

ASX Announcement

18 June 2018

STOCK CODE:
HMO

SHARES ON ISSUES:
65,759,990

OPTIONS ON ISSUE:
60,356,410

BOARD:

Mr. Glenn Whiddon
*Non-Executive Director
and Chairman*

Mr. Moran Chamsi
*Chief Executive Officer
and Managing Director*

Mr. David Tasker
Non-Executive Director

HMO Israel Placed on 'Care & Maintenance'

The Board of HearMeOut Limited (ASX: HMO) ('HearMeOut' or 'the Company') wishes to advise that its 100% owned subsidiary HMO Israel has been placed on 'care and maintenance', with immediate effect.

All staff of HMO Israel have had their respective employment contracts terminated effective 12 July 2018 and are now completing their notice periods. In addition, the Company has terminated all influencer and general marketing contracts associated with the HearMeOut platform ('the platform') and has given notice in relation to leases and other related contracts.

It is expected this action will see a saving of approximately USD\$200,000 per calendar month for the Company moving forward.

On 17 May 2018, the Board of HearMeOut advised it was undertaking a strategic review of the operation of the HearMeOut platform.

The purpose of this review was to evaluate the platform against historical and planned expenditure in relation to the platform, engagement with the platform and revenue opportunities associated with the platform.

Following this review, the Board determined that the significant future capital needs required to achieve scale of operation of the HMO business to make it a sustainable business were in excess of the Company's current cash resources and new funds necessary to achieve the same were not available via capital raising given the sentiment in market towards early stage technology companies.

Against the above backdrop, the Board wanted to determine if a viable 'business case' existed for the platform in its current state.

Unfortunately, a viable 'business case' could not be found for the platform considering the above matters, hence the decision to suspend all actives in relation to the platform immediately.

With costs associated with the platform greatly minimised (and stabilised) it is the intention of the Board of the Company to determine what value, if any, can be achieved from the platform and users, the IP associated with the platform, data collected and key strategic contracts.

During this period, the Company's shares will remain suspended.

Ends