payable in cash or shares and all subject to sole discretion of the Board of Directors.
Name:	Mike Tappenden
Title:	Chief Technology Officer
Agreement commenced:	20 December 2019
Term of agreement:	Indefinite, until terminated by the Consolidated Entity or Mr Tappenden by giving no less than 3 months written notice of termination.
Details:	Base salary of \$180,000 plus superannuation. The Consolidated Entity shall every 12 months, subject to key performance indicators being met, pay Mr Tappenden a performance-based bonus on a pro-rata basis over and above remuneration to be paid either in cash or equity (STI). The STI will be a maximum of equal to at least 20% of Mr Tappenden's remuneration.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options

No options were issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in previous financial year are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Greg Leach	83,334	17/10/2019	17/10/2020	16/10/2024	\$0.30	\$0.0846
Branden Dekenah	83,333	17/10/2019	17/10/2020	16/10/2024	\$0.30	\$0.0846
Scott Taylor	83,333	17/10/2019	17/10/2020	16/10/2024	\$0.30	\$0.0846
Neil Hackett	83,333	17/10/2019	17/10/2020	16/10/2024	\$0.30	\$0.0846
Greg Leach	83,333	17/10/2019	17/10/2021	16/10/2024	\$0.30	\$0.0919
Branden Dekenah	83,334	17/10/2019	17/10/2021	16/10/2024	\$0.30	\$0.0919
Scott Taylor	83,333	17/10/2019	17/10/2021	16/10/2024	\$0.30	\$0.0919
Neil Hackett	83,333	17/10/2019	17/10/2021	16/10/2024	\$0.30	\$0.0919
Greg Leach	83,333	17/10/2019	17/10/2022	16/10/2024	\$0.30	\$0.0983
Branden Dekenah	83,333	17/10/2019	17/10/2022	16/10/2024	\$0.30	\$0.0983
Scott Taylor	83,334	17/10/2019	17/10/2022	16/10/2024	\$0.30	\$0.0983
Neil Hackett	83,334	17/10/2019	17/10/2022	16/10/2024	\$0.30	\$0.0983
Greg Leach	83,334	17/10/2019	17/10/2020	16/10/2024	\$0.40	\$0.0790
Branden Dekenah	83,333	17/10/2019	17/10/2020	16/10/2024	\$0.40	\$0.0790
Scott Taylor	83,333	17/10/2019	17/10/2020	16/10/2024	\$0.40	\$0.0790
Neil Hackett	83,333	17/10/2019	17/10/2020	16/10/2024	\$0.40	\$0.0790
Greg Leach	83,333	17/10/2019	17/10/2021	16/10/2024	\$0.40	\$0.0850
Branden Dekenah	83,334	17/10/2019	17/10/2021	16/10/2024	\$0.40	\$0.0850
Scott Taylor	83,333	17/10/2019	17/10/2021	16/10/2024	\$0.40	\$0.0850
Neil Hackett	83,333	17/10/2019	17/10/2021	16/10/2024	\$0.40	\$0.0850
Greg Leach	83,333	17/10/2019	17/10/2022	16/10/2024	\$0.40	\$0.0911
Branden Dekenah	83,333	17/10/2019	17/10/2022	16/10/2024	\$0.40	\$0.0911
Scott Taylor	83,334	17/10/2019	17/10/2022	16/10/2024	\$0.40	\$0.0911
Neil Hackett	83,334	17/10/2019	17/10/2022	16/10/2024	\$0.40	\$0.0911

Options granted carry no dividend or voting rights.

Intelicare Holdings Limited
Directors Report
30 June 2023

Performance rights

The following Performance Rights were issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Recipients	Class	Number of Securities	Vesting Conditions
<u>CEO Performance Rights</u>			
Daniel Pilbrow	Class A	2,500,000	12 months continuous employment
	Class B	2,000,000	24 months continuous employment
	Class C	2,500,000	Achievement of a 30-day VWAP of \$0.20.
	Class D	2,000,000	Achievement of a 30-day VWAP of \$0.40
<u>Directors Performance Rights</u>			
Neale Fong	Class A	1,000,000	12 months continuous employment
	Class B	1,000,000	Achievement of a 30-day VWAP of \$0.20.
	Class C	1,500,000	Achievement of a 30-day VWAP of \$0.30.
	Class D	1,500,000	Achievement of a 30-day VWAP of \$0.40.
Cam Ansell	Class A	200,000	12 months continuous employment
	Class B	400,000	Achievement of a 30-day VWAP of \$0.20.
	Class C	600,000	Achievement of a 30-day VWAP of \$0.30.
	Class D	700,000	Achievement of a 30-day VWAP of \$0.40.
Scott Taylor	Class A	200,000	12 months continuous employment
	Class B	400,000	Achievement of a 30-day VWAP of \$0.20.
	Class C	600,000	Achievement of a 30-day VWAP of \$0.30.
	Class D	700,000	Achievement of a 30-day VWAP of \$0.40.
Greg Leach	Class A	200,000	12 months continuous employment
	Class B	400,000	Achievement of a 30-day VWAP of \$0.20.
	Class C	600,000	Achievement of a 30-day VWAP of \$0.30.
	Class D	700,000	Achievement of a 30-day VWAP of \$0.40.
Neil Hackett	Class A	200,000	12 months continuous employment
	Class B	400,000	Achievement of a 30-day VWAP of \$0.20.
	Class C	600,000	Achievement of a 30-day VWAP of \$0.30.
	Class D	700,000	Achievement of a 30-day VWAP of \$0.40.
Total Performance Rights		21,600,000	

Performance rights granted carry no dividend or voting rights.

Intelicare Holdings Limited
Directors Report
30 June 2023

The Performance Rights issued during the period were calculated using the Hoadley's Barrier 1 and ESO2 valuation models with the following inputs:

<u>CEO Performance Rights</u>	Class A	Class B	Class C	Class D
Share price	\$0.044	\$0.044	\$0.044	\$0.044
Exercise price (\$)	Nil	Nil	Nil	Nil
Vesting date	18/07/2023	18/07/2024	18/07/2027	18/07/2027
Expected volatility (%)	75%	75%	75%	75%
Risk free interest rate (%)	3.21%	3.21%	3.21%	3.21%
Fair value per performance right	\$0.044	\$0.044	\$0.030	\$0.022

<u>Directors Performance Rights</u>	Class A	Class B	Class C	Class D
Share price	\$0.044	\$0.044	\$0.044	\$0.044
Exercise price (\$)	Nil	Nil	Nil	Nil
Vesting date	18/07/2023	18/07/2027	18/07/2027	18/07/2027
Expected volatility (%)	75%	75%	75%	75%
Risk free interest rate (%)	3.21%	3.21%	3.21%	3.21%
Fair value per performance right	\$0.044	\$0.030	\$0.025	\$0.022

Performance rights granted carry no dividend or voting rights.

Additional information

The earnings of the Consolidated Entity for the five years to 30 June 2023 are summarised below:

	2023	2022	2021	2020	2019
	\$	\$	\$	\$	\$
Sales revenue	404,345	429,845	363,124	267,539	63,605
EBITDA	(2,892,387)	(3,775,617)	(4,243,730)	(2,473,072)	(498,268)
Loss after income tax	(2,998,160)	(3,932,938)	(4,360,849)	(2,554,154)	(499,544)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020	2019*
Share price at financial year end (\$)	0.012	0.036	0.180	0.315	N/A
Total dividends declared (cents per share)	N/A	N/A	N/A	N/A	N/A
Basic loss per share (cents per share)	(1.8)	(3.8)	(5.8)	(5.9)	(1.8)

*The Consolidated Entity admission to ASX is dated 25 May 2020.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Consolidated Entity held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ Other*	Balance at the end of the year
<i>Ordinary shares</i>					
Greg Leach	96,154	-	-	-	96,154
Jason Waller	3,162,856	-	-	(3,162,856)	-
Scott Taylor	981,132	-	-	(981,132)	-
Neil Hackett	145,833	-	-	(145,833)	-
Cam Ansell	-	-	-	-	-
Neale Fong	-	-	-	-	-
Daniel Pilbrow	-	-	-	-	-
	4,385,975	-	-	(4,289,821)	96,154

*Change due to no longer being a KMP at reporting date.

Option holding

The number of options over ordinary shares in the Consolidated Entity held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Addition	Exercised	Expired/ forfeited/ Other**	Balance at the end of the year
<i>Options over ordinary shares</i>					
Greg Leach	548,077	-	-	-	548,077
Jason Waller	9,615	-	-	(9,615)	-
Scott Taylor	647,836	-	-	(647,836)	-
Neil Hackett	519,230	-	-	(519,230)	-
Cam Ansell	-	-	-	-	-
Neale Fong	-	3,000,000*	-	-	3,000,000
Daniel Pilbrow	-	-	-	-	-
	1,724,758	3,000,000	-	(1,176,681)	3,548,077

*3 million options were transferred to Neale Fong from Westar Capital. The transaction was not part of his remuneration.

**Change due to no longer as KMP at reporting date.

Intelicare Holdings Limited
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30 June 2023

Performance rights holding

The number of performance rights over ordinary shares in the Consolidated Entity held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ Other*	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
Greg Leach	-	1,900,000	-	-	1,900,000
Jason Waller**	1,150,000	-	-	(1,150,000)	-
Neale Fong	-	5,000,000	-	-	5,000,000
Cam Ansell	-	1,900,000	-	-	1,900,000
Scott Taylor	-	1,900,000	-	(1,900,000)	-
Daniel Pilbrow	-	9,000,000	-	-	9,000,000
Neil Hackett	-	1,900,000	-	(1,900,000)	-
	1,150,000	21,600,000	-	(4,950,000)	17,800,000

*Change due to no longer as KMP at reporting date.

** Although no longer part of KMP, Jason Waller retained performance rights on the approval of the board. Performance Rights for Greg Leach, Neale Fong, Cam Ansell and Daniel Pilbrow vested on 18 July 2023 and are disclosed in the Directors Report. Performance Rights did not vest for Scott Taylor due to his resignation prior to vesting date.

Other transactions with key management personnel and their related parties

Frontline Services Pty Ltd and Frontline Technology Services Pty Ltd are entities whom Greg Leach and Mike Tappenden have relevant interests in.

Courtney Waller Productions is a related party to Jason Waller.

Australis Health Advisory is an entity that Neale Fong has a relevant interest in.

Blockhead Technologies Australia is an entity that Greg Leach has a relevant interest in.

All transactions were made on normal commercial terms and conditions and at market rates.

	2023 \$	2022 \$
<u>Consulting, project management, accounting and administration services provided by:</u>		
Frontline Services Pty Ltd	5,970	91,293
Frontline Technology Services Pty Ltd	106,379	103,464
	112,349	194,757
<i>Amount owing as at 30 June:</i>	-	23,187
<u>Sub-lease – revenue:</u>		
Blockhead Technologies Australia	-	7,275
<u>Marketing services</u>		
Courtney Waller Productions	-	11,927
<u>Advisory services:</u>		
Australis Health Advisory	-	18,000

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Intelicare Holdings Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
23/10/2019	16/10/2023	\$0.20	937,500
23/10/2019	16/10/2023	\$0.30	937,500
20/02/2020	20/02/2024	\$0.20	168,750
20/02/2020	20/02/2024	\$0.30	93,750
20/02/2020	20/02/2024	\$0.40	187,500
17/10/2019	16/10/2024	\$0.30	1,000,000
17/10/2019	16/10/2024	\$0.40	1,000,000
11/06/2021***	10/06/2024	\$0.50	2,500,000
11/06/2021**	12/06/2024	\$0.50	4,948,069
20/12/2021****	20/12/2024	\$0.16	12,500,000
15/03/2022 ^	15/03/2025	\$0.05	16,000,000
19/12/2022 ^^	19/12/2025	\$0.05	11,000,000
19/12/2022 ^^^	19/12/2025	\$0.05	43,576,732
			<u>94,849,801</u>

** One (1) free option for every Two (2) placement shares was approved by Shareholders on 11 June 2021.

*** Lead Manager options approved by Shareholders on 11 June 2021.

****Options issued to Lead Manager vests immediately but was approved on General Meeting on 18 July 2022.

^ Options issued to the Lead Manager (Westar) as part of remunerations for the capital raise in December 2022.

^^ Options issued to Clarity Capital as part payment for ongoing services rendered.

^^^ Free attaching options issued as part of the capital raising in December 2022.

Shares under performance rights

Unissued ordinary shares of Intelicare Holdings Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under performance rights
14/11/2019	16/10/2026	\$0.00	575,000
14/11/2019	16/10/2027	\$0.00	575,000
18/07/2022	17/7/2027	\$0.00	<u>19,700,000</u>
			<u>20,850,000</u>

Shares issued on the exercise of options

No shares were issued during the year from the exercise of options.

Shares issued on the exercise of performance rights

No shares were issued during the year from the exercise of performance rights.

Indemnity and insurance of officers

The Consolidated Entity has indemnified the directors and executives of the Consolidated Entity for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Consolidated Entity paid a premium in respect of a contract to insure the directors and executives of the Consolidated Entity against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Consolidated Entity has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Consolidated Entity or any related entity against a liability incurred by the auditor.

During the financial year, the Consolidated Entity has not paid a premium in respect of a contract to insure the auditor of the Consolidated Entity or any related entity.

Proceedings on behalf of the Consolidated Entity

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Consolidated Entity, or to intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 20 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 20 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Consolidated Entity, acting as advocate for the Consolidated Entity or jointly sharing economic risks and rewards.

Intelicare Holdings Limited
Directors Report
30 June 2023

Officers of the company who are former partners of RSM Australia Partners

There are no officers of the company who are former partners of RSM Australia Partners.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

RSM Australia Partners continue in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Neale Fong
Chairman

30 August 2023
Perth

RSM Australia Partners

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2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61(0) 8 92619100

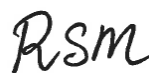
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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Intelicare Holdings Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



AIK KONG TING
Partner

Perth, WA
Dated: 30 August 2023

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AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Intelicare Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Notes	Consolidated 2023 \$	Consolidated 2022 \$
Revenue	4	404,345	429,845
Other income	5	1,105,249	814,374
Total Revenue		1,509,594	1,244,219
Expenses			
Hardware expense		(245,183)	(245,277)
Development expense		(14,175)	(285,777)
Marketing and advertising expense		(206,005)	(526,509)
Staff expense		(2,423,839)	(2,404,394)
Consultants expense		(305,040)	(547,797)
Administrative expense		(874,035)	(924,586)
Share based payment expense	18	(333,704)	(84,918)
Depreciation expense	6	(80,490)	(157,469)
Finance costs	6	(25,283)	(430)
(Loss) before income tax		(2,998,160)	(3,932,938)
Income tax expense	7	-	-
(Loss) from continuing operations		(2,998,160)	(3,932,938)
Other comprehensive income		-	-
Total comprehensive loss for the year		(2,998,160)	(3,932,938)
Basic and diluted loss per share	22	(1.8)	(3.8)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Intelicare Holdings Limited
Consolidated statement of financial position
As at 30 June 2023

	Notes	Consolidated 2023 \$	Consolidated 2022 \$
CURRENT ASSETS			
Cash and cash equivalents	8	1,936,055	2,271,595
Trade and other receivables	9	176,983	229,825
Inventories	10	298,454	249,183
TOTAL CURRENT ASSETS		2,411,492	2,750,603
NON-CURRENT ASSETS			
Other receivables	9	53,954	48,845
Plant and equipment	11	16,870	66,414
Right of use asset	12	-	16,594
TOTAL NON-CURRENT ASSETS		70,824	131,853
TOTAL ASSETS		2,482,316	2,882,456
CURRENT LIABILITIES			
Trade and other payables	13	281,152	614,104
Contract liabilities	14	434,445	612,318
Provisions	15	91,038	93,858
Lease liability	12	-	18,253
Borrowings	16	726,567	-
TOTAL CURRENT LIABILITIES		1,533,202	1,338,533
TOTAL LIABILITIES		1,533,202	1,338,533
NET ASSETS		949,114	1,543,923
EQUITY			
Issued capital	17	13,669,879	11,733,033
Reserve	18	1,835,070	1,368,565
Accumulated losses	26	(14,555,835)	(11,557,675)
TOTAL EQUITY		949,114	1,543,923

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Intelicare Holdings Limited
Consolidated statement of changes in equity
For the year ended June 2023

Consolidated Entity	Issued capital \$	Reserves \$	Accumulated losses \$	Total Equity \$
Balance at 1 July 2021	9,238,783	974,349	(7,624,737)	2,588,395
(Loss) after income tax expense for the year	-	-	(3,932,938)	(3,932,938)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(3,932,938)	(3,932,938)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	2,494,250	-	-	2,494,250
Share based payments	-	394,216	-	394,216
Balance at 30 June 2022	11,733,033	1,368,565	(11,557,675)	1,543,923
Balance at 1 July 2022	11,733,033	1,368,565	(11,557,675)	1,543,923
(Loss) after income tax expense for the year	-	-	(2,998,160)	(2,998,160)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(2,998,160)	(2,998,160)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	1,936,846	-	-	1,936,846
Share-based payments	-	466,505	-	466,505
Balance at 30 June 2023	13,669,879	1,835,070	(14,555,835)	949,114

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Intelicare Holdings Limited
Consolidated statement of cash flows
For the year ended June 2023

	Notes	Consolidated 2023 \$	Consolidated 2022 \$
Cash flows from operating activities			
Receipts from customers		184,100	802,835
Payments to suppliers and employees		(4,363,215)	(4,710,957)
Interest received		7,845	577
Interest paid		(22,928)	(9,128)
Government grants		1,097,404	813,797
Net cash (used in) operating activities	8	(3,096,794)	(3,102,876)
Cash flows from investing activities			
Payments for plant and equipment		(14,352)	(32,919)
Net cash (used in) investing activities		(14,352)	(32,919)
Cash flows from financing activities			
Proceeds from issue of shares		2,211,206	2,992,708
Transaction costs relating to the issue of shares		(141,559)	(189,160)
Proceeds from borrowings		1,599,195	-
Repayment of borrowings		(872,628)	-
Repayment of lease liability		(20,608)	(70,331)
Net cash from financing activities		2,775,606	2,733,217
Net (decrease) in cash and cash equivalents		(335,540)	(402,578)
Cash and cash equivalents at the beginning of the financial year		2,271,595	2,674,173
Cash and cash equivalents at the end of the financial year	8	1,936,055	2,271,595

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity 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.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Consolidated Entity incurred a loss of \$2,998,160 and had net cash outflows from operating activities of \$3,096,794 for the year ended 30 June 2023.

These factors indicate material uncertainty as to whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern, after consideration of the following factors:

- The ability to issue additional shares under the Corporation Act 2001 to raise further working capital; and
- The Consolidated Entity has the ability to scale down its operations in order to curtail expenditure, in the event cash available is insufficient to meet projected expenditure.

Accordingly, the Directors believe that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

Basis of preparation

These general purpose financial statements have 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. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have 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, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity'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 in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 23.

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Intelicare Holdings Limited ('company') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Intelicare Holdings Limited and its subsidiary together are referred to in these financial statements as the 'Consolidated Entity'.

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 involvement 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 acquisition 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.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Intelicare Holdings 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.

Revenue recognition

The Consolidated Entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Consolidated Entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Consolidated Entity: 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.

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)
Revenue recognition (continued)

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Where the goods are not considered to be distinct, the Consolidated Entity combines the obligation to deliver goods with other services until it identifies a bundle goods and services that is distinct. This typically includes hardware products with associated subscription services.

Rendering of services

Revenue from a contract to provide its software as a subscription services is recognised over time as the services are rendered based on a fixed price.

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.

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 Consolidated Entity '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.

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)
Current and non-current classification (continued)

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity'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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

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 Consolidated Entity 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

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit 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.

Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

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.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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	3-5 years
Plant and equipment	2-7 years

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)
Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Research and development

Research and development costs are expensed in the period in which they are incurred.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity 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.

Note 1. Significant accounting policies (continued)

Refund liabilities

Refund liabilities are recognised where the Consolidated Entity receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Consolidated Entity does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

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.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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 Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated Entity 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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 1. Significant accounting policies (continued)

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. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

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 Consolidated Entity 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.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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 Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity 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.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market

Intelicare Holdings Limited
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Note 1. Significant accounting policies (continued)

Fair value measurement (continued)

knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Consolidated Entity.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Intelicare Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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.

Contract liabilities

Contract liabilities represent the Consolidated Entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Consolidated Entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Consolidated Entity has transferred the goods or services to the customer.

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements 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 (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Consolidated Entity 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 Hoadley ES02 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.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Consolidated Entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Note 3. Operating segments

Identification of reportable operating segments

The Consolidated Entity has identified its operating segments based on internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Consolidated Entity's principal activities are the sale of its predictive analytics hardware and software package for use in the aged care and health industries. These activities are all located in the same geographical area being Australia. Given there is only one segment being in one geographical area the financial results from this segment are equivalent to the financial statements of the Consolidated Entity as a whole.

Major customers

During the year ended 30 June 2023 the Consolidated Entity 's external revenue was derived from sales to Australian aged care providers.

Note 4. Revenue

	Consolidated 2023	Consolidated 2022
	\$	\$
<i>Revenue from contracts with customers</i>		
Hardware sales	316,702	292,692
Subscription as a service	87,643	137,153
	<u>404,345</u>	<u>429,845</u>
<i>Timing of revenue recognition</i>		
Revenue recognised at a point in time	130,574	186,583
Revenue recognised over time	273,771	243,262
	<u>404,345</u>	<u>429,845</u>

The sale activities are all located in the same geographical area being Australia.

Intelicare Holdings Limited
Notes to the financial statements
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Note 5. Other Income

	Consolidated 2023	Consolidated 2022
	\$	\$
R&D grant	1,091,540	756,319
Interest revenue	7,845	578
Other revenue	5,864	57,477
	<u>1,105,249</u>	<u>814,374</u>

Note 6. Expenses

Loss before income tax includes the following specific expenses:

	Consolidated 2023	Consolidated 2022
	\$	\$
<i>Depreciation</i>		
Leasehold improvements	63,896	81,070
Right-of-use assets	16,594	76,399
Total depreciation	<u>80,490</u>	<u>157,469</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	2,355	(1,632)
Other finance costs	22,928	2,062
Finance costs expensed	<u>25,283</u>	<u>430</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>200,544</u>	<u>190,271</u>
<i>Foreign exchange loss</i>		
Net foreign exchange loss	<u>24,052</u>	<u>31,904</u>

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 7. Income tax

	Consolidated 2023 \$	Consolidated 2022 \$
The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-
The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax benefit on loss from continuing operations	(2,998,160)	(3,932,938)
Before income tax at 25% (2022: 25%)	(749,542)	(983,235)
Add/(less) tax effect of:		
Revenue losses not recognised	1,050,826	1,151,012
Non-allowable items	107,559	104,634
Other non-assessable amounts	(272,885)	(189,080)
Other deferred tax balances not recognised	(135,958)	(83,332)
Income tax expense/(benefit) reported in the statement of profit or loss and other comprehensive income from ordinary operations	-	-
Deferred tax recognised		
Deferred tax liabilities:		
Prepayments	(4,218)	(18,199)
Plant and Equipment	-	-
Deferred tax assets:	-	-
Carry forward revenue losses	4,218	18,199
Net deferred tax	-	-
Unrecognised deferred tax assets:		
Carry forward revenue losses	2,689,633	2,321,296
Capital raising costs	214,404	268,911
Provisions and accruals	43,829	46,574
Property, Plant and Equipment	-	12,198
Other	-	415
	2,947,866	2,649,394

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 8. Cash and cash equivalents

	Consolidated 2023 \$	Consolidated 2022 \$
Cash at bank	705,774	250,589
Cash on hand	1,000	1,000
Cash reserve	1,229,281	2,020,006
	<u>1,936,055</u>	<u>2,271,595</u>

Reconciliation of loss after income tax to net cash from operating activities

	Consolidated 2023 \$	Consolidated 2022 \$
Loss after income tax expense for the year	(2,998,160)	(3,932,938)
Adjustments for:		
Depreciation and amortisation	80,490	157,469
Share-based payments	333,704	84,918
Finance costs	2,355	(8,698)
Change in operating assets and liabilities:		
Decrease/(increase) in trade receivables	47,733	14,087
Decrease/(Increase) in inventory	(49,271)	19,492
(Increase)/decrease in deferred revenue	(177,873)	-
Increase/(decrease) in trade and other payables	(332,952)	554,854
Increase in provisions	(2,820)	7,940
Net cash used in operating activities	<u>(3,096,794)</u>	<u>(3,102,876)</u>

Non-cash investing and financing activities

	Consolidated 2023 \$	Consolidated 2022 \$
Capital raising costs settled by issue of options	<u>132,800</u>	<u>312,298</u>

Changes in liabilities arising from financing activities

	Borrowings \$	Lease liability \$	Total \$
Opening at 1 July 2021	-	85,156	85,156
Net cash used in financing activities	-	(66,903)	(66,903)
Closing at 30 June 2022	<u>-</u>	<u>18,253</u>	<u>18,253</u>
Opening at 1 July 2022	-	18,253	18,253
Net cash from /(used) in financing activities	726,567	(18,253)	708,314
Closing at 30 June 2023	<u>726,567</u>	<u>-</u>	<u>726,567</u>

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 9. Trade and Other Receivables

	Consolidated 2023	Consolidated 2022
	\$	\$
Current		
Trade receivables	57,311	14,939
Less: Allowance for expected credit losses	-	-
	57,311	14,939
 GST Receivable	 -	 139,626
Prepaid expense	119,672	75,260
	176,983	229,825
Non-current		
Other receivables- Deposit	53,954	48,845
	53,954	48,845

No allowance for expected credit losses has been recognised at 30 June 2023 or 30 June 2022.

Note 10. Inventories

	Consolidated 2023	Consolidated 2022
	\$	\$
Raw materials	15,723	75,847
Work in progress	-	6,042
Finished goods	282,731	167,294
	298,454	249,183

Note 11. Plant and equipment

	Consolidated 2023	Consolidated 2022
	\$	\$
Leasehold improvements – at cost	230,606	216,255
Less: Accumulated depreciation	(213,736)	(149,841)
	16,870	66,414
 Leasehold improvements		
Balance at beginning of year	66,414	114,565
Additions	14,351	32,919
Depreciation expense	(63,895)	(81,070)
Balance at end of year	16,870	66,414

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 12. Right of use assets and lease liability

	Consolidated 2023 \$	Consolidated 2022 \$
Right of Use Asset – Cost		
Land and buildings – opening balance	199,130	199,130
Disposal	(199,130)	-
New lease	-	-
Closing Balance	-	199,130
Rights of Use Asset – Amortisation		
Opening balance	(182,536)	(106,137)
Amortisation expense	(16,594)	(76,399)
Disposal	199,130	-
	-	(182,536)
Carrying Value	-	16,594
	Consolidated 2023 \$	Consolidated 2022 \$
Lease Liability		
Opening balance	18,253	85,156
Repayments	(20,608)	(65,271)
Additions	-	-
Interest	2,355	(1,632)
Closing balance	-	18,253
Current	-	18,253
Non-current	-	-
	-	18,253

The Consolidated Entity made payments of \$76,669 for rent under a short term arrangement. The Consolidated Entity entered into a new agreement on 19 July 2023.

Note 13. Trade and other payables

	Consolidated 2023 \$	Consolidated 2022 \$
Trade payables	3,957	290,005
Other payables	277,195	324,099
	281,152	614,104

Refer to note 19 for further information on financial instruments.

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 14. Contract liabilities

	Consolidated 2023 \$	Consolidated 2022 \$
Deferred revenue	434,445	612,318

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	Consolidated 2023 \$	Consolidated 2022 \$
Opening balance	612,318	314,580
Payments received in advance	118,157	593,010
Transfer to revenue	(296,030)	(295,272)
Closing balance	434,445	612,318

Note 15. Provisions

	Consolidated 2023 \$	Consolidated 2022 \$
Provision for employee benefits	91,038	93,858

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service. The entire amount is presented as current, since the Consolidated Entity does not have an unconditional right to defer settlement.

Note 16. Borrowings

	Consolidated 2023 \$	Consolidated 2022 \$
R&D offset advance	726,567	-

The R&D offset advance accrues interest at a rate of 14%p.a. The loan is secured over the Group's R&D refund, the proceeds of the R&D refund and the Group's rights to apply for or obtain the R&D Refund. The maturity date of the loan is 180 days from 28 June 2023.

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 17. Issued capital

	2023	2022	2023	2022
	Shares	Shares	\$	\$
Ordinary shares – fully paid	210,065,407	121,616,307	13,669,879	11,733,033
	Shares	\$		
Opening at 1 July 2021	83,019,943	9,238,783		
Issue of shares	37,446,364	2,995,709		
Conversion of performance rights	1,150,000	-		
Capital raising costs	-	(501,459)		
Closing at 30 June 2022	121,616,307	11,733,033		
	121,616,307	11,733,033		
Opening at 1 July 2022	88,449,100	2,211,206		
Entitlement issue	-	(274,360)		
Capital raising costs	-	(274,360)		
Closing at 30 June 2023	210,065,407	13,669,879		

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 18. Share based payment reserve

	Consolidated 2023 \$	Consolidated 2022 \$
Share based payment reserve	1,835,070	1,368,565
Balance at 1 July 2022	1,368,565	974,349
Share based payments expense recognised in Statement of Profit or Loss	333,705	84,918
Share based payments recognised in equity	132,800	309,298
Closing balance at 30 June 2023	1,835,070	1,368,565

A summary of share-based payments recognised as expenses/share issued costs for the year are as follows:

	Consolidated 2023 \$	Consolidated 2022 \$
<i>Share-based payment- employees/KMP</i>		
Shares	-	3,000
Options	19,005	46,699
Performance rights	314,700	35,219
Share based payment expense	333,705	84,918
<i>Share-based payment- supplier/consultant</i>		
Options	132,800	312,298
Share issue costs recorded in equity	132,800	312,298

The share based payment reserve is used to record the value of options and performance rights issued to Directors', employees and consultants.

An Employee Securities Incentive Plan (ESIP) has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant securities in the consolidated entity to certain employees of the consolidated entity. The securities may be issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee and the ESIP. No shares in the ESIP were issued in the half-year period.

Options

During the financial year, the consolidated entity issued the following options to corporate advisors.

Grant Date	No. Options Issued	Fair Value at Grant	Volatility	Expiry Date	Exercise Price	Share Price	Risk Free Rate	Valuation Technique
19/12/2022	16,000,000	0.008	75%	23/12/2025	0.05	0.024	3.19%	*
19/04/2023	11,000,000	0.003	n/a	19/12/2025	0.05	n/a	n/a	**

*Hoadley's ESO2 valuation model

**Market price for listed options at 19 April 2023

During the previous financial year, the consolidated entity issued the following options to corporate advisors.

Grant Date	No. Options Issued	Fair Value at Grant	Volatility	Expiry Date	Exercise Price	Share Price	Risk Free Rate	Valuation Technique
20/12/2021	12,500,000	0.025	80%	20/12/2024	0.16	0.078	0.96%	*

*Hoadley's ESO2 valuation model

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 18. Share based payment reserve (continued)

	2023 Number	Weighted Average Price
Options		
On issue at the beginning of the period	27,273,077	\$ 0.29
Options issued	27,000,000	\$ 0.05
Options expired	(3,000,000)	\$0.30
Options exercised	-	-
On issue at 30 June 2023	51,273,077	\$ 0.14

Below are the options on issue during the year ended 30 June 2023

Grant Date	Expiry Date	Exercise Price	Balance 1/07/2022	Granted during the period	Exercised during the period	Expired	Balance 30/06/2023
23/10/2019*	16/10/2023	\$0.20	937,500	-	-	-	937,500
23/10/2019*	16/10/2023	\$0.30	937,500	-	-	-	937,500
14/02/2019**	20/02/2024	\$0.20	168,750	-	-	-	168,750
14/02/2019**	20/02/2024	\$0.30	93,750	-	-	-	93,750
14/02/2019**	20/02/2024	\$0.40	187,500	-	-	-	187,500
17/10/2019***	16/10/2024	\$0.30	333,333	-	-	-	333,333
17/10/2019****	16/10/2024	\$0.30	333,333	-	-	-	333,333
17/10/2019*****	16/10/2024	\$0.30	333,334	-	-	-	333,334
17/10/2019***	16/10/2024	\$0.40	333,333	-	-	-	333,333
17/10/2019****	16/10/2024	\$0.40	333,333	-	-	-	333,333
17/10/2019*****	16/10/2024	\$0.40	333,334	-	-	-	333,334
21/05/2020	21/05/2023	\$0.30	3,000,000	-	-	(3,000,000)	-
11/06/2021*****	10/06/2024	\$0.50	2,500,000	-	-	-	2,500,000
20/12/2021*****	20/12/2024	\$0.16	12,500,000	-	-	-	12,500,000
31/12/2022 ^^	31/12/2025	\$0.05	-	16,000,000	-	-	16,000,000
19/05/2023 ^^	19/12/2025	\$0.05	-	11,000,000	-	-	11,000,000
			22,325,000	27,000,000	-	(3,000,000)	46,325,000

* 50% vest on 1 May 2020 and 50% vest on 1 May 2021.

** Vested upon the continued employment on a full time basis for a period of 2 years or more.

*** Vested for first year of continuous service with the Consolidated Entity.

**** Vested for second year of continuous service with the Consolidated Entity.

***** Vested for third year of continuous service with the Consolidated Entity.

***** Vested immediately

***** 7 million options vested immediately, 4 million options vest 6 months after grant date.

Not included in the table above are 55,110,145 options which were issued as free attaching options as part of capital raising. The weighted average remaining contractual life of options as at 30 June 2023 is 1.77 years (2022: 2.05).

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 18. Share based payment reserve (continued)

Performance rights

At the general meeting held on 18 July 2022, the following performance rights were approved by shareholders

Issued to	Class	Number	Expiry Date	Fair Value	Vesting conditions
CEO Performance Rights	Class A	2,500,000	18/07/2027	\$0.0440	12 months continuous employment with the Company (or any of its subsidiaries)
	Class B	2,000,000	18/07/2027	\$0.0440	24 months continuous employment with the Company (or any of its subsidiaries)
	Class C	2,500,000	18/07/2027	\$0.0304	Achievement of a 30-day VWAP of \$0.20.
	Class D	2,000,000	18/07/2027	\$0.0217	Achievement of a 30-day VWAP of \$0.40.
Director Performance Rights	Class A	1,800,000	18/07/2027	\$0.0440	12 months continuous employment or consultancy with the Company (or any of its subsidiaries)
	Class B	2,600,000	18/07/2027	\$0.0304	6 months continuous employment or consultancy with the Company (or any of its subsidiaries) and; Achievement of a 30-day VWAP of \$0.20
	Class C	3,900,000	18/07/2027	\$0.0253	6 months continuous employment or consultancy with the Company (or any of its subsidiaries) and; Achievement of a 30-day VWAP of \$0.30
	Class D	4,300,000	18/07/2027	\$0.0217	6 months continuous employment or consultancy with the Company (or any of its subsidiaries) and; Achievement of a 30-day VWAP of \$0.40

The Performance Rights issued during the period were calculated using the Hoadley's Barrier 1 and ESO2 valuation models with the following inputs:

CEO Performance Rights

	Class A	Class B	Class C	Class D
Share price	\$0.044	\$0.044	\$0.044	\$0.044
Exercise price (\$)	Nil	Nil	Nil	Nil
Vesting date	18/07/2023	18/07/2024	18/07/2027	18/07/2027
Expected volatility (%)	75%	75%	75%	75%
Risk free interest rate (%)	3.21%	3.21%	3.21%	3.21%
Fair value per performance right	\$0.044	\$0.044	\$0.030	\$0.022

Directors Performance Rights

	Class A	Class B	Class C	Class D
Share price	\$0.044	\$0.044	\$0.044	\$0.044
Exercise price (\$)	Nil	Nil	Nil	Nil
Vesting date	18/07/2023	18/07/2027	18/07/2027	18/07/2027
Expected volatility (%)	75%	75%	75%	75%
Risk free interest rate (%)	3.21%	3.21%	3.21%	3.21%
Fair value per performance right	\$0.044	\$0.030	\$0.025	\$0.022

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 18. Share based payment reserve (continued)

	2023	2022
	Number	Number
Performance Rights		
On issue at the beginning of the period	1,150,000	2,300,000
CEO Performance rights issued	9,000,000	-
Director performance rights issued	12,600,000	-
Converted during the year	-	(1,150,000)
Lapsed	(1,900,000)	-
On issue at 30 June 2023	20,850,000	1,150,000

Note 19. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity does not undertake any material transactions denominated in foreign currencies. Significant contracts are denominated in Australian dollars.

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity is not exposed to any significant interest rate risk. The short-term borrowing held by the consolidated entity has a fixed interest rate.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Consolidated Entity does not hold any collateral.

The Consolidated Entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. As at this stage, as a result of limited historical data and no credit losses to date, the expected credit losses as at the date of this report is nil%. As the Consolidated Entity continues to trade, the Consolidated Entity has a process to track credit losses with the intention to use this as a basis for recognising expected credit losses in the future.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 19. Financial instruments (continued)

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
2022	%	\$	\$	\$	\$	\$
<i>Non-interest bearing</i>						
Trade payables	-	290,005	-	-	-	290,005
Other payables	-	324,099	-	-	-	324,099
<i>Interest bearing</i>						
Lease liability	4.9	18,253	-	-	-	18,253
Total		632,357	-	-	-	632,357

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
2023	%	\$	\$	\$	\$	\$
<i>Non-interest bearing</i>						
Trade payables	-	3,957	-	-	-	3,957
Other payables	-	277,195	-	-	-	277,195
<i>Interest bearing</i>						
Borrowings	14%	726,567	-	-	-	726,567
Total		1,007,719	-	-	-	1,007,719

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners:

	Consolidated 2023	Consolidated 2022
	\$	\$
Audit or review of the financial statements	67,000	57,500
Other services	-	-
	<u>67,000</u>	<u>57,500</u>

Note 21. Related party transactions

Parent Entity

Intelicare Holdings Limited is the parent entity.

Subsidiaries

	Country of incorporation	Parent		Non-controlling interest	
Controlled entities		Ownership interest 2023 %	Ownership interest 2022 %	Ownership interest 2023 %	Ownership interest 2022 %
Intelicare International Inc.*	USA	98.50%	98.50%	1.50%	1.50%

*The entity was dormant during the year.

Key management personnel compensation

The aggregate compensation made to directors and other members of key management personnel is set out below. Further details are included in the remuneration report included in the directors report.

	Consolidated 2023	Consolidated 2022
	\$	\$
Short-term employee benefits	836,858	636,659
Post-employment benefits	69,295	43,341
Share-based payments	319,216	64,699
	<u>1,225,369</u>	<u>744,699</u>

Transactions with related parties

The following transactions occurred with related parties:

Frontline Services Pty Ltd and Frontline Technology Services Pty Ltd are entities whom Greg Leach and Mike Tappenden have relevant interests in.

Blockhead Technologies Australia is an entity that Greg Leach has a relevant interest in.

Courtney Waller Productions is a related party to Jason Waller.

Australis Health Advisory is an entity that Neale Fong has a relevant interest in.

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 21. Related party transactions (continued)

	Consolidated 2023 \$	Consolidated 2022 \$
<u>Consulting, project management, accounting and administration services provided by:</u>		
Frontline Services Pty Ltd	5,970	91,293
Frontline Technology Services Pty Ltd	106,379	103,464
	<u>112,349</u>	<u>194,757</u>
 <i>Amount owing as at 30 June:</i>	 -	 23,187
 <u>Sub-lease – revenue:</u>		
Blockhead Technologies Australia	-	7,275
	<u>-</u>	<u>7,275</u>
 <u>Marketing services</u>		
Courtney Waller Productions	-	11,927
	<u>-</u>	<u>11,927</u>
 <u>Advisory services:</u>		
Australis Health Advisory	-	18,000
	<u>-</u>	<u>18,000</u>

All transactions were made on normal commercial terms and conditions and at market rates.

Note 22. Earnings per share

	Consolidated 2023 \$	Consolidated 2022 \$
(Loss) after income tax attributable to the owners of Intelicare Holdings Limited	(2,998,160)	(3,932,938)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	166,446,673	103,442,023
	Cents	Cents
Basic and diluted earnings per share	(1.8)	(3.8)

Options and performance rights outstanding during the year have not been taken into account in the calculation of the weighted average number of ordinary shares as they are considered anti-dilutive.

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 23. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2023	Parent 2022
	\$	\$
Loss after income tax	(2,998,160)	(3,932,938)
Total comprehensive income	(2,998,160)	(3,932,938)

Statement of financial position

	Parent 2023	Parent 2022
	\$	\$
Total current assets	2,411,492	2,750,603
Total assets	2,482,316	2,882,456
Total current liabilities	1,533,202	1,338,533
Total liabilities	1,533,202	1,338,533
Equity		
Issued capital	13,669,879	11,733,033
Reserve	1,835,070	1,368,565
Retained profits	(14,555,835)	(11,557,675)
Total equity	949,114	1,543,923

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 (2022: nil)

Capital commitments

The parent entity had no capital commitments as at 30 June 2023 (2022: nil).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 24. Contingencies and commitments

The Consolidated entity had no contingent liabilities or commitments at 30 June 2023 (2022: nil). The Consolidated Entity has given bank guarantees as at 30 June 2023 of \$48,480 (2022: \$48,480) to a landlord.

Intelicare Holdings Limited
Notes to the financial statements
30 June 2023

Note 25. Subsequent events

On 29 August 2023, the Group signed a non-binding Heads of Agreement with JNC Technologies Group to leverage the Intelicare Platform with JNC's network of Aged Care Providers. The Heads of Agreement sets out the principal terms and conditions that needs to be met for a binding agreement between both entities to deliver technology, software services and platforms to the aged care sector.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 26. Accumulated losses

	Consolidated 2023	Consolidated 2022
	\$	\$
Accumulated losses at beginning of the year	(11,557,675)	(7,624,737)
Loss for the year	(2,998,160)	(3,932,938)
Accumulated losses at end of the year	<u>(14,555,835)</u>	<u>(11,557,675)</u>

Note 27. Dividends

There were no dividends declared for the year ended 30 June 2023 (2022: nil).

Intelicare Holdings Limited
Directors Declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements; and
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Neale Fong
Chairman

30 August 2023
Perth



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INDEPENDENT AUDITOR'S REPORT To The Members of INTELICARE HOLDINGS LIMITED

Opinion

We have audited the financial report of Intelicare Holdings Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 (the Code) that are relevant to our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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RSM Australia Partners ABN 36 965 185 036

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Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the Group incurred a loss of \$2,998,160 and had net cash outflows from operating activities of \$3,096,794 for the year ended 30 June 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in the going concern note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Revenue Recognition and contract liabilities Refer to Note 4 and 14 in the financial statements	
The Group has recognised revenue from contracts with customers by offering products and services to its customers. Revenue is considered a key audit matter because it is material account balance in the consolidated statement of profit or loss and other comprehensive income and the process of revenue recognition is complex and subject to management judgements.	Our audit procedures included: • Obtaining a detailed understanding of each of the revenue streams and the process for calculating and recording revenue; • Assessing whether the Group's revenue recognition policies are in compliance with Australian Accounting Standards; • Performing substantive testing on each revenue stream on a sample basis. The substantive testing included agreeing transactions to approved pricing used by the Group, and agreeing the delivery of products and services to source documentation; • On a sample basis, testing the contract liabilities by assessing the extent to which performance obligations have not been satisfied at year end; • On a sample basis, testing revenue transactions before and after year-end to assess whether revenue is recognised in the correct financial period including assessing credit notes issued subsequent to year end; and • Assessing the appropriateness of disclosures in the financial statements.

Key Audit Matter	How our audit addressed this matter
Share-based payments Refer to Note 18 to the financial statements	
During the year, the Group issued performance rights to the directors and options to the lead manager and corporate advisor. We determined this to be a key audit matter due to the significant judgements involved in assessing the fair value of the performance rights and options issued during the year.	Our audit procedures included: • Reviewing the terms and conditions of the performance rights and options issued; • Obtaining the valuation models prepared by management and assessing whether the models were appropriate for valuing the performance rights and options granted during the year; • Challenging the reasonableness of key assumptions used by management to value the performance rights and options; • Recalculating the value of the share-based payment expense to be recognised in the statement of profit or loss and other comprehensive income; and • Assessing the adequacy of the disclosures in the financial statements to ensure compliance with Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Intelicare Holdings Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



RSM AUSTRALIA PARTNERS



AIK KONG TING
Partner

Perth, WA
Dated: 30 August 2023