



10 October 2019

Dear Optionholder

HomeStay Care Limited – Pro-Rata Non-Renounceable Entitlement Issue

On 9 October 2019, HomeStay Care Limited (ACN 111 823 762) (**Company**) lodged a prospectus with ASIC (**Prospectus**) for a pro rata non-renounceable entitlement issue of three (3) fully paid ordinary shares in the capital of the Company (**Shares**) for every four (4) Shares held, at an issue price of \$0.005 each per Share, to raise up to approximately \$2,997,184 (less costs of the Offer) (**Offer**).

Participation by Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Offer in relation to your holding of options unless you exercise your options in time for new Shares to be issued and to be entered on the Company's register of members on or before 7.00pm (AEDST) on 15 October 2019 (**Record Date**).

To exercise your options and thereby participate in the Offer, you will need to deliver the following to the Company in the manner contemplated by the option terms:

- a notice of exercise of options; and
- payment for the exercise price in respect of those options to be exercised.

To ensure that your new Shares are issued prior to the Record Date, the above must be received by the Company's share registry **no later than** 7.00pm (AEST) on 14 October 2019. If received after this date, issue of new Shares prior to the Record Date cannot be assured.

There is no obligation for you to exercise your options. This letter is intended to inform you of your rights in relation to your options and the Offer. If you do not wish to participate in the Offer you do not need to take any action.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

Key details of the Offer

The purpose of the Offer is to raise up to approximately \$2,997,184 (less costs of the Offer). The funds raised from the Offer will be aggregated with the Company's existing cash reserves and applied towards the costs of the Offer, digital product development, costs of goods sold, operations, sales and marketing and corporate (as set out in the Prospectus).

The Company has engaged Taylor Collison Limited (ACN: 008 172 450) (AFSL: 247083) (**Taylor Collison**) to underwrite the Offer. The Company must pay Taylor Collison an underwriting fee of 4% of the total amount raised under the Offer and a management fee of 2% of the total amount raised under the Offer. The Company has also agreed, subject to shareholder approval, to issue Taylor Collison (or its nominees) 10,000,000 options exercisable at \$0.015 on or before 3 years from the date of issue. Full details of the underwriting agreement are disclosed in the Prospectus.

The Offer is being made to all shareholders of the Company named on its register of members at 7:00pm (AEDST) on 15 October 2019 (**Record Date**), whose registered address is in Australia, New Zealand or Singapore (**Eligible Shareholders**).

Shares issued under the Offer will rank equally with all Shares already on issue. Following completion of the Offer (ignoring the effects of rounding of fractional entitlements and assuming no existing options are



exercised, performance rights converted, or other Shares issued prior to the Record Date), the Company will have issued approximately 599,436,892 Shares resulting in total Shares on issue of approximately 1,398,686,082.

A copy of the Prospectus is available on ASX's and the Company's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than the date specified in the table below. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements will be rounded up to the nearest whole number of Shares.

Key dates for the Offer

Event	Proposed Date
Lodgement of Prospectus with the ASIC	Wednesday, 9 October 2019
Lodgement of Prospectus and Appendix 3B lodged with ASX	Wednesday, 9 October 2019
Notice sent to Optionholders	Thursday, 10 October 2019
Notice sent to Shareholders	Friday, 11 October 2019
Ex date	Monday, 14 October 2019
Record Date for determining Entitlements	Tuesday, 15 October 2019
Prospectus despatched to Eligible Shareholders with personalised Entitlement and Acceptance Form, and Company announces despatch has been completed	Friday, 18 October 2019
Last date to notify ASX of an extension to the Offer Closing Date	Thursday, 24 October 2019
Offer Closing Date*	Tuesday, 29 October 2019
Securities quoted on a deferred settlement basis	Wednesday, 30 October 2019
Notification of under-subscriptions to ASX (if any)	Friday, 1 November 2019
Issue date/Securities entered into Shareholders' security holdings	Tuesday, 5 November 2019
Quotation of Shares issued under the Offer*	Wednesday, 6 November 2019
Settlement of underwriting	Friday, 8 November 2019

**The Directors may extend the Offer Closing Date by giving at least 3 Business Days' notice to ASX prior to the Offer Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.*

If you have any queries concerning the Offer, or the action you are required to take to subscribe for Shares, please contact your financial adviser or Melanie Ross, Company Secretary on +61 8 6188 8181 or email MRoss@consiliumcorp.com.au.

Yours sincerely

Shannon Robinson
Executive Director
For and on behalf of HomeStay Care Limited