



## HomeStay March 2020 Quarterly Report and Appendix 4C

21 April 2020

- Record cash receipts of over \$1 million cash received from sales during quarter, with significant improvement in quarterly net cash burn of \$0.366 million
- Over \$1.5 million in purchase orders for sales received in the quarter
- Minimal business impact from COVID-19 to date, the focus remains on delivery of sales strategy and enterprise customer projects, supporting customers and growing the business
- The global impact of COVID-19 also highlights the potential to improve care delivery and safety of the elderly and people with a disability through fast-tracking the adoption and implementation of assistive technology whilst enhancing protection for residents, care workers and improving communication for the family and community
- Cash and cash equivalents at the end of the quarter was \$2.334 million
- The Company now has more than 2,000 active commercial subscriptions in Australia and New Zealand
- Multiple enterprise customer contracts signed
  - Master Services Agreement signed with Bolton Clarke and first project delivered
  - Delivery of underway multiple sites pursuant to ACH Group Tender with installation of hardware at first site completed and ready to be commissioned
  - Awarded contract by Odyssey Private Aged Care including expansion to use Thermal Detection System integrated with assistive technology and security to detect high temperature and control entry access in a low touch manner
- Ongoing delivery of enterprise customer projects

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 March 2020 (the “Quarter”).

### HomeStay IoT Platform and Business Model

HomeStay’s IoT platform receives data via multiple sensors aggregated from enterprise grade systems. These detect Activities of Daily Living (ADL) through various sensors from devices integrated into the platform. This data is triaged with customised rule sets and AI predictive analytics, which is then distributed through multiple communication formats to:

- Families through mobile applications
- Carers through mobile applications
- Care teams through dashboard portals
- Executive Management Teams portals
- Nurse Call Systems
- 24 hour Monitoring Response Centres

The Company has distribution rights with numerous global companies to provide best of breed sensor technology to provide cloud based, scalable, low cost sensor data. The business model involves up-front project implementation and ongoing support with recurring revenue streams. The Company focuses on the Aged Care and Community Care markets by partnering with a number of innovative health technology companies to provide a comprehensive suite of solutions. This will further extend the application of the IoT platform into other



areas to provide a holistic solution to the sector and facilitates an integrated delivery platform comprising a large innovative product suite to meet each customer's unique needs.

Homestay's cloud based IoT aggregator integrates and manages assistive technology aged care products and services across four key categories:

- **Safety & Emergency:** Emergency response system with data analytics, alerting family members and carers of proof of life, emergency response and live feedback. The product suite includes Nurse Call Systems and Personal Emergency Response units (PERS) being Essence devices integrated into HomeStay's IoT platform. The key aspects of these systems address:
  - o Emergency Response – provides peace of mind that someone can get help when required
  - o Activities of Daily Living (ADL) – provides some transparency that the client is ok
  - o Communication – provides a portal for all carers and family members to view information and status
  - o Safety – being able to add extra safety sensor devices to assist in keeping clients safe
- **Communication & Entertainment:** The aged care and disability demographic has a specific challenge around how to effectively communicate with its clients. The client base often does not use email, or smartphones and posting letters is too slow and expensive. HomeStay's Telehealth IPTV solution, "uVue" is an enterprise android operating system and TV platform. This provides an end to end communication portal that the client finds easy to use and is familiar. The key aspects of these systems address:
  - o Messaging Engine – send message to a single client or entire village on any TV
  - o Calendar Integration – easily communicate what is on and when scheduled visits are
  - o Vital Signs – simple interface to collect chronic health vital signs data
  - o Telehealth – end to end encrypted video with simple connection direct from TV
  - o Entertainment – easy to use interface to access all entertainment options
- **Security & Accountability:** Real-time locating systems (RTLS) are used to automatically identify and track the location of objects or people in real time within a building. Aged Care operators pre and post Royal Commission are continuing to invest in ways to deliver privacy but offer visibility to families and auditors that its core practices are up to standard. HomeStay's IoT platform provides real time location information of staff, residents and assets.
- **Health & Wellness:** Vital Signs and Patient Monitoring solutions are a key element in knowing the true health condition of a client. HomeStay's IoT platform provides a gateway to collect remote vital sign data like blood pressure, oximeters, ECG, glucometer, temperature, pulse etc.

HomeStay's IoT platform uses a dashboard to aggregate all of the above data into a single overview to provide carers and families information that can provide insights into a client's or resident's well-being and provide predictive indicators of deterioration in health and allow early intervention to potentially avoid hospitalisation.

#### **Operations and Enterprise Customer Sales**

The Company has a several enterprise customer projects underway delivering bespoke assistive technology. The Company has more than 2,000 active commercial subscriptions in Australia and New Zealand, excluding systems currently deployed pursuant to committed contracts and projects. This represents a significant milestone for the Company and compares favourably to peers. The Company remains focused on delivery of its sales strategy and enterprise customer projects.



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During the quarter, the Company was awarded a tender to provide Nurse Call Systems in South Australia for Aged Care & Housing Group Inc (**ACH Group**). The project is for the delivery of assistive technology at 9 residential aged care sites which currently includes more than 800 residents collectively. The Company has received purchase orders of over \$1 million for the first four sites pursuant to the project and continues to work closely with the ACH Group to deliver these sites. The installation of all hardware at the first site is now completed and ready to be commissioned, along with the groups' cloud servers to cater for the rollout of the next three sites this quarter. For further details, refer to Company Announcements dated 13 February 2020 and 28 January 2020.

In January 2020, the Company entered into a master services agreement with aged care provider RSL Care RDNS Limited (trading as Bolton Clarke) (**Bolton Clarke**). The initial project allowed for continued innovation and implementation of assistive technology including Personal Emergency Response (PERS) units. The Company has completed the delivery of the initial order for 1,000 PERS units and continues to work closely with Bolton Clarke as they complete an internal installation program. For further details, refer to Company Announcement dated 28 January 2020.

In March 2020, the Company was awarded a contract for the delivery of assistive technology to a development by Odyssey Private Aged Care on the Gold Coast, Queensland (**Odyssey Project**). The project is for new 99 independent living apartments in the first 2 towers built, with the contract direct with the builder J. Hutchinson Pty Ltd. The project required delivery of a proactive care solution that provided an advanced Aging in Place solution for its residents. This solution needed to be discreet and deliver privacy while providing a level of transparency to the care teams onsite as well as connecting family members remotely giving peace of mind. For further details, refer to Company Announcement dated 17 March 2020.

The assistive technology suite being provided by the Company at the Odyssey Project has been expanded to include a Thermal Detection System for the main entry. This solution will screen all residents, staff and visitors for early symptoms of fever. If anyone has a core temperature above 37 degrees, entry will be denied through the building access control system. The Nurse Call System will notify the on-duty care team of potential infection risk.

Delivery of this project is underway and is not anticipated to be delayed as it is part of a construction project scheduled to be completed prior to any residents moving into the new independent living apartments. All cabling and infrastructure have been completed, with the fit off of equipment scheduled to be completed this quarter.

The Company continues to work with Enliven Housing delivering assistive technology to the disability sector. Enliven Housing is part of the Enliven Group, with Enliven Housing being a specialised provider of disability accommodation (SDA) registered housing, catering for people with assessed as requiring high physical support, fully accessible and improved liveability accommodation. HomeStay notes that the initial project is not individually material however is collectively significant in providing investor confidence in HomeStay's business model and contribution to overall ramping-up of the business, particularly as a commercial contract in the disability sector.

The Company commenced delivery of the supply and installation of assistive technology to 120 residents for Enrich Living Pty Ltd (**ELS**) during the quarter. The staging and configuration of all of the emergency and safety devices has been completed, and the communications and entertainment systems have been customised and deployed being the uVue IPTV solution with installations commenced in March 2020. The project has been delayed as the parties continue to work closely on appropriate and safe processes to install the assistive

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technology comprising a combination of products from HomeStay's safety & emergency as well as communication & entertainment categories.

### Financial Position

The Company had a strong March quarter with \$1,020,000 cash received from sales of assistive technology to enterprise customers. A number of enterprise customer contracts were entered into with project delivery commencing and over \$1.5 million in purchase orders received during the quarter. The Company invested in inventory to secure its supply chain and to ensure delivery of existing projects; as well as continuing to reduce operational expenditure.

The Company closed the quarter with total cash of \$2,334,000 as at 31 March 2020. The related party payments noted in Section 6 of the accompanying Appendix 4C during in the quarter relate primarily to payments for inventory to Automation Australia Pty Ltd trading as Essence APAC (an entity associated with Mr Graham Russell) pursuant to the licensing arrangement previously announced on 3 December 2019 as well as payments for legal services to Edwards Mac Scovell Legal (an entity associated with Ms Sara Kelly), and for director fees, salaries and superannuation. Please refer to the Company's Appendix 4C for further details.

### Corporate

The outbreak of the coronavirus disease ("COVID-19") is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. It is noted that there may be potential opportunity in our technology solutions given its monitoring and alert capabilities with the current home isolation requirements implemented by government due to the COVID-19 issues.

The delivery of assistive technology to Aged Care and Community Care markets is currently considered an essential service in Australia. The Company continues to focus on the delivery of projects and work closely with its partners, enterprise customers and suppliers globally as the team work remotely, other than a small team at the Company's warehouse. HomeStay continues to actively monitor the impact of COVID-19 on its team, trading and supply chain with the health and safety of the Company's employees and customers being paramount.

As noted in the Company's recent Annual Report for 2019, the current climate is challenging but with challenge comes opportunity. The Royal Commission into Aged Care confirmed the need for innovative models of care, in particular the use of assistive and supportive technology. The global impact of COVID-19 also highlights the potential to improve care delivery through the implementation of assistive technology whilst enhancing protection for residents, care workers and improving communication for the family and community.

This creates an opportunity for HomeStay and adoption of its assistive technology to deliver real and tangible benefits to delivery of care to vulnerable people.

The Directors continue to monitor the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. If any of these impacts appear material, the Company will notify investors through appropriate market updates.

**Commenting on the Quarter, Mr Graham Russell, Managing Director said:** "2020 will be a year to remember for all of us in many ways. For the HomeStay team it will be how a global pandemic provided the catalyst of change and shifted the paradigm in the health and aged care industry on how technology can assist care teams, connect families and save lives. The team has been very busy delivering on existing projects of the HomeStay IoT Health platforms, we have managed to navigate most challenges of COVID-19 with minimal delays to

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delivery. Our IoT subscription base has grown well through the quarter and will continue as we bring the existing projects on-line.

We have also made significant changes to the business over the last quarter, streamlining operations and driving efficiency through delivery of projects, which will position us well to continue to support the health and aged care industry as they look to improve care practices post COVID-19.”

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

#### Investor Enquiries

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**Company Secretary**

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#### About HomeStay

*HomeStay provides a range of Connected Health and Smart Home solutions.*

*The HomeStay assistive technology platform allows elderly and people with disabilities to live independently via “Aging in Place” solutions, 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 integrated with leading third party providers to ensure end-to-end solutions for Connected Health.*

#### 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.*



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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

HOMESTAY CARE LIMITED

**ABN**

62 111 823 762

**Quarter ended ("current quarter")**

31 March 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,020	1,020
1.2 Payments for		
(a) research and development	(5)	(5)
(b) product manufacturing and operating costs	(923)	(923)
(c) advertising and marketing	(23)	(23)
(d) leased assets	(12)	(12)
(e) staff costs	(239)	(239)
(f) administration and corporate costs	(167)	(167)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(19)	(19)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(366)</b>	<b>(366)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(40)	(40)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(40)</b>	<b>(40)</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 period	2,744	2,744
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(366)	(366)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

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## Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(40)	(40)
4.5	Effect of movement in exchange rates on cash held	(4)	(4)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>2,334</b>	<b>2,334</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	2,308	2,744
5.2	Call deposits	26	-
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>2,334</b>	<b>2,744</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

397

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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## Quarterly cash flow report for entities subject to Listing Rule 4.7B

**7. Financing facilities**

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Convertible notes of \$500,000 were received during the previous quarter. These were converted to shares during the quarter after receiving shareholder approval at the General Meeting on 14 January 2020.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	366
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,334
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	2,334
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	6.4

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

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**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.

Date: 21 April 2020

Authorised by: ....By the Board.....  
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.