

**1. Company details**

Name of entity: HearMeOut Limited

ABN: 54 614 043 177

Reporting period: For the year ended 31 December 2016

Previous period: For the year ended 31 December 2015

This preliminary report is based on accounts which are in the process of being audited.

**2. Results for announcement to the market**

		Full Year End 31/12/2016	Full Year End 31/12/2015	Increase/ (decrease) %	Amount change (\$)
2.1	Revenues from ordinary activities	2,962	0	-	2,962
2.2	Loss from ordinary activities after tax attributable to members	1,701,137	567,988	200%	1,133,149
2.3	Net loss for the period attributable to members	1,665,422	567,988	193%	1,097,434
2.4	Dividends	There were no dividends paid, recommended or declared during the current financial period.			
2.5	Dividends record date	See 2.4 above.			
2.6	A brief explanation of the figures in 2.1 to 2.3  The loss from ordinary activities after tax amounted to \$1,701,137 (2015: loss of \$567,988). Of this amount, \$874,049 is attributable to share-based expenses on options issued to vendors, brokers and employees of HMO Limited (Israel).				

**3. Statement of comprehensive income**

	Full year ended	Full year ended
	31 December	31 December
	2016	2015
Note	\$ AUD	\$ AUD
Revenue from continuing operations	2,962	-
Other income	-	-
<i>Total revenue &amp; other income</i>	<i>2,962</i>	<i>-</i>
Business development	(247,033)	-
Corporate administration expenses	(425,398)	(347,258)
Research & development expenses	(62,584)	(139,664)
Finance and interest expenses	(116,349)	(81,066)
Share-based payment expenses	(874,049)	-
Depreciation expense	(749)	-
Impairment expenses	-	-
Foreign currency gain/(loss)	22,063	-
<i>Total expenses</i>	<i>(1,704,099)</i>	<i>(567,988)</i>
<b>Loss Before Income Tax</b>	<b>(1,701,137)</b>	<b>(567,988)</b>
Income tax benefit/(expense)	-	-
<b>Loss for the Year</b>	<b>(1,701,137)</b>	<b>(567,988)</b>
<u>Other comprehensive income</u>		
Items that may be reclassified subsequently to profit and loss:		
Foreign currency gain/(loss)	35,715	-
<b>Total comprehensive loss for the Year</b>	<b>(1,665,422)</b>	<b>(567,988)</b>

**4. Statement of financial position**

		As at 31 December 2016 \$ AUD	As at 31 December 2015 \$ AUD
	Note		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	(a)	5,968,323	11,102
Short-term deposits		-	10,551
Trade and other receivables	(b)	84,670	4,613
<b>TOTAL CURRENT ASSETS</b>		<b>6,052,993</b>	<b>26,266</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment		2,115	1,521
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,115</b>	<b>1,521</b>
<b>TOTAL ASSETS</b>		<b>6,055,108</b>	<b>27,787</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	(c)	186,587	76,816
Convertible notes		-	442,063
<b>TOTAL LIABILITIES</b>		<b>186,587</b>	<b>518,879</b>
<b>NET ASSETS / (DEFICIENCY)</b>		<b>5,868,521</b>	<b>(491,092)</b>
<b>EQUITY</b>			
Contributed equity (net)	(d)	7,836,472	685,486
Reserves	(e)	909,764	-
Accumulated losses		(2,877,715)	(1,176,578)
<b>TOTAL EQUITY</b>		<b>5,868,521</b>	<b>(491,092)</b>

(a) The increase in cash and cash equivalents is due to HearMeOut Limited ("HMO") successfully listing on the ASX on 6 December 2016, whereby the Company successfully raised its maximum subscription of \$6.5 million at \$0.20 a share in a significantly oversubscribed fundraising led by RM Corporate Finance and Prosperion Wealth Management.

(b) Trade and other receivables is made up of GST and VAT credits refundable to HMO and HMO Israel by the relevant tax authorities in Australia and Israel, respectively.

(c) Trade and other payables is largely made up of employee liabilities payable to employees of HMO Israel.

(d) Movement of \$7,150,986 in contributed equity during the year includes \$694,821 in capital raising costs.

(e) Reserves is made up of:

- \$874,049 in share based-based payments attributed to options issued to vendors, brokers and employees of HMO Israel; and
- \$35,715 in foreign currency translation differences that arise on consolidation between HMO and HMO Israel (whose functional currency is in USD).

**5. Statement of cash flows**

	Full year ended 31 December 2016	Full year ended 31 December 2015
Note	\$ AUD	\$ AUD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Dividends received	-	-
Interest received	2,962	-
Interest paid	(116,349)	-
Payments to suppliers & employees	(563,294)	-
Payments for research and development	(44,915)	(447,295)
<b>Net cash outflow from operating activities</b>	<b>(721,596)</b>	<b>(447,295)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,343)	-
<b>Net cash outflow from investing activities</b>	<b>(1,343)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from issue of shares	6,611,831	-
Proceeds from issue of convertible notes	-	346,121
<b>Net cash inflow from financing activities</b>	<b>6,611,831</b>	<b>346,121</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,888,892</b>	<b>(101,174)</b>
Cash and cash equivalents at beginning of the Period	11,102	109,161
Foreign currency translation differences	68,329	3,115
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>5,968,323</b>	<b>11,102</b>

**6. Statement of changes in equity**

	Contributed Equity	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Total
Full-year ended 31/12/2016	\$	\$	\$	\$	\$
Balance as at 1 January 2016 □	685,486	(1,176,578)	-	-	(491,092)
Loss for the Period	-	(1,701,137)	-	-	(1,701,137)
Other comprehensive income	-	-	-	35,715	35,715
Total comprehensive income for the Period	-	(1,701,137)	-	35,715	(1,665,422)
Transactions with equity holders in their capacity as equity holders:					
Shares issued during the Period	7,844,669	-	-	-	7,844,669
Share-based payments	-	-	874,049	-	874,049
Capital raising costs	(693,683)	-	-	-	(693,683)
<b>Balance as at 31 December 2016</b>	<b>7,836,472</b>	<b>(2,877,716)</b>	<b>874,049</b>	<b>35,715</b>	<b>5,868,521</b>

	Contributed Equity	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Total
Full-year ended 31/12/2015	\$	\$	\$	\$	\$
Balance as at 1 January 2015	685,486	(608,590)	-	-	76,896
Loss for the year	-	(567,988)	-	-	(567,988)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	(567,988)	-	-	(567,988)
Transactions with equity holders in their capacity as equity holders					
Shares issued during the year	-	-	-	-	-
Capital raising costs	-	-	-	-	-
Share-based payments	-	-	-	-	-
Balance as at 31 December 2015	685,486	(1,176,578)	-	-	(491,092)

**7. Dividends**

There were no dividends paid, recommended or declared during the current financial period.

**8. Details of any dividend or distribution reinvestment plans**

Not applicable.

**9. Net tangible assets per security**

<b>Net Tangible Asset (NTA) per share</b>	<b>As at 31/12/2016</b>	<b>As at 31/12/2015</b>
Number of shares on Issue	65,759,990	1,075,000
Net Tangible Assets	5,868,521	(491,092)
NTA backing per ordinary share	\$ 0.09	\$ (0.46)

**10. Details of entities over which control has been gained or lost**

10.1 Name of the entity: HearMeOut Ltd (HMO Israel)

10.2 Acquisition Date: 6 December 2016

On 6 December 2016, HMO acquired 100% of the equity in HMO Israel.

10.3 HMO Israel's contribution to the reporting entity's profit from ordinary activities during the period and the previous corresponding period is as follows:

	<b>Full Year End 31/12/2016</b>	<b>Full Year End 31/12/2015</b>
Loss from ordinary activities contributed by HMO Israel	1,001,164	567,988

**11. Details of associates and joint venture entities**

Not applicable.

**12. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.**

No.

**13. Foreign entities – details of which set of accounting standards is used in compiling the report.**

Not applicable.

**14. A commentary on the results for the period.**

On 6 December 2016, HearMeOut Limited successfully listed on the ASX. The Company successfully raised its maximum subscription of \$6.5 million at \$0.20 a share in a significantly oversubscribed fundraising led by RM Corporate Finance and Prosperion Wealth Management.

Following successful listing on the ASX, HMO acquired 100% of the issued capital of HMO Israel; and any intellectual property rights attached to the HearMeOut App were assigned to the Company.

HearMeOut is a mobile application (iOS, android) that enables users to record 42 seconds of audio, add description, category and speak what's on their minds, share their thoughts and listen to others on the go, hands-free (in drive mode). After listing, HMO Israel immediately embarked on the following initiatives:

- Upgrading both iOS and Android version of the HMO app as well as the beacon end platform (under way);
- Working on the IOS version for the Ford SYNC® Applink™ technology (under way);
- Expanding the regions in which the app is available in Ford cars (under way);
- Filed a new patent application with the USPTO, covering HearMeOut's core technology (completed); and
- Embarked on its program to aggressively and cost effectively expand its user base (under way).

The basic loss per share as at 31 December 2016 was \$0.026 per share. There were no returns to shareholders including distributions and buy backs.

It is too early in the Company's inception and subsequent acquisition of HMO Israel to be able to comment on the trends in the performance of HMO and its controlled entity, HMO Israel.

Please refer to the Prospectus available on the ASX Platform (Code: HMO) or the Company's website for further information about the Company, the acquisition of its subsidiary: HearMeOut Limited (Israel); and the accounting treatment and policies adopted.

**15. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed**

This preliminary report is based on accounts which are in the process of being audited.

- 16. If the accounts have not yet been audited and are likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.**

Not applicable. This preliminary report is based on accounts which are in the process of being audited.

- 17. If the accounts have been audited and contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.**

Not applicable. This preliminary report is based on accounts which are in the process of being audited.

- 18. Signed**



---

**Howard Digby**  
**Non-Executive Chairman**

**Date: Tuesday, 28 February 2017**