

Finalisation of Legacy Deferred Consideration Commitments

1 March 2023

HSC Technology Group Ltd (ASX: HSC) (HSC or the Company) is pleased to report that with the release of the Company's audited accounts for 2022, the vesting criteria for the Fourth and Final Tranche of the Milestone Shares has now been satisfied. This is the last instalment of the Deferred Consideration payable to the Homestay Shareholders under the Acquisition announced 10 May 2018.

The Board and Management welcomes the issue of the Final tranche of these Milestone Shares, which now concludes HSC's obligations in this regard, further simplifies the capital position of the Company and removes inherited legacy issues from the previous Board and Management. More importantly, the ability to reach the respective revenue benchmarks, in the timeframe it has, is testament to the strategic focus and effort by the Company since current Management took control during 2020.

The transaction that gave rise to the Deferred Consideration, (entered into before current board and management tenure) approved by shareholders 23 August 2018, was the acquisition by HSC (then known as Antilles Oil and Gas NL) of all the shares of Homestay Care Pty Ltd (**Homestay**). None of the current Board, Management or HSC itself received shares or benefited from this transaction.

The acquisition of Homestay was structured in such a manner that the shareholders of Homestay only received on completion 60% of the consideration for their shares with the remaining 40% deferred as four separate parcels (Deferred Consideration) the issue of which were linked to revenue generation by the Company, thereby putting those Deferred Shares at risk by linking the receipt of up to 40% of the consideration to the continued financial success of HSC.

Like the three previous parcels which have vested, a total of 50,000,000 million ordinary shares are to be allotted to the shareholders of HomeStay on account of the Fourth and Final Tranche Milestone Shares.

In order for the Homestay shareholders to have become entitled to the Fourth Milestone Shares the Company had to generate cumulative revenue of \$12,000,000 on or before 19 November 2023 and such revenue being independently confirmed by the Company's auditor.

Such has been the strong growth of HSC over the past year this financial milestone has been reached some 12 months ahead of the deadline.

The Company, with the lodgement of the Appendix 3B, is proceeding to issue the Fourth and Final Tranche of these legacy Milestone Shares. This final tranche will only have minimal dilutive effect (approximately 2.2%) and will also see the finalisation of the formative transaction approved by shareholders some 4 years ago.

As reported in Company's FY22 Annual Report, the Board is excited for the future of HSC and the foundation that has been built for strong growth and a path to profitability.

This announcement has been authorised by the Board of Directors of HSC Technology Group Ltd.

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About HSC Technology Group Ltd. (ASX: HSC)

HSC provides a suite of technology enabled care solutions to the aged and disability sectors across multiple verticals, including retirement living, residential aged care, home, and community settings to improve the quality of life, later in life.

HSC's Software as a Service (SaaS) data analytics platform Talius Smart Care combines smart sensors with AI machine learning (powered by CSIRO) that delivers automated actions. Talius links awareness, analysis, and action through one platform allowing the care model to move from spot check care to sense-respond care. Nursing staff can switch their focus from data collection to building a human connection. Most importantly, residents benefit from a new era of autonomy and dignity.

HSC 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.

- ❖ HSC Care
- ❖ HSC Home
- ❖ Talius

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 several 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 because 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.