



G Medical Innovations Holdings Ltd
ARBN 617 204 743

ASX Announcement

2 November 2018

G MEDICAL PURCHASES TELERHYTHMICS LLC, MEDICAL DIAGNOSTIC MONITORING SERVICE PROVIDER

- *Expands infrastructure to increase nationwide footprint and services for remote vital signs monitoring healthcare services in the USA*
- *Provides additional capacity, access to technologies and payer network*

Mobile and e-Health company **G Medical Innovations Holdings Ltd (G Medical or the Company) (ASX: GMV)** is pleased to announce that its wholly owned Delaware incorporated subsidiary, G Medical Innovations USA Inc, has executed an agreement to acquire 100% of the outstanding membership interest of Telerhythmics LLC (**Telerhythmics**) (a Tennessee limited liability company), a US based cardiac diagnostic monitoring services provider.

Telerhythmics, based outside Memphis, Tennessee, is a 24-hour cardiac diagnostic monitoring service used by hospitals and physician offices, and provides its monitoring services throughout the eastern region of the U.S.

G Medical will acquire all the outstanding membership interests of Telerhythmics from NASDAQ listed imaging technologies company Digirad Corp (NASDAQ: DRAD) for a total up front consideration of US\$1,950,000, subject to working capital adjustments. Completion of the agreement remains subject to the satisfaction of certain customary conditions precedent, including the receipt of any necessary consents from third parties including but not limited to government authorities.

Telerhythmics, LLC., booked historical revenue from 1 January 2018 to 30 September 2018 of ~US\$3.174M¹. The Telerhythmics acquisition, in addition to the Company's acquisition of Cardiostaff Diagnostic Services Inc (as announced on 30 October 2017) will create a sizable player in the cardiac diagnostic US monitoring space, and in addition, provide G Medical with a solid base of business across the Southeast and Southwest territories.

Telerhythmics is a Medicare and Medicaid designated IDTF (Independent Diagnostic Testing Facility) that provides physician practices and hospitals with arrhythmia monitoring services including mobile cardiac telemetry ("MCT"), cardiac event monitoring, Holter monitoring, and pacemaker analysis.

The Telerhythmics acquisition will substantially increase insurance coverage and create a distinct competitive advantage, providing G Medical with ~100 commercial payor agreements across local, regional and national markets and an additional 30-35M covered lives (individuals insured); with the Company's aggregated sum increasing to ~100M+ covered lives when considering existing G Medical Diagnostic Services payor agreements.

Via the acquisition, G Medical will also gain access to several large health systems including Baptist, Ochsner, and HCA, and also to existing agreements in place with large insurance providers such as Blue Cross Blue Shield (BCBS), which has current reimbursement status for MCT (auto detect auto send) monitoring device. Further,

¹ Historical financial performance is not an indication of future performance and cannot be relied upon for the purposes of forecasts.

the Company's regulatory approved medical devices will be translated to existing customers of both Telerhythmics and G Medical, providing for a superior technology offering and monitoring services when compared to traditional Holter monitoring.

Telerhythmics, LLC., was established in 1996. It has long been recognized for superior clinical patient monitoring given its foundation of employing experienced critical care nurses. Telerhythmics' business is synergistic and complementary to G Medical's existing infrastructure and operations following the Company's successful acquisition and integration of CardioStaff, and further increases the Company's nationwide footprint and services for remote vital signs monitoring healthcare services across the US.

Commenting on the latest acquisition, G Medical CEO Dr. Yacov Geva, said: *"Acquiring Telerhythmics further strengthens our Company's US footprint as we further focus our efforts to become a leader in complete (end-to-end) and comprehensive vital signs medical monitoring and cardiac diagnostic services across the US. Telerhythmics brings additional payer contracts, clinical and commercial scalability, access to current monitoring technologies and an existing platform to launch our proprietary medical devices with the aim to further grow our market share in this important area of digital health delivery."*

Cardiac diagnostic monitoring and remote vital signs monitoring healthcare services is a rapidly growing industry in the US and the Company is well positioned to become an emerging leader in the E-Health and Vital Signs Monitoring space. The Company continues its preparations towards the submission of its F-1 Registration Statement towards a Dual-Listing on the NASDAQ Stock Exchange, where a number of the Company's peers are currently listed.

About G Medical Products

G Medical offers a suite of consumer and professional clinical-grade products (with regulatory approval) that are positioned to streamline healthcare services, improve remote access to medical data, reduce costs, improve quality of care, and make healthcare more personalized and precise. Currently the Company is focusing on two main verticals.

The 'Prizma' Medical Smartphone Case is one of two key products developed by G Medical and is aimed at everyday consumers focused on their medical health and wellbeing. The 'Prizma' allows consumers to turn their smartphone into a mobile medical monitor to measure a wide range of vital signs, with the added advantage that users are able to store their medical data in the cloud and share it with third parties such as healthcare professionals and family members.

G Medical also offers a professional real-time patient continuous monitoring solution, G Medical's Vital Signs Monitoring System (VSMS) and G Medical Patch (GMP). This modular solution measures a wide range of vital signs that are automatically presented in a call centre (IDTF) or a hospital setting. The GMP assists in diagnosing patient complaints and conditions remotely, from pre-hospitalisation, hospitalisation and through to post discharge home-based settings.

Ends

Contact:

Corporate Advisors

Otsana Capital

108 Outram Street

West Perth WA 6005

Telephone: +61 8 9486 7244

Investor Relations

Viriathus Australia

Level 8/525 Flinders Street

Melbourne VIC 3000

Telephone: +61 2 8667 5360

Media Enquiries

Closer Communications

David Wolf

Tel: + 61 411 111 787

david@closer.com.au

About G Medical Innovations

G Medical (**ASX: GMV**) was founded in August 2014, aiming to be at the forefront of the digital health revolution, developing the next generation of mobile health (mHealth) technologies. The Company leverages the experience and expertise of its Board to deliver best-in-class solutions to address this global opportunity.

The Company specialises in innovative next generation mobile and e-health solutions and services using its suite of devices and software solutions with a view to driving multiple and recurring revenue streams, across numerous verticals and territories.

For more information on G Medical, please visit www.gmedinnovations.com