

## 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**

HEARMEOUT LIMITED

**ABN**

54 614 043 177

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

31 December 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$'000**</b>	<b>Year to date (12 months) \$'000*</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(42)	(42)
(b) business development and marketing	(67)	(74)
(d) leased assets	-	-
(e) staff and board remuneration	(95)	(90)
(f) administration and corporate costs	(120)	(157)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	1	(137)
<b>1.9 Net cash (used in) operating activities</b>	<b>(321)</b>	<b>(360)</b>

\* The numbers for the year to date 12 month column include the period from incorporation on 4 August 2016 to 31 December 2016. HearMeOut Limited (HMO) was admitted to the Official List of ASX Limited on 6 December 2016.

\*\* On 2 December 2016, HMO completed the acquisition of HearMeOut Ltd (Israel) by issuing 32,500,000 shares and 43,248,000 performance options in HMO.

Consolidated statement of cash flows		Current quarter \$'000**	Year to date (12 months) \$'000*
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments - shares	-	-
	(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-net cash from acquisition of subsidiary on 2 December 2016	321	321
<b>2.6</b>	<b>Net cash (used in) investing activities</b>	<b>321</b>	<b>321</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issue of shares	6,460	6,461
3.2	Proceeds from issue of convertible notes	-	100
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(595)	(595)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(14)	(14)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from financing activities</b>	<b>5,851</b>	<b>5,952</b>

Consolidated statement of cash flows		Current quarter \$'000**	Year to date (12 months) \$'000*
<b>4.</b>	<b>Net increase in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	62	-
4.2	Net cash (used in) operating activities (item 1.9 above)	(321)	(360)
4.3	Net cash (used in) investing activities (item 2.6 above)	321	321
4.4	Net cash from financing activities (item 3.10 above)	5,851	5,952
4.5	Effect of movement in exchange rates on cash held	34	34
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>5,947</b>	<b>5,947</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$'000	Previous quarter \$'000
5.1	Bank balances	5,936	62
5.2	Call deposits	11	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,947</b>	<b>62</b>

6.	Payments to directors of the entity and their associates	Current quarter \$'000
6.1	Aggregate amount of payments to these parties included in item 1.2	(8)
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	
Payment to directors are for director fees		

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$'000</b>
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	

A management fee was paid to Otsana Capital as per the Mandate to Act as the Corporate Advisor, this totalled to US\$113,000. A total of US\$291,000 was paid to Otsana Capital for capital raising fees.

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$'000</b>	<b>Amount drawn at quarter end \$'000</b>
8.1 Loan facilities	-	-
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.		

None

<b>9. Estimated cash outflows for next quarter</b>	<b>\$'000</b>
9.1 Research and development	(151)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(342)
9.4 Leased assets	-
9.5 Staff costs	-
9.6 Administration and corporate costs	(300)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(793)</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	HearMeOut Ltd	-
10.2 Place of incorporation or registration	Israel	-
10.3 Consideration for acquisition or disposal	32,500,000 shares and 43,248,000 performance options	-
10.4 Total net assets	(192)	-
10.5 Nature of business	Mobile social networking platforms	-

### 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: 31 January 2017

Print name: Peter Webse

### 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.