

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

G Medical Innovations Holdings Ltd

ABN

617 204 743

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,348	2,636
1.2 Payments for		
(a) research and development	(327)	(1,465)
(b) product manufacturing and operating costs	(426)	(1,554)
(c) advertising and marketing	(189)	(1,272)
(d) leased assets	-	-
(e) staff costs	(2,100)	(9,497)
(f) administration and corporate costs	(843)	(3,472)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(35)	(298)
1.6 Income taxes paid	(8)	(47)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(128)	(245)
1.9 Net cash from / (used in) operating activities	(2,708)	(15,214)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(37)	(2,365)
(b) businesses (see item 10)	-	-
(c) investments	(1,922)	(1,922)

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	91
(b) businesses (see item 10)	-	-
(c) investments	-	-
(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 (restricted deposits)	-	(660)
2.6 Net cash from / (used in) investing activities	(1,959)	(4,856)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	893	893
3.2 Proceeds from issue of convertible notes	4,050	4,050
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(374)	(374)
3.5 Proceeds from borrowings	750	5,629
3.6 Repayment of borrowings	(400)	(1,590)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	4,919	8,608

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,397	14,158
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,708)	(15,214)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,959)	(4,856)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,919	8,608

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	(15)	(62)
4.6	Cash and cash equivalents at end of quarter/ year to date	2,634	2,634

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	2,634	2,397
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,634	2,397

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$US'000
37
-

6.1 The amount includes payments to one of the Company's director in his role as an executive in the Company and to a director's associate in his role as a corporate advisor.

7. Payments to related entities of the entity and their associates

- 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

Current quarter \$US'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
8.1 Loan facilities	2,712	2,712
8.2 Credit standby arrangements	-	-
8.3 Other (Loan from controlling shareholder)	10,772	6,342
Other (Convertible Notes)	4,455	4,455
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.		

8.1- The Company received several loans from Bank Mizrahi Tfhahot in Israel. As of December 31, 2018, the total amount of these loans is: US\$ 1.594 M.

The loans are denominated in US Dollars and NIS and bear interest rates of Libor + (2.5%-3%) and prime+ (0.5%- 0.85%) per annum.

The Company's major shareholder provides a guarantee for part of these loans payments.

Upon CardioStaff acquisition, additional long- term loans were added to the Company balance.

As of December 31, 2018, the total amount of these loans is US\$ 1.118 M and include mainly loans from private people/institutions and bear interest of 4%-12% per annum.

8.3- Loans from controlling shareholder (Yacov Geva)- In addition to the previous loan to the Company of approximately US\$0.53 M (bear interest of Libor +3%), Yacov Geva has entered into a loan agreement in May 2018, to provide the Company with a loan of up to US\$ 3M. As of December 31, 2018, as part of an amendment to the loan agreement, the Company received additional funds and has the option to receive a loan in the aggregate amount of up to US\$ 10M, include the amounts already received from Yacov Geva.

As of December 31, 2018, the total amount of these loans including the accrued interest is amounting to US\$6.3 M.

Convertible Notes-

The Company issued, in the current quarter, 4,050,000 Convertible Notes at a face value of US\$ 4,455. The Fixed conversion price is A\$ 0.3362, the maturity date is 18 months after the purchase date and the payment is 115% of the face value of the outstanding convertible notes.

9. Estimated cash outflows for next quarter	\$US'000
9.1 Research and development	400
9.2 Product manufacturing and operating costs	750
9.3 Advertising and marketing	250
9.4 Leased assets	-
9.5 Staff costs	2,100
9.6 Administration and corporate costs	800
9.7 Other (provide details if material)	450
9.8 Total estimated cash outflows	4,750

Notes:

9.7 includes expenditure for the purchase of fixed assets for approximately US\$100k and the repayment of borrowings for approximately US\$350k.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Telerhythmics, LLC	N/A
10.2 Place of incorporation or registration	Delaware, USA	N/A
10.3 Consideration for acquisition or disposal	US\$1.95M	N/A
10.4 Total net assets	US\$1.84M	N/A
10.5 Nature of business	Independent Diagnostic Testing Facility	N/A

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

[lodged electronically without signature]

30 January 2019

Sign here:

Date:

(~~Director~~/Company secretary)

Steven Wood

Print name:

Notes

- 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.
- 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.
- 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.