



## HomeStay December 2019 Quarterly Report

28 January 2020

- **HomeStay strengthened its relationship with Essence APAC upgrading binding heads of agreement**
- **HomeStay utilises the Essence APAC IoT solutions to configure its intelligent homes**
- **First commercial contract commenced to provide assistive technology to the disability sector**
- **Appointment of Graham Russell as Managing Director**
- **Capital raise of \$4 million to support sales and product growth**
- **Operational structure now streamlined and integrated to support deployment in Australia, Singapore and New Zealand**

HomeStay Care Limited (ASX:HSC) (“**Homestay**”, or “**Company**”) is pleased to provide the following business update alongside its Appendix 4C Quarterly cashflow report for the quarter ended 31 December 2019 (the “Quarter”)

### **Operations**

#### Upgraded Heads of Agreement with Essence APAC

During the Quarter, the Company strengthened its relationship with Automation Australia Pty Ltd trading as Essence APAC (“**Essence APAC**”), with a number of amendments to its binding heads of agreement (refer to Company Announcements dated 15 July 2019 and 3 December 2019). HomeStay utilises the Essence APAC IoT solutions to configure its intelligent homes, which has enabled the Company to create cost efficiencies and further support customer deployments, whilst continuing to be the exclusive reseller of the Essence APAC solutions in Australia, New Zealand and Singapore.

The Company continued to integrate with the Essence APAC business and product delivery under its agreement, with ongoing sales integration resulting in invoicing by Essence APAC and accrued as Company revenue under the licensing arrangement. There are currently a number of projects underway as a result of a successful integration, as the Company focuses on growing its sales pipeline and delivery of assistive technology utilising the Essence APAC IoT solutions to configure its intelligent homes.

#### First Commercial Contract

During the Quarter, the Company commenced its first commercial contract to provide assistive technology to the disability sector with the signing of Enliven Housing as a customer. Enliven Housing is part of the Enliven Group, with Enliven Housing being specialised provider of disability accommodation (SDA) registered housing, catering for people assessed as requiring high physical support, fully accessible and improved liveability accommodation.

The Company is pleased to work with Enliven Housing on the initial project and looks forward to developing further tailored solutions for further clients with disabilities that may require unique fit for purpose technology. The Company does not consider the contract value to be financially material, however the contract provides further proof of concept for the Essence APAC IoT solution, with the provision of technology to assisted living smart home solutions under the National Disability Insurance Scheme (NDIS), confirming that the technology is a next generation platform. The Essence APAC IoT solutions provides clients with improved independence and autonomy while providing alerts, notifications and transparency to carers, family and providers while still delivering privacy and enhancing safety.



## **Corporate**

### Capital Raise for \$4m

The Company raised \$4 million during the Quarter by way of a placement and converting loan facility followed by an underwritten non-renounceable entitlement issue (refer to Company Announcement dated 9 October 2019). The Company issued 104,294,894 ordinary shares to sophisticated investors at an issue price of \$0.005 per share pursuant to the placement. A further 599,437,207 ordinary shares were issued to existing shareholders and the underwriter and/or sub-underwriters (as applicable) at an issue price of \$0.005 per share pursuant to the non-renounceable entitlement issue and placement of the shortfall (refer to Company Announcements dated 5 November and 8 November 2019). The funds raised to be used towards the costs of the offers, digital product development, cost of goods sold, operations, sales and marketing, corporate and general working capital.

### Appointment of Mr Graham Russell as Managing Director

During the Quarter, the Company appointed Mr Graham Russell as its Managing Director effective 3 December 2019 and Mr Damian Black resigned as a non-executive director (refer to Company Announcement dated 3 December 2019).

**Commenting on the Quarter, Mr Graham Russell, said:** “The December 2019 Quarter has been an important period of the Company, as the relationship between HomeStay and Essence APAC has been strengthened and the first commercial project underway for Enliven Housing. With a strong pipeline of potential sales, this first installation provides further validation that the Essence APAC solution is the next generation platform. Following the successful capital raise, Homestay is now ready to fully commercialise its product and service offering and continues discussions with potential customers.”

## **Cashflow**

The Company received A\$22,000 cash from sales in the quarter ending 31 December 2019. Please refer to the Company’s Appendix 4C.

The Company has received more than A\$430,000 cash in the current quarter (Q1 2020) to date pursuant to sales, both new and existing invoiced sales.

## **Post Quarter end events**

The Company has anticipates commencing rollout on another project with Enrich Living Pty Ltd (**ELS**) during the current quarter for the supply and installation of technology to 120 residents. The contract is a further statement of works pursuant to the existing master services agreement between the Company and ELS (refer to Company Announcement dated 22 March 2019). The project provides for up-front fees, including installation fees, in addition to ongoing monthly subscription fees on a per home basis.

The Company now has a streamlined operational structure and with an integrated team to support deployment in Australia, Singapore and New Zealand. The focus is on the generation and delivery of sales projects with its enterprise partners.

This announcement has been authorised by the Board of Directors of HomeStay Care Limited.

## Investor Enquiries

Jane Morgan

**Investor Relations**

0405 555 618

[jm@janemorganmanagement.com.au](mailto:jm@janemorganmanagement.com.au)

Melanie Ross

**Company Secretary**

08 6188 8181

[investor@homestay.care](mailto:investor@homestay.care)

## About HomeStay

*The HomeStay assistive technology platform allows elderly and people with disabilities to live independently in their own home for longer, through the use of 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.*

### 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 a number of 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 as a result 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 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")**

31 December 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	22	83
1.2 Payments for		
(a) research and development	(62)	(860)
(b) product manufacturing and operating costs	(354)	(1,029)
(c) advertising and marketing	(62)	(311)
(d) leased assets	(55)	(166)
(e) staff costs	(348)	(1,839)
(f) administration and corporate costs	(274)	(807)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	11
1.5 Interest and other costs of finance paid	(4)	(18)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		562
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,135)</b>	<b>(4,374)</b>

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) intellectual property		
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		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	<b>Net cash from / (used in) investing activities</b>	-	<b>(44)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	3,518	3,518
3.2	Proceeds from issue of convertible notes	500	500
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(273)	(273)
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) Refund of capital raising funds held in trust	(85)	
3.10	<b>Net cash from / (used in) financing activities</b>	<b>3,660</b>	<b>3,745</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	219	3,417
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,135)	(4,374)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(44)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,660	3,745

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>2,744</b>	<b>2,744</b>

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	2,744	219
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,744</b>	<b>219</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter  
\$A'000**

200

Payments included in section 6.1 are for Director remuneration / fees, superannuation, provision of legal and other services by associated entities.

An additional \$29k was paid to associated entities of directors for costs related to issues of shares and is included in item 3.4.

**7. Payments to related entities of the entity and their associates**

- 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

**Current quarter  
\$A'000**

N/A

8. <b>Financing facilities available</b> <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	500	500
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.		

Convertible notes of \$500,000 were received during the quarter, which were to be converted to shares subject to shareholder approval. Shareholder approval was obtained at the General Meeting on 14 January 2020. Interest rate: 1% per month.

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	50
9.2 Product manufacturing and operating costs	750
9.3 Advertising and marketing	15
9.4 Leased assets	50
9.5 Staff costs	200
9.6 Administration and corporate costs	200
9.7 Other (provide details if material)	18
<b>9.8 Total estimated cash outflows</b>	<b>1,283</b>

Note: The above cash outflow estimate does not include any estimated sales receipts anticipated to be received for the next quarter.

10. <b>Acquisitions and disposals of business entities</b> <b>(items 2.1(b) and 2.2(b) above)</b>	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: 28 January 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.