

# ASX Announcement

## 4 December 2018

**STOCK CODE:**  
HMO

**SHARES ON ISSUES:**  
65,759,990

**OPTIONS ON ISSUE:**  
18,793,473

**BOARD:**

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

Mr. Howard Digby  
*Non-Executive Director*

Mr. David Tasker  
*Non-Executive Director*

## License Agreement signed to grow HearMeOut platform in India and Asia

- **HearMeOut signs binding IP License Agreement with AvidSys Infotech, granting exclusive and perpetual license of the HearMeOut platform to unlock potential of the platform throughout India and Asia.**
- **AvidSys investment of a minimum of AUD\$2.0 million (and achieve five million active users on the HearMeOut platform) or AUD\$3.5 million on application design, marketing, application services and business operations over four years.**
- **HearMeOut to receive a royalty of 5% of the net profit in each financial year (or part thereof, that the agreement remains in place**
- **Agreement will see HearMeOut expand its platform into high-growth regions in a low risk fashion, with strong technical support and significant funding by AvidSys.**
- **HearMeOut to focus on growth activities throughout the rest of world (i.e. Australia, US and Europe) with reduced operational overheads.**
- **Transaction provides HearMeOut exposure to AvidSys Group's strong internal technical and media team, who will be working together with HMO to achieve optimal operational outcomes.**

HearMeOut Limited (ASX: HMO) (HearMeOut or the Company) is pleased to announce the Company has entered into an exclusive commercial agreement with Indian privately-owned business AvidSys Infotec Private Limited (AvidSys), whereby AvidSys is granted a license to grow HearMeOut's audio social media platform (the HMO platform) in India and Asia.

Under the terms of the agreement HearMeOut has licensed the HMO platform and associated intellectual property rights exclusively to AvidSys in Afghanistan, India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, Maldives, Malaysia, Cambodia, Indonesia, Philippines, East Timor, Laos, Singapore, Vietnam, Brunei, Myanmar, Japan, Korea, Thailand and Taiwan.

Commenting on the transaction, HearMeOut Non-Executive Director and Chairman Glenn Whiddon said:

*“HearMeOut has recently undertaken a detailed review of the HMO platform which saw the Company adopt a renewed technical and operational strategy.*

*“The transaction with AvidSys exemplifies this exciting new chapter and is an excellent opportunity for HMO to expand into key jurisdictions including India and Asia.”*

*“It will see HMO enter these countries with strong technical support, be self funding and importantly at reduced risk to the Company operating in these markets.*

*“HMO will also benefit by gaining exposure to a strong technical team, and subsidised operational expenses for HMO to focus its efforts on the roll-out of the platform throughout other key jurisdictions namely Australia, the United States and Europe.”*

**The key terms of the agreement include:**

- The term of the agreement is for four years.
- AvidSys shall have full and complete discretion over the operation of the HMO platform in India and Asia including application design, marketing, financials, application services and business operations for the term of the agreement.
- AvidSys will use their network of various media businesses, technical expertise and presence for marketing and to grow the HMO platform in India and Asia.
- AvidSys will have the pre-empt rights if HMO wishes to license or grant any intellectual property rights in the HMO platform to a third party outside of India and Asia.
- Hosting of the HMO platform will be transferred from Amazon USA (the current hosting server) to Amazon India over the next few weeks.
- Transition services will be provided by HearMeOut to AvidSys for approximately one month to ensure a smooth transition to the Amazon India server.
- Any improvements, modifications or upgrades done by AvidSys in India and Asia will be implemented to the HMO platform and made available to the Company in the rest of the world.
- Ownership of the HMO platform and associated intellectual property rights in India and Asia will be transferred to AvidSys in the event the Company becomes insolvent, bankrupt or is wound up.

**Consideration**

In consideration for grant of license to HMO, AvidSys has agreed to:

- a) Invest a minimum of A\$3.5 million over the course of the term on activities, services and operations or invest at least A\$2 million and achieve five million active users on the HMO platform during the term.
- b) AvidSys must pay HMO a royalty of 5% of the net profit in each financial year or part thereof that the agreement remains in place.



## About AvidSys

AvidSys Infotec is an Indian entity which is part of the AvidSys-Sanrachna Group.

With a presence in Australia, India and United States, AvidSys Group is a private conglomerate with operational and financial interests across several sectors including Media, Construction & Infrastructure development, Metals and Mining, non-banking finance, Construction minerals and Industrial automation.

For further Information, please contact:

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