

Talius Group

September 2023 Quarterly Report

10 October 2023

- **Cash receipts from customers of \$4.8 million for the quarter**
- **Cash and cash equivalents at the end of the quarter was \$1.6 million**
- **Fourth consecutive cashflow positive quarter**
- **Subscriptions now over 25,000 and growing**

Talius Group Limited (Talius or the Company) (ASX:TAL) is pleased to provide the following activities and business updates alongside its Appendix 4C - Quarterly Cashflow Report for the quarter ended 30 September 2023 (the **quarter**).

Building on a solid half year performance, Talius continued its momentum through the quarter delivering a pleasing financial result, marking its fourth consecutive quarter of positive cashflow. Talius regards this as a significant milestone demonstrating our commitment to strong fiscal management in challenging macroeconomic times as well as our focus on our path to profitability.

Sales

The Company received cash payments during the quarter of \$4.8 million from sales of assistive technology to enterprise customers.

During the quarter, Talius was pleased to be able progress its strategy with further revenue from its sales pipeline, adding new clients to its platform, progressing its projects with development partners, and advancing commercial stages of negotiations with potential new clients.

Retirement Villages Sector

Talius is progressing to over 50% completion of the Keyton / Lendlease and Uniting NSW – Emergency Call System project upgrades with close to 70 retirement villages now successfully deployed. These projects will continue over the remaining two quarters in readiness for the 3G network shutdown. As the deadline nears, we are actively engaged in multiple tenders and proposals with other providers.

Residential Aged Care

This quarter the Company completed numerous projects with the handover of Australian Unity – Walmsley and The Alba in Melbourne, Healthia for ACH in Adelaide, Temora for Whiddon and Leigh Place in Sydney.

The projects team are currently in various stages of installation and deployment with the following clients:

- Best Care Research Project using the Talius ecosystem of devices and Talius Smart Care Cloud Platform to reduce falls in Whiddon a residential aged care service in Sydney, in partnership with CSIRO and the Aged Care Research & Industry Innovation Australia (ARIIA) grants fund.
- Mater Christi for Sawtell Catholic Care in Sawtell
- Yukana Aged Care for Civic Group in Toowoomba
- Perry Park for ACH in Adelaide

The next generation of Aged Care technology

- Highercombe for ACH in Adelaide
- Milpara for ACH in Adelaide
- Vita for ACH in Adelaide

Trials

Talius has deployed multiple paid pilots with numerous providers that are expected to come to fruition over the next quarter. The providers are analysing how the autonomous data that Talius provides improves operational efficiencies, improved care outcomes, communication and compliance requirements. These are in hospital-in-the-home, NDIS residential service, and home care environments.

Subscriptions

Talius continues to witness encouraging growth in subscriptions, with numbers now surpassing the 25,000 level. This growth has been driven by the successful integration of new customers into the Talius Smart Care Platform from completion of various projects and recent sales.

The Company remains very optimistic about maintaining this upward trajectory in subscription numbers. We have a clear pipeline of project sites reaching operational status which is highly correlated to our subscription growth and the customer base is expected to expand further.

Client Award - International

Talius was delighted to see its client, St John's Home for Elderly Persons Singapore recently win the HealthTech Award category in the Asian-Oceanian Computing Industry Organization (ASOCIO) 2023 ICT Awards.

The ASOCIO Award is an international award that promotes tech advancement and innovation within the 24 member economies in the Asia Pacific. The awards are given in recognition of outstanding contributions to the development of the technology industry in the region.

Talius worked with St. John's Home Singapore to deliver an innovative project to improve the lives of Singapore's seniors and pioneering generations. We see this award as a key potential driver for expansion in the Singapore market and beyond.

Marketing

Talius' Managing Director, Graham Russell recently presented virtually and shared Talius with the world at the Medical Alert Monitoring Association (MAMA) conference, which was held in New Orleans, LA.

MAMA is a networking and conference opportunity for thought leaders, healthcare industry experts, and keynote speakers to represent the needs of the medical alert monitoring and personal emergency response services industry.

Talius is participating as a Silver Sponsor in Australia's largest the national aged care conference - ACCPA in Adelaide from 24 to 27 October. Graham Russell the Managing Director's abstract "Inspiring technology that improves aged care services: an international review" was selected as a guest speaker in the Digital Transformation stream.

The next generation of Aged Care technology

Research and Development

From 1 October 2023 all residential aged care providers must report their care minutes as set by the government based on the new funding requirements. Talius is refining the reporting of care minutes through its RTLS system that autonomously tracks the time carers and registered nurses spend with residents providing direct care, making it easier for providers to understand workforce efficiency and compliance. The RTLS system offers many advantages in supporting safe quality care including understanding the care environment and ensuring that older people have the support they need and enables a way to reduce social isolation through improved real time data.

The CSIRO algorithm exclusively licenced to Talius to identify early signs of deterioration in older people living at home is being adapted for use in residential aged care. Having continuity of data can provide insights into changes in older people's activities of daily living, and as demonstrated in the CSIRO randomised controlled trial of in-home monitoring, picked up changes well before they were identified by health professionals. This ability to use autonomously collected data has substantial value in residential aged care with chronic workforce shortages and highly acuity and care needs of residents.

There are a number of co-design projects underway with health and aged care providers as Talius builds out its technology to include AI, Natural Language Processing, more advanced IoT devices and integrations with provider systems to enable ease of use and improved interoperability. Talius is very much a partner with health and aged care providers for the exciting journey of digital transformation to enable their services to scale with higher value data to support older people and patients to optimum health.

During the quarter, the Talius R&D team have been focusing on refining the platform to enable scale by the simplification of onboarding new customers, new devices and integration of the data into health records, medication management and third party systems.

The team have also onboarded more data sensors that provide proactive alerts to care teams identifying falls and residents getting out of bed with millimetre wave radar technology.

Financial Position

Talius recognised revenue of \$3.9 million¹ in the quarter, an increase of 149% on the previous period last year. Year to date revenues for the nine months ending 30 September 2023 were \$9.9 million¹.

The Company recorded a positive cash flow quarter and closed the quarter with total cash of \$1.6 million. Significantly, it was the fourth positive cash flow quarter in a row for the Company.

The Company received cash payments during the quarter of \$4.8 million from sales of assistive technology to enterprise customers.

Operating cash outflows throughout the quarter was \$4.2 million, with 64% (\$2.7 million) expended on inventory and other cost of sales, 21% (\$0.9 million) on R&D and staff costs, with the remaining balance of 15% (\$0.6 million) going towards marketing, office rent and other general administration costs.

¹ Unaudited

The related party payments of \$107,367 during the quarter detailed in Section 6 of the accompanying Appendix 4C relate to payments for director fees, the Managing Director's salary, and superannuation payments.

Appointment of National Sales Manager

The Company is pleased to announce the appointment of Nikhil Bhardwaj (Nik B) to its leadership team as the National Sales Manager. This appointment underlies the Company's determination to bolster its sales and marketing and the next generation of strategic offerings thereby reflecting Talius' commitment to sustained growth.

With a career spanning over 24 years, Nik has significant sales and business development experience with large system integrators across various markets, including the US, India, Asia and Australia. Nik brings with him deep product knowledge, particularly around software, data commercialisation and AI, and has broad industry experience and standing in Health Tech and Aged Care.

Nik's joining the Company is further confirmation of the strength of the Talius platform and the strategic focus on the platform being a market leading solution for our customers.

Commenting on the quarter, Mr. Graham Russell, Managing Director said:

"We are delighted to reach the milestone of four cashflow positive quarters.

The old saying "people don't care what you know until they know how much you care" has started to pay dividends for the Talius team over the last year.

We are seeing a definite change in the sectors perception of who Talius is and what we can provide. I believe they are starting to understand that we are not just trying to sell them some sensor, but a real partner trying to support them with data to empower and improve their business and the challenges they are facing now.

We have invested in providing more support for our clients as they make the change from manual processes to data; assisting them with the change management process within a sector and industry that is traditional very conservative.

Like our clients Talius has also started the transition of change and growth with several new team members and processes as we prepare ourselves to achieve the next stage of growth and scale in the business. I am very grateful for the support of the team in our belief of our purpose and continue to see a bright future for Talius.

The results and numbers speak for themselves, and we are all positive the hard work will be noticed by the broader market in the near future."

This announcement has been authorised by the Board of Directors of Talius Group Limited.

Investor Enquiries:

Stephen Rodgers

Company Secretary

1300 889 838

investors@Talius.com.au

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The next generation of Aged Care technology

About Talius Group Limited (ASX: TAL)

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

Talius' Software as a Service (SaaS) data analytics platform Talius Smart Care combines smart sensors with AI machine learning that delivers automated actions. Talius links awareness, analysis, and action through one platform allowing the care model to move from spot check care to sense-respond care. Nursing staff can switch their focus from data collection to building a human connection. Most importantly, residents benefit from a new era of autonomy and dignity.

Talius helps protect and connect our elderly and people with disabilities with a scalable healthcare technology platform integrated with leading third-party providers to ensure end-to-end solutions for Connected Health.

FORWARD LOOKING STATEMENTS

Certain statements contained in this ASX release, including information as to the future financial or operating performance of the Company and its projects, are forward looking statements. Such forward looking statements:

- (a) are necessarily based upon several estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political, and social uncertainties and contingencies;*
- (b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward looking statements; and*
- (c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results, and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social, and other conditions. The Company disclaims any intent or obligation to publicly update any forward-looking statements, whether because of new information, future events, or results or otherwise.*

The words "believe", "expect", "contracted", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule", "planned" and similar expressions identify forward looking statements. All forward looking statements contained in this ASX release are qualified by the foregoing cautionary statements. Recipients are cautioned that forward looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward looking statements due to the inherent uncertainty therein.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

TALIUS GROUP LIMITED

ABN

62 111 823 762

Quarter ended ("current quarter")

30 SEPTEMBER 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,823	11,492
1.2 Payments for		
(a) research and development	(52)	(164)
(b) product manufacturing and operating costs	(2,707)	(7,276)
(c) advertising and marketing	(100)	(203)
(d) property expenses	(1)	(5)
(e) staff costs	(846)	(2,318)
(f) administration and corporate costs	(508)	(781)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(10)	(31)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	72	149
1.8 Other – ARIIA grant	66	165
1.9 Net cash from / (used in) operating activities	737	1,028
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(75)	(142)
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(75)	(142)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(38)	(62)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Repayment of lease liabilities	(19)	(53)
3.10	Net cash from / (used in) financing activities	(57)	(115)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	992	826
4.2	Net cash from / (used in) operating activities (item 1.9 above)	737	1,028

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(75)	(142)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(57)	(115)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,597	1,597

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,597	992
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,597	992

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	107
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Director fees: \$107,367

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other – Insurance premium funding	65	65
7.4 Total financing facilities	65	65
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Insurance premium funding facility provided by IQumulate Premium Funding. The amount is unsecured, repayable in monthly instalments by February 2024 and bears interest at 10.5% per annum.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	737
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,597
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,597
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 10 October 2023

Authorised by:for release by the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.