HSC TECHNOLOGY GROUP



IoT AI Data Analytics Company
+ Smart Care
+ Smart Home
+ Smart Analytics

INVESTOR PRESENTATION

ASX:HSC

6 October 2020

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DISCLAIMER

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ABOUT US

HSC Technology Group was formed by a team of industry leaders in the health and aged care technology sector to provide a solution to the growing need for more efficient service delivery for senior Australians.

We do this by using data from the Internet of Things (IoT), to provide decision-making insights and information through IoT-enabled hardware and proprietary machine learning and artificial intelligence (AI) software that improves people's safety, independence, autonomy and most importantly their lives.

Our telehealth and smart care solutions are utilised by a wide range of industries including aged care, security and safety, and smart home automation.

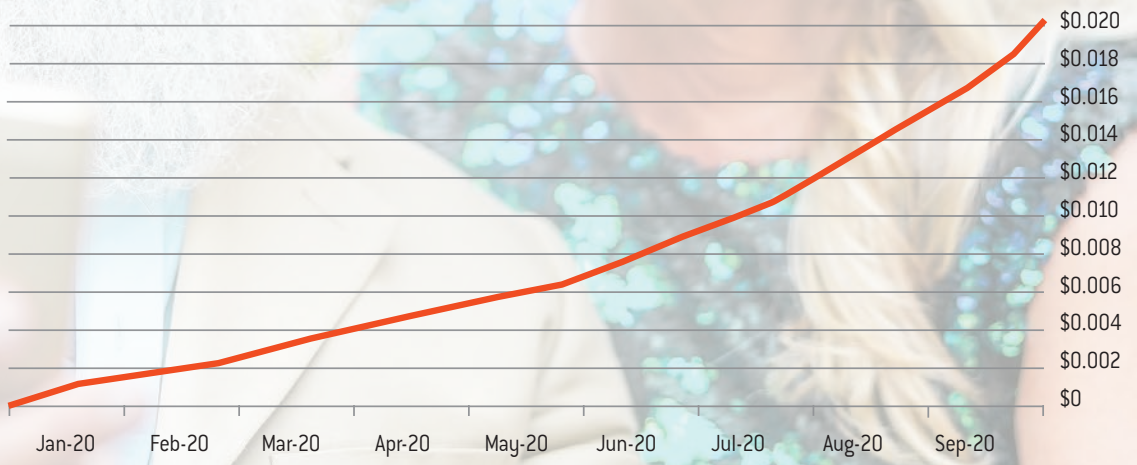
CORPORATE SNAPSHOT

ASX CODE: HSC	
Closing price	$0.019
Market cap	$31.83m
52 week high	$0.020
52 week low	$0.002
Average daily volume*	17.7m
Total number of shares issued	1.68m

As at 30 September 2020

*Trailing 2 months

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OUR PRODUCTS



HSC HOME

SMART HOME

Comprehensive security, safety and smart home solutions utilising the WeR@Home product range to deliver a complete connected-home experience that can be managed anywhere, anytime, in real time, and on any screen.



HSC CARE

SMART CARE

Telehealth and smart care solutions for medical and aged care environments including Personal Emergency Response Systems (PERS) utilising our exclusive world-leading brands including Essence, uVue Telehealth and CardiacSense.



TALIUS

SMART ANALYTICS

HSC's proprietary next generation IoT Machine Learning and Artificial Intelligence software providing smart analytics to deliver decision making insights through sensor gathered data and an integrated messaging communication platform.

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THE PROBLEM – AGED CARE IS IN CRISIS

The Royal Commission into Aged Care Quality and Safety Interim Report has found the aged care system fails to meet the needs of its older, vulnerable, citizens. It does not deliver uniformly safe and quality care, is unkind and uncaring towards older people and, in too many instances, it neglects them.

The Royal Commission into Aged Care Quality and Safety reported that 16,000 people died waiting for a home care package in 2017-18

Source: Royal Commission into Aged Care Quality and Safety

There are currently 119,524 people waiting for a home care package

Source: Department of Health

The industry needs urgent funding relief to address the increasing demand for services and acuity of residents

Source: Royal Commission into Aged Care Quality and Safety

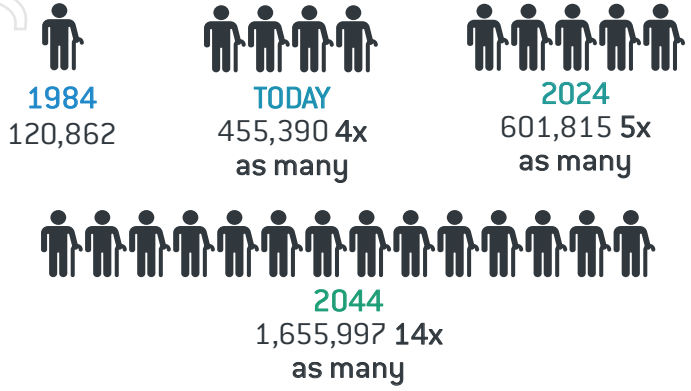
45.1 percent of the 974 aged care facilities surveyed recorded an operating loss

Source: Accounting and benchmarking firm StewartBrown

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A SECTOR FACING INCREASING DEMAND

85+ POPULATION



No.1
Rapidly ageing population

LETTERS FROM THE QUEEN

No. OF AUSTRALIANS TURNING 100 (CALENDAR YR)

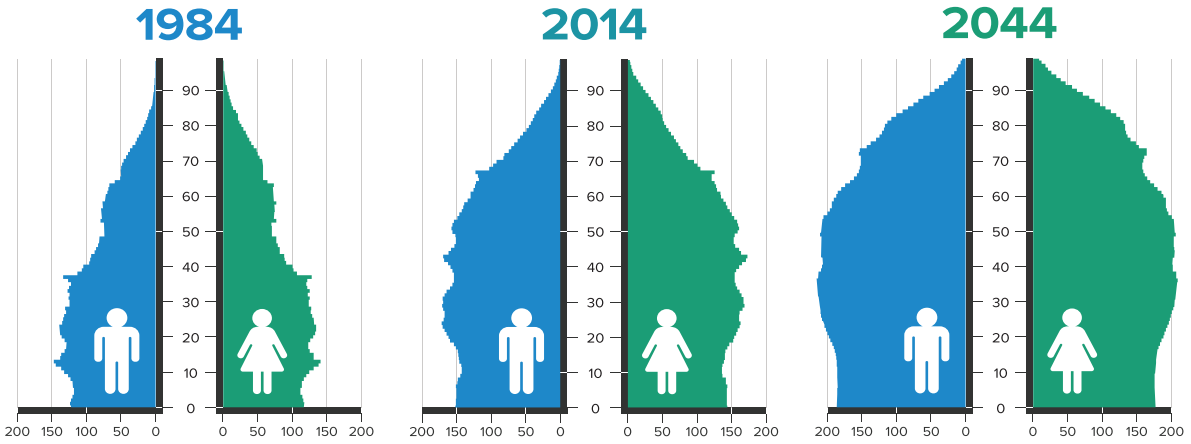


*The year Queen Elizabeth II became sovereign

POPULATION PYRAMIDS

AGE VS. POPULATION (THOUSANDS)

No.2
Living much longer



No.3
Higher care needs as we live longer

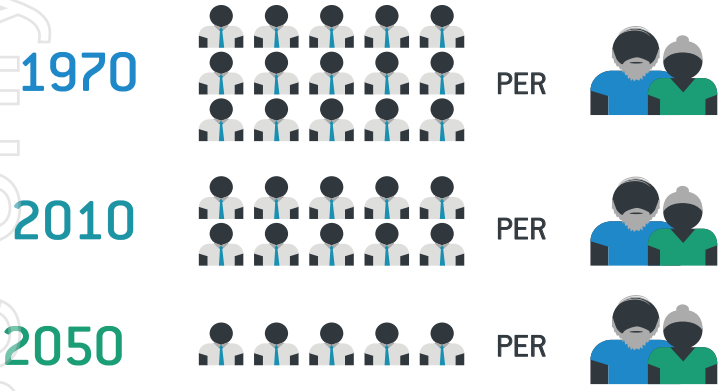
Infographs courtesy of McCrindle Research

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STYMIED BY DIMINISHING RESOURCES

DECLINING WORKFORCE RATIO

RATIO OF WORKERS : RETIRED COUPLE



No.1
Not enough staff

GROWING NEED

IN THE NEXT **30 YEARS** AUSTRALIA WILL HAVE

+1,200,000 MORE PEOPLE AGED 85+

THE AVERAGE OLDER AUSTRALIAN WILL LIVE

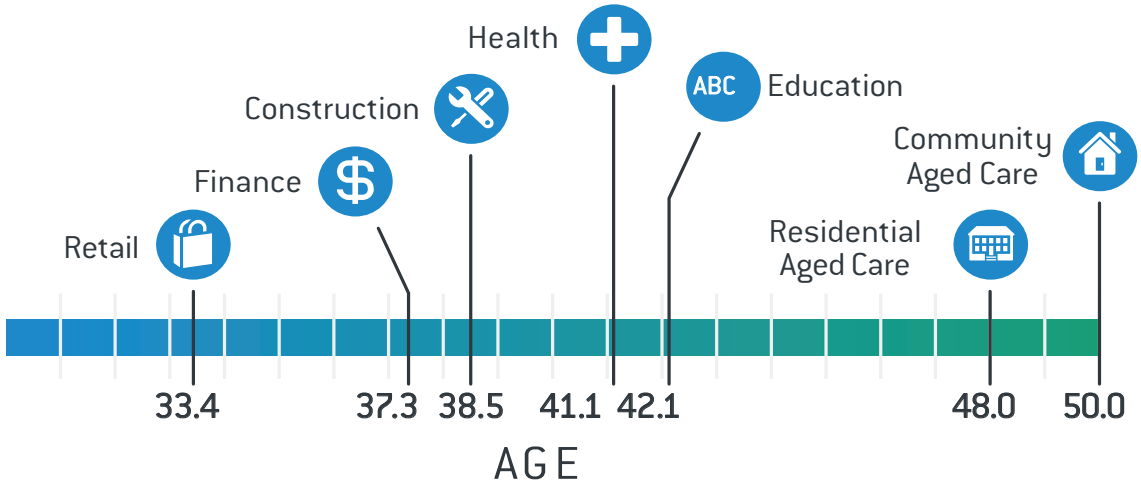
5 YRS LONGER THAN TODAY

THIS EQUATES TO...

AN EXTRA **6,000,000** YEARS OF CARE

AGEING WORKERS

MEDIAN AGE IN WORKFORCE SECTORS



No.2
Not enough tax payers to increase funding

No.3
Not enough places

Infographs courtesy of McCrindle Research

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THE SOLUTION – TALIUS AI ECOSYSTEM

The TALIUS platform, **proprietary** software developed by HSC Technology Group, is based on machine learning and artificial intelligence to constantly learn and adapt to the daily behaviour of individuals and provide alerts with different severity levels based on deviations from their daily routine. From smart fall alert devices that ensure seniors receive rapid assistance to diagnosing potential illnesses early, our SaaS improves recovery time and reduces the need for hospitalisation meaning lower operational costs for service providers.

- Personalised and proactive care in seniors home, retirement village and nursing home
- Seamless monitoring – range of devices that track the resident's behavior
- For the family and care providers – monitoring apps with smart alerts for family members
- 24hr Emergency Response Services as required
- Constantly monitoring activities of daily living
- Scalable and cost effective – enhanced with security and safety applications



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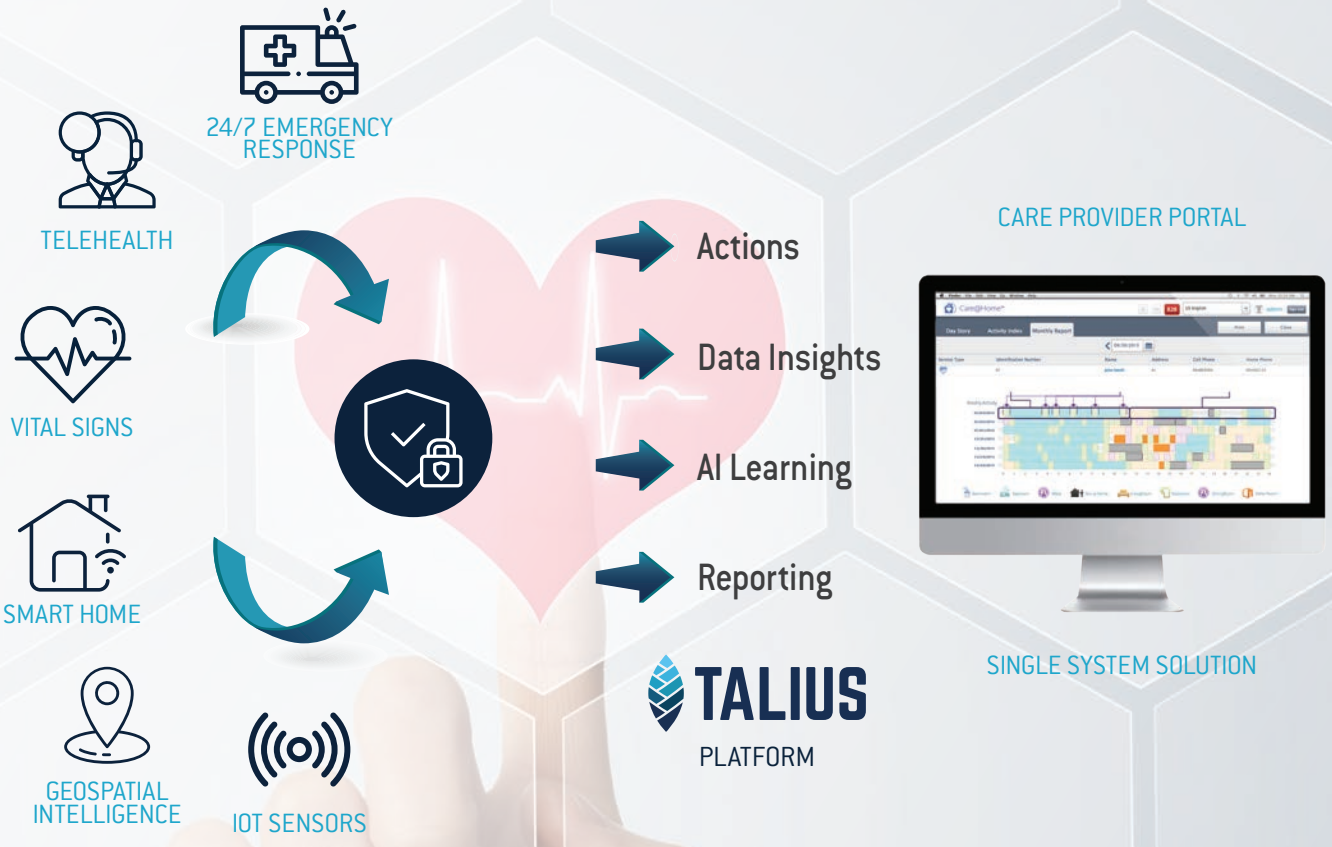
THE SOLUTION – HSC CARE

NEXT GENERATION IOT SENSORS

We are the exclusive distributor for multiple vendors in the Australian and South East Asian region which provide the core data to TALIUS, our Artificial Intelligence Data Analytics Platform.

These sensor technologies are best of breed – low cost, wireless, certified and feature rich, providing:

1. **Emergency response**
   Be able to call for help 24hrs
2. **Communication and Telehealth**
   Be able to easily communicate with seniors and families
3. **Safety and security**
   Improve safety and security as seniors age
4. **Vital signs**
   Provide accurate health information to carers
5. **Geospatial – location systems**
   Provide accurate data on where someone is



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THE SOLUTION – HSC HOME

EMPOWERING INDEPENDENCE AND AUTONOMY

Assistive Technology (AT) for people with disabilities is life changing and allows them to perform tasks that might otherwise be difficult or impossible. Our HSC Home solution is designed for the NDIS service providers and is best of breed – low cost, wireless, certified and feature rich. Most people apply AT in their daily lives; using voice-activated devices, smart phones, remote controls to perform tasks easier.

For people with physical or cognitive impairments (disabilities), Assistive Technology can make significant impact as follows:

- AT can assist them to communicate and learn
- AT enable them to participate in work and/or social environment
- AT can help them to achieve independence and improve their quality of life.



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THE BUSINESS – HARDWARE, SOFTWARE AND SUBSCRIPTIONS

SMART CARE



SMART CONNECT



SMART LIVING



SMART LIFE



SMART TRACK





HARDWARE

Industry standards of 20-40% margin

SOFTWARE

Industry standards of 50-80% margin

SUBSCRIPTIONS

Providing annual recurring revenue

TALIUS

OPTIONAL

Customisation and major projects 20-30%

LIFECYCLE

Hardware – 7-10 years
Subscription – 1-10 years
Home Care – 1-5 years
Facilities – 7-12 years

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THE MARKET

AVAILABLE FUNDING

2,300 registered aged care providers

2m+ aged care and disability clients

Source: www.gen-agedcaredata.gov.au

Australian Government
Department of Health

$40+ BILLION IN FUNDING

MARKET BREAKDOWN

HSC's product suite works across the entire aged care and disability sectors.

Source: www.gen-agedcaredata.gov.au

DISABILITY

$22b
in funding annually

4.3m customers

HOME CARE

$4.2b
in funding annually

1.1m customers

NURSING HOME

$17.4b
in funding annually

300,000 customers

RETIREMENT

2,200 villages

184,000 customers

TOTAL ADDRESSABLE MARKET

The total addressable market HSC has access to includes significant ongoing investment in hardware, software and annual recurring revenue through subscriptions.

Based on management estimates

INVESTMENT

$1.35b
hardware, software and ARR

SUBSCRIPTIONS

2.3m
total number of subscriptions

MARKET SHARE

HSC has approximately 0.15% of the Australian market

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THE CATALYST FOR CHANGE

THREE LARGE EVENTS WILL SHAPE THE INDUSTRY

1



REMOTE PATIENT MONITORING (RPM) WILL BECOME BUSINESS AS USUAL

Healthcare providers are positioned to take advantage of the continuous data stream from their patients in order to make more informed decisions regarding tests, treatments and procedures. In private healthcare, patients can use RPM to understand aspects of their health and seek out specific care which, in return, will reduce costs.

2

ROYAL COMMISSION INTO AGED CARE – MORE ACCOUNTABILITY AND TRANSPARENCY

A report commissioned by the Royal Commission titled Report on the profitability and viability of the Australian Aged Care Industry recommends the creation of a reliable, consistent set of data as the 'source of truth' for the sector to improve understanding and analysis of aged care's performance.

3

3G SHUTDOWN IN JUNE 2024 – 270,000 DEVICES HAVE TO BE REPLACED

As 5G rolls out mobile network operators are going to start turning off 3G services. This will affect a number of devices, including older 3G-only mobiles, but also any IoT device that relies on a 3G SIM card only. According to the NBN the number of devices are estimated to be in the hundreds-of-thousands and users will be looking to upgrade to newer technology.

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BUILDING A SIGNIFICANT RECURRING REVENUE STREAM

2020 KEY PARTNER AGREEMENTS

UBAC Innovative IT Builder

Harvey Norman COMMERCIAL DIVISION

Globe

HARRISONTECH Communications, IT & Web Solution

G MEDICAL Mobility in Healthcare

CardiacSense Watching Over You

HSC SUCCESSFULLY SELLING INTO ALL KEY MARKET SEGMENTS

- Community Housing – Bolton Clarke
- Residential Aged Care – Aged Care and Housing Group
- Disability Housing – Odyssey Lifestyle Care Communities
- International – St John's Home for Elderly Persons

KEY WINS AND NEW PARTNER AGREEMENTS

- Aged Care and Housing Group: $2.7m contract with project deployment progressing
- Bolton Clarke: Orders for more than 2,250 Personal Emergency Response Systems (PERS)
- Odyssey Lifestyle Care Communities: Delivered $400k contract with additional orders for approximately $50k of project variations
- Enrich Living Services: Purchase order for $260k received
- St John's Home for Elderly Persons (Singapore): Partner Essence-Singapore awarded $400k contract

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REVENUE AND SUBSCRIBER GROWTH

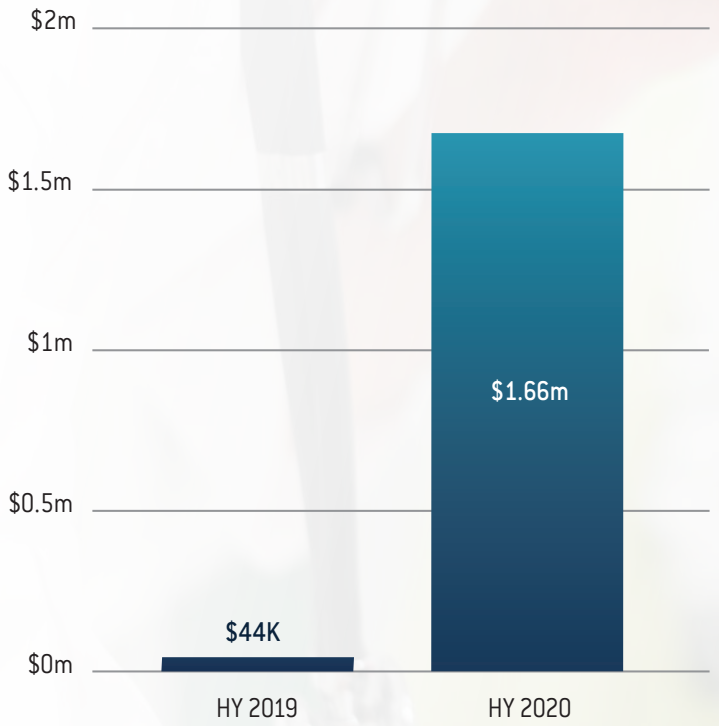
HSC has a contracted pipeline of hardware orders, with each sale providing incremental product margin and annual recurring revenue (ARR).

Sales $1.66m (for half year ended June 2020) with an additional $2.6m revenue expected from existing contracts.

Subscriptions 3,424 (as at June 2020) with an additional 2,400 subscribers expected from existing contracts.

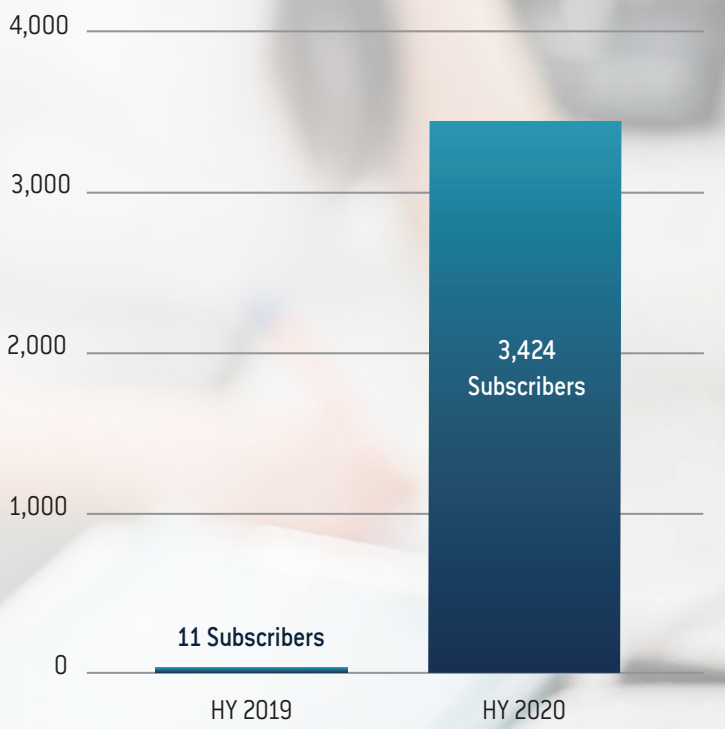
Most of the contracted orders are facilities projects with a longer lifecycle (7-12 years) and higher ARR.

SALES



ADDITIONAL REVENUE OF $2.6M EXPECTED ON COMPLETION OF PROJECTS

SUBSCRIBERS



ADDITIONAL SUBSCRIBERS OF 2,400 EXPECTED ON INSTALLATION OF SAAS SOFTWARE

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A SCALABLE BUSINESS MODEL

INCREASED SALES FORCE

HSC has recognised that a scalable sales force is key to achieving increased transactions and in turn growing annual recurring revenue streams. To achieve this a National Business Development Manager has been appointed to build the sales network in each state and territory and strategic sales roles will be filled in Queensland, NSW and South Australia by January 2021.

PARTNERS

We have multiple distribution channels who use some or all of our solutions. We provide them a customised wholesale hardware and software with a B2B2C business model.

We partner directly with:

1. **Aged care providers** – that have a technical service delivery team
2. **Medical alarm providers**
3. **Nurse call integrators**
4. **System integrators**
5. **24hr response centres**



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THE TEAM – PROVEN AND EXPERIENCED

HSC Technology Group is led by a highly regarded Board and supported by a team of industry experienced C suite professionals.



GRAHAM RUSSELL
MANAGING DIRECTOR

Passionate about helping our older generation stay independent and pioneering the adoption of seamless technology solutions in the Asia Pacific region for the aged care industry.
Mr Russell has been instrumental in developing, localising and commercialising best-of-breed international technology utilising Artificial Intelligence to detect health deterioration, fall alerts and provide early intervention. His background includes CEO of a national systems integration business working on the front line with products such as Nurse Call, CCTV, Access Control, Security, WiFi, Internet, and fibre solutions for hospitals, residential aged care, councils, and government facilities.



LEYLAN NEEP
CHAIRMAN

Highly experienced Director and Executive who brings a wealth of market knowledge holding senior roles across a range of both ASX-listed and private entities, possessing over two decades of expertise in the financial services industry. Mr Neep has a proven track record in finance, governance and funds management and has been involved in several IPO/ASX listings and numerous capital raising efforts, for both corporate entities and managed investment schemes. He is a Fellow of CPA Australia (FCPA), a Fellow of Governance Institute of Australia (FGIA), and a Graduate of the Company Directors Course run by the Australian Institute of Company Directors (GAICD).



RAMSAY CARTER
NON EXECUTIVE DIRECTOR

Over 20 years' experience in global investment banking holding senior positions in Australia, Tokyo, Hong Kong and Singapore with governance over multiple jurisdictions throughout his career in a highly regulated industry, especially within Asia Pacific, UK and North America. Mr Carter is a proven leader with particular focus on clear lines of communication and accountability aligned with interests and creating an environment of respect, diversity and challenge. He has a Bachelor of Laws and International Business and is a member of the Australian Institute of Company Directors (AICD).

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NOTES

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THANK YOU

HSC
TECHNOLOGY GROUP



PEACE OF MIND
Confidence that immediate care is available



ANYWHERE, ANYTIME
Real time notification and alerts



PERSONAL, PROACTIVE
Constant monitoring for early health warning signs



BETTER OUTCOMES, COST EFFECTIVE
Smart analytics enabling insights for preventative interventions