

HomeStay Corporate Update

9 October 2019

HomeStay Care Limited (ASX: **HSC** or **Company**) provides the following corporate update.

The Company continues to integrate with the Essence APAC business and product delivery under the license arrangement previously announced on 15 July 2019. The current process focuses on the core business of delivering an in-home care platform powered by IoT devices. By integrating the efforts and resources of Essence APAC, their software applications and technology as well as their in-house team of sales executives, technology support specialists, customer services and operational systems, the Company is well positioned to consolidate the back of house functions with the Essence APAC team.

The integration with Essence APAC streamlines the process for the Company to win and service new and existing clients with the Company actively pursuing a pipeline of significant opportunities with Essence APAC. Additionally, the previously announced contracted purchase order for approximately \$300,000 is anticipated to be invoiced this quarter and delivered next quarter (noting that the delay has been due to the availability of required product, which is not anticipated to be an ongoing issue).

HomeStay continues to work closely with Enrich Living Pty Ltd pursuant to an agreement targeting the rollout of 1,000 Intelligent Homes within its national service network as announced on 22 March 2019.

HomeStay continues to be the lead technology partner in the St John of God Accord's Enabled Lifestyle Blueprint Project where a new home was built for people living with an intellectual disability and complex needs which opened to residents in late June 2018. The project uses HomeStay's Intelligent Home system powered by Essence APAC IoT products incorporating emergency hub sensors, personal alarms and HomeStay's MyDay and Carers Companion apps.

The Company has a number of ongoing pilot programs with both aged care and disability providers. These programs provide valuable data for use cases and potential benefit of implementing in-home care platform powered by IoT devices.

The Company also has a team in Singapore continuing the pilot programs with local community centres providing an in-home care platform powered by IoT devices to a small number of homes as well as identifying opportunities in Singapore and the region.

The Company recently received R&D cash rebates of approximately \$560,000 since June 2019, supporting the overall investment made to date in the development of its proprietary software applications which are synergistic with the Essence APAC IoT products.

Additionally, in order to right-size its operations and refocus its go-to-market the Company has undertaken some prudent cost cutting measures while maintaining its customer service and technical delivery. In total, approximately \$2.4m of annualised cost savings have been implemented since early this year. The Company is now much leaner and efficient. The Company advises that Ms Philippa Lewis has resigned as CEO and Mr Manoj Chandra will no longer continue as CTO, however both executives will continue to work closely with the Company during notice periods and have indicated a willingness

to be involved in the Company going forward. The Company doesn't anticipate any disruption to its business given the integration with Essence APAC highlighted above. The Company confirms that 1,500,000 performance rights have lapsed in accordance with the terms of the Company's performance rights plan following the departure of an employee.

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About HomeStay

The HomeStay Intelligent Home platform allows elderly Australians to live independently in their own home for longer. It uses data analysis, as well as human monitoring, to determine residents' routines and detect anomalies. These early insights allow for better decision-making by care providers and families, allowing more focused service, minimising unnecessary care and facilitating welfare checks in a more responsive manner.

HomeStay helps protect and connect our elderly and people with disabilities with a scalable healthcare technology platform that allows them to live in their homes for longer.