



Appendix 4E – Year Ended 31 December 2019

28 February 2020

HomeStay Care Limited (ASX: **HSC**) (“**HomeStay**”, or the “**Company**”) presents to shareholders and investors the Company’s Appendix 4E, for the period ending 31 December 2019. The Board of HomeStay wishes to reiterate that the figures contained in the Appendix 4E are reflective of the recent restructuring period and the Board does not believe that these are indicative of current operations.

The Company would like to reiterate HomeStay’s recent achievements and investment highlights including as set out in the Investor Presentation released 20 February 2020.

- HomeStay showing strong momentum with purchase orders already received for over \$1,300,000.
- Marquee clients validating the platform, model and desire to age in home include Aged Care & Housing Group Inc (ACH Group) and RSL Care RDNS Limited (trading as Bolton Clarke).
- HomeStay’s leading IoT Assistive Technology Suite is Cloud Based, Scalable, and is built around Recurring Revenue models integrated into the home for easy use and client retention.

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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:

- 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;
- 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
- 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.



HomeStay Care Limited

Appendix 4E

Unaudited Preliminary Final Report

Results for announcement to the market for the year ended 31 December 2019

			31 December 2019 \$'000
Revenues from ordinary activities	Up	1,219%	588
(Loss)/profit after tax attributable to members	Down	2%	(4,413)
Net (loss)/profit for the period attributable to members	Down	2%	(4,413)
		31 December 2019	31 December 2018
		Cents	Cents
Net tangible assets per security		0.12	0.48

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividend	No dividends are proposed	

No control gained or lost over entities having material effect for the year ended 31 December 2019.

The net assets of the consolidated entity have decreased to \$3,470,025 as at 31 December 2019, a decrease of \$711,397 from net assets of \$4,181,422 at 31 December 2018.

The consolidated entity's net working capital, being current assets less current liabilities is a surplus of \$1,890,230 (30 June 2019: \$3,303,868).

The net loss of the consolidated entity decreased from \$4,501,024 for the year ended 31 December 2018 to \$4,412,504 (a decrease of 2%) for the year ended 31 December 2019.

These movements are due to the increased activity of the consolidated entity throughout the current financial year, including continued work on HomeStay's IoT solutions, the roll out of its technology and 'Intelligent Home' installations, and licence arrangement with Essence APAC for delivery of Essence APAC solutions in Australia, New Zealand and Singapore.

Status of Audit

This report is based on the Annual Financial Report which is in the process of being audited.

Graham Russell
Managing Director

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	\$	\$
Revenue	588,453	44,606
Cost of sales	(449,090)	(138,626)
	<u>139,363</u>	<u>(94,020)</u>
Other income	-	117,115
Government grant	561,919	-
Amortisation expense	(650,284)	(260,389)
Consulting fees	(823,831)	(800,648)
Employee benefits expenses	(1,825,206)	(1,596,907)
Marketing expenses	(316,337)	(126,297)
Rental expenses	(110,881)	(145,129)
Finance costs	(48,413)	(5,617)
Share based payments	(210,568)	(485,935)
Listing costs	-	(502,454)
Impairment of intangible asset	(33,509)	-
Other expenses	(1,094,757)	(600,743)
Loss before income tax	<u>(4,412,504)</u>	<u>(4,501,024)</u>
Income tax expense	-	-
Total loss for the year	<u>(4,412,504)</u>	<u>(4,501,024)</u>
Other comprehensive income		
<i>Items that may be reclassified subsequently to operating result</i>		
Exchange differences on translating foreign controlled entities	19,282	741
Other comprehensive income for the year	<u>19,282</u>	<u>741</u>
Total comprehensive loss for the year	<u>(4,393,222)</u>	<u>(4,500,283)</u>
Loss per share		
Basic and diluted loss (cents per share)	(0.54)	(1.27)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	2,744,414	3,430,126
Other assets	421,380	289,083
Trade and other receivables	852,508	92,588
Financial assets	77,965	-
Inventory	161,259	121,389
Total current assets	<u>4,257,526</u>	<u>3,933,186</u>
Non-current assets		
Plant and equipment	33,805	32,010
Right-of-use assets	341,124	-
Intangible assets	1,385,489	845,544
Total non-current assets	<u>1,760,418</u>	<u>877,554</u>
Total assets	<u>6,017,944</u>	<u>4,810,740</u>
LIABILITIES		
Current liabilities		
Trade and other payables	1,426,512	573,453
Income in advance	270,491	-
Lease liability	155,152	-
Borrowings	514,056	-
Provisions	1,085	55,865
Total current liabilities	<u>2,367,296</u>	<u>629,318</u>
Non-current liabilities		
Lease liability	180,623	-
Total non-current liabilities	<u>180,623</u>	<u>-</u>
Total liabilities	<u>2,547,919</u>	<u>629,318</u>
Net assets	<u>3,470,025</u>	<u>4,181,422</u>
EQUITY		
Issued capital	11,917,250	8,295,993
Reserves	930,110	850,260
Accumulated losses	<u>(9,377,335)</u>	<u>(4,964,831)</u>
Total equity	<u>3,470,025</u>	<u>4,181,422</u>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Issued Capital \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Share Based Payments Reserve \$	Total \$
Balance at 1 January 2018	1,412,501	(463,807)	-	-	948,694
Loss for the year	-	(4,501,024)	-	-	(4,501,024)
Other comprehensive income	-	-	741	-	741
Total comprehensive (loss) for the year	-	(4,501,024)	741	-	(4,500,283)
Transactions with owners, directly in equity					
Issue of share capital	7,905,000	-	-	-	7,905,000
Capital raising costs	(1,021,508)	-	-	-	(1,021,508)
Issue of options	-	-	-	849,519	849,519
Balance at 31 December 2018	8,295,993	(4,964,831)	741	849,519	4,181,422
Balance at 1 January 2019	8,295,993	(4,964,831)	741	849,519	4,181,422
Loss for the year	-	(4,412,504)	-	-	(4,412,504)
Other comprehensive income	-	-	19,282	-	19,282
Total comprehensive (loss) for the year	-	(4,412,504)	19,282	-	(4,393,222)
Transactions with owners, directly in equity					
Issue of share capital	3,918,436	-	-	-	3,918,436
Capital raising costs	(297,179)	-	-	-	(297,179)
Issue of options	-	-	-	60,568	60,568
Balance at 31 December 2019	11,917,250	(9,377,335)	20,023	910,087	3,470,025

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	\$	\$
Cash flows from operating activities		
Receipts from customers	84,929	22,174
R & D receipts	561,919	-
Payments to suppliers and employees	(4,019,329)	(3,331,178)
Interest received	11,081	4,943
Interest paid	(34,357)	(5,617)
Net cash used in operating activities	(3,395,757)	(3,308,723)
Cash flows from investing activities		
Payments for platform development expenditure	(910,861)	(663,302)
Purchase of plant and equipment	(44,222)	(38,626)
Proceeds from sale of property, plant and equipment	3,535	-
Purchase of financial assets	(77,965)	-
Receipt of exclusivity fee	-	100,000
Cash acquired on acquisition of HomeStay Care Ltd	-	1,325,303
Net cash (used in) / from investing activities	(1,029,513)	723,375
Cash flows from financing activities		
Proceeds from issue of shares	3,518,436	4,005,000
Transaction costs relating to the issue of shares	(272,729)	(457,924)
Proceeds from borrowings	500,000	2,000,000
Repayment of borrowings	-	(100,000)
Repayment of lease liability	(6,149)	-
Net cash provided by financing activities	3,739,558	5,447,076
Net (decrease) / increase in cash held	(685,712)	2,860,773
Cash at the beginning of the financial year	3,430,126	569,353
Cash at the end of the financial year	2,744,414	3,430,126

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

1. Significant accounting policies

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. This report is to be read in conjunction with any public announcements made by HomeStay Care Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Australian Securities Exchange Listing Rules.

The Preliminary Financial Statements and notes of HomeStay Care Limited and its controlled entities, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.