

HomeStay Care September 2019 Quarter Activity Report

31 October 2019

HomeStay Care Limited (ASX: HSC) provides the following business update alongside its Appendix 4C Quarterly cashflow report for the quarter ended 30 September 2019 (Q3 FY19).

During the quarter HomeStay entered into a binding heads of agreement with Automation Australia Pty Ltd (trading as Essence APAC) "Essence APAC", pursuant to which HomeStay became the exclusive licensee for Essence APAC of healthcare IoT solutions in Australia, New Zealand and Singapore, as announced on 15 July 2019.

The Company continues to integrate with the Essence APAC business and product delivery under the license arrangement as previously announced on 9 October 2019, with a focus 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. Further to the announcement on 1 August 2019, as part of ongoing integration sales continue to be invoiced by Essence APAC and accrued as HomeStay revenue under the licensing arrangement. 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.

Subsequent to the quarter end, the Company raised approximately \$1 million by way of a placement and converting loan facility, as announced on 9 October 2019. The Company issued 104,294,894 ordinary shares to sophisticated investors at an issue price of \$0.005 per share. In addition, the Company has undertaken a fully written non-renounceable entitlement issue to raise up to a further \$3 million (before costs) at \$0.005 per share. The entitlement issue closed on 29 October 2019 and the



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Company intends complete the underwriting and share issue in accordance with the prospectus timetable. This raise follows a review of team and cost structure to implement significant cost reductions to ensure that the Company is much leaner and more efficient.

- END -

For further information, please contact:

Investor Enquiries

investor@homestay.care

About HomeStay Care:

The HomeStay Intelligent Home platform allows older Australians and those living with a disability 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.

For more information please visit, <https://homestay.care/products/>



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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

HomeStay Care Limited

ABN

62 111 823 762

Quarter ended ("current quarter")

30 September 2019

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	8	61
1.2 Payments for		
(a) research and development	(122)	(798)
(b) product manufacturing and operating costs	(350)	(675)
(c) advertising and marketing	(76)	(249)
(d) leased assets	(33)	(111)
(e) staff costs	(495)	(1,491)
(f) administration and corporate costs	(153)	(533)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	9
1.5 Interest and other costs of finance paid	(7)	(14)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	440	562
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(788)	(3,239)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(7)	(47)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property		
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	2	3
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) 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	(5)	(44)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material) Capital raising funds held in trust	85	85
3.10	Net cash from / (used in) financing activities	85	85

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	927	3,417
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(788)	(3,239)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(44)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	85	85

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	219	219

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	219	927
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)	219	927

* Note: The Company has received \$992.6k (net of costs) in capital raising funds since the end of the September quarter, and is completing an underwritten entitlement issue to raise up to an additional \$2.997m during the current quarter.

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	83
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Payments of Director remuneration / fees, superannuation and provision of legal fees by associated entities.		

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
N/A		

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
N/A		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	100
9.2 Product manufacturing and operating costs	380
9.3 Advertising and marketing	53
9.4 Leased assets	36
9.5 Staff costs	134
9.6 Administration and corporate costs (including costs of the Entitlement Issue)	788
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,491

Note: The above cash outflow estimate does not include approximately \$440k R&D rebate anticipated to be received during the next quarter. This also does not include any estimated sales receipts expected to be received for the next quarter.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

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.

Sign here:



(Company secretary)

Date: 31 October 2019

Print name: Melanie Ross

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.