



11 October 2019

Dear Shareholder

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**).

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.

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.

Ineligible Shareholders

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**).

As you are a shareholder of the Company who has a registered address outside Australia, New Zealand and Singapore (**Ineligible Shareholder**) you will not be eligible to participate in the Offer and you will not be sent a copy of the Prospectus or a personalised Entitlement and Acceptance Form. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia, New Zealand and Singapore compared with the small number of Ineligible Shareholders and the number and value of Shares to which they would otherwise be entitled.

If you have any queries concerning the Offer, 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

