

HearMeOut Limited

And
Controlled Entities

ABN 54 614 043 177

Annual Report

For the year ended
31 December 2019

HearMeOut Limited
Table of Contents
For the year ended 31 December 2019

	Page
Corporate Directory	3
Corporate Governance Statement	4
Directors' Report	11
Auditor's Independence Declaration	24
Consolidated Statement of Profit or Loss and Other Comprehensive Income	25
Consolidated Statement of Financial Position	26
Consolidated Statement of Cash Flows	27
Consolidated Statement of Changes in Equity	28
Notes to the Consolidated Financial Statements	29
Directors' Declaration	44
Independent Auditor's Report	45
ASX Additional Information	48

HearMeOut Limited Corporate Directory For the year ended 31 December 2019

Board of Directors

Non- Executive Chairman - Mr Glenn Whiddon

Executive Director - Mr David Tasker

Non-Executive Director - Mr Howard Digby

Company Secretary

Company Secretary - Mr Peter Webse

Principal Place of Business / Registered Office

Level 2, 50 Kings Park Road

West Perth WA 6005

Postal Address

PO Box 271

West Perth WA 6872

Contact Details

Telephone: 08 6377 8043

ABN 54 614 043 177

Website: home.hearmeoutapp.com

Auditors

BDO Audit (WA) Pty Ltd

38 Station Street

Subiaco WA 6008

Lawyers

Nova Legal

Lvl 2, 50 Kings Park Road

West Perth WA 6005

Bankers

National Australia Bank

1232 Hay Street

West Perth WA 6005

Share Register

Automic Registry Services

Level 2

267 St Georges Terrace

Perth WA 6000

HearMeOut Limited shares are listed on the Australian Securities Exchange (ASX). ASX Code: HMO

HearMeOut Limited

Corporate Governance Statement

For the year ended 31 December 2019

This Corporate Governance Statement is current as at 27 February 2020 and has been approved by the Board of the Company.

This Corporate Governance Statement discloses the extent to which the Company followed the recommendations set by the ASX Corporate Governance Council in its publication *Corporate Governance Principles and Recommendations 3rd Edition* (Recommendations). The Recommendations are not mandatory, however the Recommendations that have not been followed have been identified and reasons for not following them, along with what (if any) alternative governance practices have been adopted in lieu of the Recommendation. The Company will be reporting against the *Corporate Governance Principles and Recommendations 4th Edition* for the financial year ending 31 December 2019.

The Company has adopted Corporate Governance Policies which provide written terms of reference for the Company's corporate governance practices. The Board of the Company has not yet formed an audit committee, nomination committee, risk management committee or remuneration committee.

The Company's Corporate Governance Policies are available on the Company's website at www.hearmeoutapp.com

Principle 1: Lay solid foundations for management and oversight

Roles of the Board & Management

The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from the Company's Constitution.

The Board is responsible for and has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company. The Board delegates responsibility for the day-to-day operations and administration of the Company to the Executive Director.

The role of management, where appointed, is to support the Executive Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

In addition to matters it is expressly required by law to approve, the Board has reserved the following matters to itself:

- overseeing the Company, including its control and accountability systems;
- appointment, evaluation, rewarding and if necessary the removal of the Executive Director, the Company Secretary and senior management personnel;
- ratifying the appointment, and where appropriate, the removal, of senior executives;
- in conjunction with members of the senior management team, develop corporate objectives, strategies and operations plans and approve and appropriately monitor plans, new investments, major capital and operating expenditures, use of capital, acquisitions, divestitures and major funding activities;
- establishing appropriate levels of delegation to the executive Directors to allow them to manage the business efficiently;
- monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company, including the reviewing and approving of annual budgets;
- monitoring the performance of senior management, including the implementation of strategy, and ensuring appropriate resources are available to them;
- identifying areas of significant business risk and ensuring that the Company is appropriately positioned to manage those risks;
- overseeing the management of safety, occupational health and environmental matters;
- satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;
- ensuring that appropriate internal and external audit arrangements are in place and operating effectively;
- authorising the issue of any shares, options, equity instruments or other securities within the constraints of the Corporations Act and the ASX Listing Rules; and
- reporting accurately to shareholders, on a timely basis; and

HearMeOut Limited

Corporate Governance Statement

For the year ended 31 December 2019

- ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that its practice is consistent with, a number of guidelines including:
 - Code of Conduct;
 - Continuous Disclosure Policy;
 - Diversity Policy;
 - Performance Evaluation Practices;
 - Procedures for Selection and Appointment of Directors;
 - Remuneration Policy;
 - Risk Management Review Procedure and Internal Compliance and Control;
 - Securities Trading Policy; and
 - Shareholders Communication Strategy.

Subject to the specific authorities reserved to the Board under the Board Charter, the Board delegates to the Executive Director responsibility for the management and operation of HearMeOut. The Executive Director is responsible for the day-to-day operations, financial performance and administration of HearMeOut within the powers authorised to him from time-to-time by the Board. The Executive Director may make further delegation within the delegations specified by the Board and will be accountable to the Board for the exercise of those delegated powers.

Further details of Board responsibilities, objectives and structure are set out in the Board Charter which is contained within the Corporate Governance Place available on the HearMeOut website.

Board Committees

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate committees at this time including audit and risk, remuneration or nomination committees, preferring at this stage of the Company's development, to manage the Company through the full Board of Directors. The Board assumes the responsibilities normally delegated to the audit and risk, remuneration and nomination Committees.

If the Company's activities increase, in size, scope and nature, the appointment of separate committees will be reviewed by the Board and implemented if considered appropriate.

Board Appointments

The Company undertakes comprehensive reference checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The terms of the appointment of a non-executive director, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

The Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

Diversity

The Board has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect to gender, age, ethnicity and cultural diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives (if considered appropriate) and to assess annually both the objectives (if any have been set) and the Company's progress towards achieving them.

The Board considers that, due to the size, nature and stage of development of the Company, setting measurable objectives for the Diversity Policy at this time is not appropriate. The Board will consider setting measurable objectives as the Company increases in size and complexity.

The participation of women in the Company at the date of this report is as follows:

- Women employees in the Company 0%
- Women in senior management positions 0%
- Women on the Board 0%

HearMeOut Limited

Corporate Governance Statement

For the year ended 31 December 2019

The Company's Diversity Policy is available on its website.

Board & Management Performance Review

On an annual basis, the Board conducts a review of its structure, composition and performance.

The annual review includes consideration of the following measures:

- comparison of the performance of the Board against the requirements of the Board charter;
- assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- review of the Board's interaction with management;
- identification of any particular goals and objectives of the Board for the next year;
- review the type and timing of information provided to the directors; and
- identification of any necessary or desirable improvements to Board or committee charters.

The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

The Chairman has primary responsibility for conducting performance appraisals of Non-Executive Directors, in conjunction with them, having particular regard to:

- contribution to Board discussion and function;
- degree of independence including relevance of any conflicts of interest;
- availability for and attendance at Board meetings and other relevant events;
- contribution to Company strategy;
- membership of and contribution to any Board committees; and
- suitability to Board structure and composition.

The Board conducts an annual performance assessment of the Executive Director against agreed key performance indicators.

The Executive Director conducts an annual performance assessment of senior executives against agreed key performance indicators.

No formal appraisal of the Board or of the Executive Director were conducted during the year due to the reduced level of activities of the Company.

Independent Advice

Directors have a right of access to all Company information and executives. Directors are entitled, in fulfilling their duties and responsibilities, to seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

Principle 2: Structure the board to add value

Board Composition

During the financial year and as at the date of this report the Board was comprised of the following members:

Mr Glenn Whiddon	Non-Executive Chairman (appointed 11 September 2017)
Mr David Tasker	Executive Director (appointed Executive Director 11 September 2017, Non-Executive Director from 29 May 2018 to 22 February 2019, Executive Director from 22 February 2019)
Mr Howard Digby	Non-Executive Director (appointed 4 December 2018)

The Board comprises of two Independent Non-Executive Directors and an Executive Director. The Company had a majority of Non-Executive Directors during the reporting period. Mr David Tasker is not considered independent as he is an Executive Director of the Company.

HearMeOut has adopted a definition of 'independence' for Directors that is consistent with the Recommendations.

HearMeOut Limited

Corporate Governance Statement

For the year ended 31 December 2019

Board Selection Process

The Board considers that a diverse range of skills, backgrounds, knowledge and experience is required in order to effectively govern HearMeOut. The Board believes that orderly succession and renewal contributes to strong corporate governance and is achieved by careful planning and continual review.

The Board is responsible for the nomination and selection of directors. The Board reviews the size and composition of the Board regularly and at least once a year as part of the Board evaluation process.

The Board has established a Board Skills Matrix. The Board Skills Matrix includes the following areas of knowledge and expertise:

- strategic expertise;
- specific industry knowledge;
- accounting and finance;
- risk management;
- experience with financial markets; and
- investor relations.

Induction of New Directors and Ongoing Development

New Directors are issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work.

An induction program is in place and new Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Principle 3: Act ethically and responsibly

The Company has implemented a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.

All employees and Directors are expected to:

- respect the law and act in accordance with it;
- maintain high levels of professional conduct;
- respect confidentiality and not misuse Company information, assets or facilities;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to the Company's reputation as a good corporate citizen which seeks the respect of the community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

An employee that breaches the Code of Conduct may face disciplinary action including, in the cases of serious breaches, dismissal. If an employee suspects that a breach of the Code of Conduct has occurred or will occur, he or she must report that breach to the Company Secretary, or in their absence, the Chairman. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

Principle 4: Safeguard integrity in corporate reporting

The Board as a whole fulfills to the functions normally delegated to the Audit Committee as detailed in the Audit Committee Charter.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company throughout the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

HearMeOut Limited

Corporate Governance Statement

For the year ended 31 December 2019

The Board receives regular reports from management and from external auditors. It also meets with the external auditors as and when required.

The external auditors attend HearMeOut's AGM and are available to answer questions from security holders relevant to the audit.

Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the lead engagement partner responsible for the audit not perform in that role for more than five years.

CEO and CFO Certifications

The Board, before it approves the entity's financial statements for a financial period, receives from its CEO and CFO (or, if none, the persons fulfilling those functions) a declaration provided in accordance with Section 295A of the Corporations Act that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Principle 5: Make timely and balanced disclosure

The Company has a Continuous Disclosure Policy which outlines the disclosure obligations of the Company as required under the ASX Listing Rules and Corporations Act. The policy is designed to ensure that procedures are in place so that the market is properly informed of matters which may have a material impact on the price at which Company securities are traded.

The Board considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers in its meetings. Individual Directors are required to make such a consideration when they become aware of any information in the course of their duties as a Director of the Company.

The Company is committed to ensuring all investors have equal and timely access to material information concerning the Company.

The Board has designated the Company Secretary as the person responsible for communicating with the ASX. All key announcements are to be circulated to and reviewed by all members of the Board.

The Chairman, the Board and the Company Secretary are responsible for ensuring that:

- a) company announcements are made in a timely manner, that announcements are factual and do not omit any material information required to be disclosed under the ASX Listing Rules and Corporations Act; and
- b) company announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

Principle 6: Respect the rights of security holders

The Company recognises the value of providing current and relevant information to its shareholders. The Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, the company website, information posted or emailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to clear and understandable information about the Company; and
- making it easy for shareholders to participate in general meetings of the Company.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. These contact details are available on the "Corporate Directory" page of the Company's website.

HearMeOut Limited

Corporate Governance Statement

For the year ended 31 December 2019

Shareholders may elect to, and are encouraged to, receive communications from HearMeOut and HearMeOut's securities registry electronically. The contact details for the registry are available on the "Corporate Directory" page of the "Investor Relations" section of the Company's website.

The Company maintains information in relation to its Constitution, governance documents, Directors and senior executives, Board and committee charters, annual reports and ASX announcements on the Company's website.

Principle 7: Recognise and manage risk

The Board is committed to the identification, assessment and management of risk throughout HearMeOut's business activities.

The Board is responsible for the oversight of the Company's risk management and internal compliance and control framework. The Company does not have an internal audit function. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Executive Director having ultimate responsibility to the Board for the risk management and internal compliance and control framework. HearMeOut has established policies for the oversight and management of material business risks.

HearMeOut's Risk Management and Internal Compliance and Control Policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value.

HearMeOut believes that explicit and effective risk management is a source of insight and competitive advantage. To this end, HearMeOut is committed to the ongoing development of a strategic and consistent enterprise wide risk management program, underpinned by a risk conscious culture.

HearMeOut accepts that risk is a part of doing business. Therefore, the Company's Risk Management and Internal Compliance and Control Policy is not designed to promote risk avoidance. Rather, HearMeOut's approach is to create a risk conscious culture that encourages the systematic identification, management and control of risks whilst ensuring we do not enter into unnecessary risks or enter into risks unknowingly.

HearMeOut assesses its risks on a residual basis; that is, it evaluates the level of risk remaining and considering all the mitigation practices and controls. Depending on the materiality of the risks, HearMeOut applies varying levels of management plans.

The Board has required management to design and implement a risk management and internal compliance and control system to manage HearMeOut's material business risks. It receives regular reports on specific business areas where there may exist significant business risk or exposure. The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management and Internal Compliance and Control Policy), which is developed and updated to help manage these risks. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks.

The Company's process of risk management and internal compliance and control includes:

- identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect those risks;
- formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and
- monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

The Board reviews the Company's risk management framework at least annually to ensure that it continues to effectively manage risk.

Management reports to the Board as to the effectiveness of HearMeOut's management of its material business risks at each Board meeting.

HearMeOut Limited

Corporate Governance Statement

For the year ended 31 December 2019

Principle 8: Remunerate fairly and responsibly

The Board as a whole fulfills to the functions normally delegated to the Remuneration Committee as detailed in the Remuneration Committee Charter.

HearMeOut has implemented a Remuneration Policy which was designed to recognise the competitive environment within which HearMeOut operates and also emphasise the requirement to attract and retain high caliber talent in order to achieve sustained improvement in HearMeOut's performance. The overriding objective of the Remuneration Policy is to ensure that an individual's remuneration package accurately reflects their experience, level of responsibility, individual performance and the performance of HearMeOut.

The key principles are to:

- review and approve the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- ensure that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- fairly and responsibly reward executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
- remunerate fairly and competitively in order to attract and retain top talent;
- recognise capabilities and promote opportunities for career and professional development; and
- review and approve equity-based plans and other incentive schemes to foster a partnership between employees and other security holders.

The Board determines the Company's remuneration policies and practices and assesses the necessary and desirable competencies of Board members. The Board is responsible for evaluating Board performance, reviewing Board and management succession plans and determines remuneration packages for the Executive Director, Non-Executive Directors and senior management based on an annual review.

HearMeOut's executive remuneration policies and structures and details of remuneration paid to directors and key management personnel (where applicable) are set out in the Remuneration Report.

Non-Executive Directors receive fees (including statutory superannuation where applicable) for their services, the reimbursement of reasonable expenses and, in certain circumstances options.

The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is \$300,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

Executive directors and other senior executives (where appointed) are remunerated using combinations of fixed and performance-based remuneration. Fees and salaries are set at levels reflecting market rates and performance-based remuneration is linked directly to specific performance targets that are aligned to both short and long-term objectives.

The Company prohibits Directors and employees from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

Further details in relation to the company's remuneration policies are contained in the Remuneration Report, within the Directors' Report.

HearMeOut Limited

Directors' Report

For the year ended 31 December 2019

Your Directors present their financial report of the consolidated entity consisting of HearMeOut Limited ("the Company" or "HMO") and its subsidiary HearMeOut Ltd ("HMO Israel") (collectively, "the Group") for the year ended 31 December 2019 ("the Period").

1. INFORMATION ON THE BOARD OF DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are as follows:

Name	Position	Appointed	Resigned
Mr Glenn Whiddon	Non-Executive Chairman	11/09/2017	-
Mr David Tasker	Executive Director	11/09/2017	29/05/2018
	Non-Executive Director	29/05/2018	25/02/2019
	Executive Director	25/02/2019	-
Mr Howard Digby	Non-Executive Director	04/12/2018	-

Mr Glenn Whiddon

BBus (EconFin)

Non-Executive Chairman (Appointed: 11 September 2017 to Current)

Mr Whiddon has experience in global investment markets. He has an extensive background in banking, corporate advisory and direct equity investments having worked for Bank of New York in Australia, Europe and Russia. Since 1994, Mr Whiddon has been the founding partner and director of a number of public companies listed on the ASX, TSX and AIM exchanges, in addition to various private companies, in the natural resource, finance and technology arenas. He holds an economics and finance degree from Macquarie University.

During the past three years, Mr Whiddon has served as a director of the following ASX-listed companies:

- Executive Chairman of Calima Energy Ltd, (ASX: CE1). Appointed: 2 June 2015 - Current
- Executive Chairman of Auroch Minerals Ltd, (ASX: AOU). Appointed: 15 January 2013. Resigned: 31 October 2019
- Non-Executive Director of Doriemus PLC, (ASX: DOR). Appointed: 29 September 2017. Resigned 30 July 2018.
- Non-Executive Director of Fraser Range Metals Group Ltd, (ASX: FRN). Appointed: 3 March 2016. Resigned: 19 June 2019.

Mr David Tasker

B.Com

Executive Director (Appointed: 11 September 2017, Resigned 29 May 2018)

Non-Executive Director (Appointed: 29 May 2018 to 25 February 2019)

Executive Director (Appointed: 25 February 2019 to Current)

Mr Tasker has extensive experience in the global capital markets, having led the capital markets function, as National Director – Investor Relations, for WWP ANZ owned company Professional Public Relations for more than 13 years. In this role, he directly oversaw the media and investor relations strategy, and associated implementation, for a large range of listed and unlisted companies. He has extensive contacts throughout the Australasian media and investor communities and he has served as a director of Australian public companies. Mr Tasker also launched and retains co-ownership of leading investor focused publishing assets The Pick and TechInvest (website and magazine).

During the past three years, Mr Tasker has served as a director of the following ASX-listed companies:

- Non-Executive Director of International Goldfields Limited, (ASX: IGS). Appointed: 3 May 2013 – Current. IGS was removed from the official list of ASX from the commencement of trading on Monday, 18 March 2019.

HearMeOut Limited

Directors' Report

For the year ended 31 December 2019

Mr Howard Digby

BE (Hons)

Non-Executive Director (Appointed: 4 December 2018 to Current)

Howard Digby began his career at IBM and has spent over 25 years managing technology related businesses in the Asia Pacific region, of which 12 years were spent in Hong Kong. More recently, he was with The Economist Company as Regional Managing Director. Prior to this he held senior regional management roles at Adobe and Gartner. Upon returning to Perth, Mr Digby served as Executive Editor of WA Business News and now spends his time as an advisor and investor having played key roles in a number of M&A and reverse takeover transactions. Mr Digby is currently an advisor to a number of private and start up technology businesses.

During the past three years, Mr Digby has served as a director of the following ASX-listed companies:

- Non-Executive Director of 4DS Memory Limited (ASX: 4DS) Appointed: 7 December 2015 – Current.
- Non-Executive Director of ImExHS Limited (ASX: IME) formerly Omni Market Tide Limited (ASX: OMT). Appointed: 1 August 2017 – Current.
- Non-Executive Director of Elight Limited (ASX: ELS) Appointed: 13 December 2016 – Current.
- Non-Executive Director of Vortiv Limited (formerly: Transactional Solutions International Limited) (ASX: TSN) Appointed: 13 November 2018 – Current.
- Non-Executive Director of Cirralto Limited (ASX: CRO). Appointed: 1 August 2019 – Current.
- Non-Executive Director of Estrella Resources Limited (ASX: ESR). Appointed: 31 July 2015. Resigned: 3 April 2017.

2. INFORMATION ON THE COMPANY SECRETARY

Mr Peter Webse

B.Bus, FGIA, FCPA, MAICD (Appointed: 4 August 2016 to Current)

Mr Webse has over 26 years' company secretarial experience and is managing director of Platinum Corporate Secretariat Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services. Mr Webse holds a Bachelor of Business with a double major in Accounting and Finance, is a Fellow of the Governance Institute of Australia, a Fellow Certified Practising Accountant and a Member of the Australian Institute of Company Directors.

Mr Webse is a Non-Executive Director of Cynata Therapeutics Limited (ASX: CYP).

3. PRINCIPAL ACTIVITIES

HearMeOut Limited ("HMO") was incorporated on 4 August 2016 as an Australian public company for the purpose of being listed on the Australian Securities Exchange ("ASX") and to become the parent company of HearMeOut Ltd, which is located in Israel ("HMO Israel"). Following successful listing on the ASX, HMO acquired 100% of the issued capital of HMO Israel.

The HearMeOut App 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), in a super simple way.

HearMeOut Limited
Directors' Report
For the year ended 31 December 2019

4. REVIEW OF OPERATIONS

Highlights and significant changes during the financial year and subsequent to the end of the financial year

During the period the Company continued to advance the HearMeOut platform (platform), albeit with a significantly reduced direct spend.

As a result of its licence agreement with AvidSys Infotech (AvidSys) (refer ASX announcement dated 4 December 2018) advancements to the platform were able to occur without incurring significant costs to the Company, as they were incurred by AvidSys under the licence agreement.

A key advancement was the release of updated versions for both iOS and Android, that involved core platform enhancements at both the backend and the apps.

In addition, the following platform enhancements also occurred during the period:

- Performance enhancements
- App size improvements, with apps now 50%-70% smaller in size (and much faster).
- Updated user experience
- Social login through Twitter
- Latest support for Ford SmartDeviceLink experience. Several library and code updates to improve efficiency of app and bug removals.
- Updated user sign-up and profile features. Users can now get unique usernames like Twitter or Instagram
- Date stamps of posts
- Database improvements
- Search improvements
- Social login for Partners now enabled

The Company also continued to progress discussion with various SmartDeviceLink (SDL) members, with extensive technical evaluation occurring with parties.

The Company is also actively pursuing a range of opportunities that are complementary to HMO and the HearMeOut platform.

HearMeOut advises changes to its Board

On 25 February 2019 the Company announced that current Non-Executive Director, Mr David Tasker, had been appointed Executive Director of the Company effectively immediately.

Together with the board, David is actively driving the HMO strategy, or expanding the HearMeOut platform (from a user and technical perspective). In addition, David is pursuing a range of opportunities that are complementary to HMO and the HearMeOut platform.

5. DIRECTORS' SHAREHOLDINGS

As at the date of this report, the interests of the Directors in the shares of the Company are listed below:

Director	Total Fully Paid Ordinary Shares	Total Shares Under Options	Shares Under Option		
			Vendor Options	Performance Options	Incentive Options
Mr Glenn Whiddon (a)	-	3,600,000	-	-	3,600,000
Mr David Tasker (a)	-	3,600,000	-	-	3,600,000
Mr Howard Digby	133,333	-	-	-	-

(a) Mr Glenn Whiddon & Mr David Tasker – Of the 3,600,000 Incentive options: 1,200,000 options have a nil exercise price; 1,200,000 options are exercisable at \$0.15 each; and 1,200,000 options are exercisable at \$0.25 each. The Incentive options expire on 28 December 2022 and have vesting conditions attached.

HearMeOut Limited
Directors' Report
For the year ended 31 December 2019

6. DIRECTORS' MEETINGS

The following table sets out the number of meetings of the Company's Directors held and the number of meetings attended by each Director during the financial year:

Director	Number of Meetings available to attend	Number of Meetings attended
Mr Glenn Whiddon	7	7
Mr David Tasker	7	7
Mr Howard Digby	7	7

7. CORPORATE GOVERNANCE

The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and has disclosed its level of compliance with those guidelines within the Corporate Governance Statement which is included as part of this financial report.

8. OPERATING AND FINANCIAL REVIEW

A. Operations

The HearMeOut App 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), in a super simple way.

B. Financial Performance

The financial performance of the Group during the year ended 31 December 2019 is as follows:

	Full-year ended 31/12/2019	Full-year ended 31/12/2018
Income (\$)	3,932	6,706
Net (loss) / profit after tax (\$)	(649,981)	337,192
(Loss) / profit per share (cents)	(0.99)	0.51
Dividend (\$)	-	-

Income relates to interest revenue earned on funds sitting in the Company's Cash Maximiser Account.

The Company incurred the following expenses during the financial year, \$324,010 on administration expenses (2018FY: \$675,737), \$15,000 on business development (2018FY: \$729,647) and \$113,862 on research and development expenses (2018FY: \$463,835).

HearMeOut Limited

Directors' Report

For the year ended 31 December 2019

C. Financial Position

The financial position of the Group as at 31 December 2019 is as follows:

	As at 31/12/2019	As at 31/12/2018
	\$	\$
Cash and cash equivalents	441,874	979,283
Trade and other receivables	147,879	51,784
Net assets / Total equity	487,756	924,727
Contributed equity	8,141,481	8,141,481
Reserves	1,575,267	1,362,257
Accumulated losses	(9,228,992)	(8,579,011)

The Group's financial position is largely the result of the following transactions that occurred during the year:

- Cash and cash equivalents: The decrease in cash is the result of the Company spending money on administration expenses, business development expenses and research & development expenses during the year.

D. Business Strategies and Prospects for future financial years

The Company will continue to progress discussion with various SmartDeviceLink (SDL) members, with extensive technical evaluation occurring with parties.

The Company is also actively pursuing a range of opportunities that are complementary to HMO and the HearMeOut platform.

Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's development as well as on its ability to fund its activities.

Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income, the Company will require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

HearMeOut Limited

Directors' Report

For the year ended 31 December 2019

Speculative investment

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether invest.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Company's shares.

9. DIVIDENDS

No amounts have been paid or declared by way of dividend since the date of incorporation.

10. OPTIONS

As at the date of this report, options on issue totalled 16,293,473, comprising:

- 2,000,010 Vendor Options with an exercise price of \$0.20 and an expiry date of 2 December 2021.
- 420,404 Advisor Options whereby 255,872 options have an exercise price of \$0.20; and 164,532 options have an exercise price of \$0.30. The Advisor Options expire on 2 May 2021.
- 10,800,000 Incentive Options whereby 6,000,000 options have an exercise price of \$nil each; 2,400,000 have an exercise price of \$0.15 each; and 2,400,000 have an exercise price of \$0.25 each. The Incentive Options expire on 28 December 2022 and are subject to vesting conditions.
- 73,059 Advisor Options issued on 19 February 2018, with an exercise price of \$0.20 expiring on 19 February 2022.
- 3,000,000 Unlisted Options issued on 4 December 2018, with an exercise price of \$0.00 expiring on 4 December 2021 and are subject to vesting conditions.
- The following options expired during the financial year:
- 2,500,000 unlisted options, exercisable at \$0.30 each on 2 December 2019.
- No other options expired, lapsed or were exercised during the financial year. No option holder has any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

11. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of the Group in subsequent financial years.

12. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Should any likely developments of the Company eventuate, this information will be made available to the market in accordance with its continuous disclosure obligations under the ASX Listing Rules.

HearMeOut Limited

Directors' Report

For the year ended 31 December 2019

13. REMUNERATION REPORT (AUDITED)

This report for the year ended 31 December 2019 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 ('the Act') and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel ('KMP') who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent company.

Individual KMP disclosure

Details of KMP of the Group who held office during the year are as follows:

Name	Position	Appointed	Resigned
Mr Glenn Whiddon	Non-Executive Chairman	11/09/2017	-
Mr David Tasker	Non-Executive Director	29/05/2018	25/02/2019
	Executive Director	25/02/2019	-
Mr Howard Digby	Non-Executive Director	04/12/2018	-

There have been no other changes after the reporting date and up to the date that the financial report was authorised for issue.

The Remuneration Report is set out under the following main headings:

- A. Remuneration Philosophy
- B. Remuneration Governance, Structure and Approvals
- C. Remuneration and Performance
- D. Details of Remuneration
- E. Contractual Arrangements
- F. Share-based Compensation
- G. Loans Made to Key Management Personnel
- H. Voting and comments made at the Company's 2019 Annual General Meeting
- I. Other transactions with Key Management Personnel

A. Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP of HearMeOut comprise the Board of Directors.

The performance of the Group depends upon the quality of its KMP. To prosper the Company must attract, motivate and retain appropriately skilled Directors and Executives.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

No remuneration consultants were employed during the financial year.

HearMeOut Limited

Directors' Report

For the year ended 31 December 2019

B. Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Group's development, nor has the Board engaged the services of an external remuneration consultant. It is considered that the size of the Board along with the level of activity of the Group renders this impractical. The Board is primarily responsible for:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles;
- Remuneration levels of executives, and
- Non-executive director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

➤ **Non-Executive Remuneration Structure and Approvals**

The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. The maximum aggregate remuneration approved by a resolution of Directors in accordance with the Company's Constitution is \$300,000 per annum.

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

Non-Executive Directors do not receive retirement benefits but are able to participate in share-based incentive programmes in accordance with Company policy.

➤ **Executive Remuneration Structure and Approvals**

The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing Executives.

The main objectives sought when reviewing executive remuneration is that the Company has:

- Coherent remuneration policies and practices to attract and retain Executives;
- Executives who will create value for shareholders;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to Executives having regard to the performance of the Group, the performance of the Executives and the general pay environment.

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice. Executive contracts are reviewed annually by the Board, in the absence of a Remuneration Committee, for their approval. The process consists of a review of company, business unit and individual performance, relevant comparative remuneration internally and externally and, where appropriate, external advice independent of management.

Executive remuneration and incentive policies and practices must be aligned with the Company's vision, values and overall business objectives. Executive remuneration and incentive policies and practices must be designed to motivate management to pursue the Company's long-term growth and success and demonstrate a clear relationship between the Company's overall performance and the performance of executives.

HearMeOut Limited
Directors' Report
For the year ended 31 December 2019

C. Remuneration and Performance

The following table shows the gross revenue, losses and share price of the Group as at 31 December for the last five financial years:

	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Income (\$)	3,932	6,706	11,820	25,025	-
Net (loss) / profit after tax (\$)	(649,981)	337,192	(6,021,533)	(1,718,092)	(567,988)
Share Price (\$)	0.068 ⁽¹⁾	0.068 ⁽¹⁾	0.13	0.20	-

⁽¹⁾ The Company is currently suspended and has not traded since 10 May 2018, 0.068 represents the last trading price.

Relationship between Remuneration and Company Performance

Given the current phase of the Company's development the Board does not consider earnings during the current and previous financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

Short Term Incentive Package

There were no short-term incentive-based payments made during the financial year (2018: \$nil).

Long Term Incentive Package

Employee Share Plan:

There were no Employee Share Plan shares approved or issued during the financial year (2018: nil).

D. Details of Remuneration

During the financial year ended 31 December 2019 and 31 December 2018 KMP received short-term employee benefits, post-employment benefits, share-based payments and employee benefits expenses.

Table 1 - Remuneration of Key Management Personnel for the year ended 31 December 2019:

As at 31/12/2019	Short Term Benefits		Post-employment	Share-based Payments		Total	Value of Share Based payments as a % of total remuneration
	Cash salary & fees	Cash bonus	Super-annuation	Options	Shares		
	\$	\$	\$	\$	\$	\$	%
Directors							
Mr Glenn Whiddon (i)	30,000	-	-	78,014	-	108,014	72%
Mr David Tasker (ii)	36,000	-	-	78,014	-	114,014	68%
Mr Howard Digby (iii)	30,000	-	-	-	-	30,000	-
Total	96,000	-	-	156,028	-	252,028	

(i) Of Mr Whiddon's Director Fees, \$18,000 was outstanding and a payable at 31 December 2019.

(ii) Of Mr Tasker's Director Fees, \$24,000 was outstanding and a payable at 31 December 2019.

(iii) Of Mr Digby's Director Fees, \$18,000 was outstanding and a payable at 31 December 2019.

HearMeOut Limited
Directors' Report
For the year ended 31 December 2019

Table 2 - Remuneration of Key Management Personnel for the year ended 31 December 2018:

As at 31/12/2018	Short Term Benefits		Post-employment	Share-based Payments		Total	Value of Share Based payments as a % of total remuneration
	Cash salary & fees	Cash bonus	Super-annuation	Options	Shares		
	\$	\$	\$	\$	\$	\$	%
Directors							
Mr Glenn Whiddon	39,750	-	-	279,548	-	319,298	88%
Mr David Tasker	58,500	-	-	279,548	-	338,048	83%
Mr Howard Digby (i)	3,000	-	-	-	-	3,000	-
Mr Moran Chamsi (ii)	121,800	-	48,459	(898,937)	-	(728,679)	123%
Mr Issy Livian (iii)	121,954	-	48,794	(898,937)	-	(728,189)	123%
Executives:							
Lior Menashe (iv)	122,906	-	76,676	(891,370)	-	(691,787)	129%
Total	467,910	-	173,929	(2,130,148)	-	(1,488,309)	

- (i) Mr Digby was appointed as Non-Executive Director on 4 December 2018.
(ii) Mr Chamsi resigned as Managing Director and Chief Executive Officer on 12 July 2018 and was appointed Non-Executive Director. Mr Chamsi resigned as Non-Executive Director on 4 December 2018.
(iii) Mr Livian resigned as Executive Director & VP Business Development on 29 May 2018.
(iv) Mr Menashe resigned as Chief Technology Officer on 12 July 2018.

E. Contractual Arrangements

Non-Executive Chairman - Mr Glenn Whiddon

- Contract: Commenced 11 September 2017
- Term: The Director shall hold office from Commencement Date until the date of the Company's next annual general meeting. The Director is eligible and must stand for election as a director at that meeting and, if elected, will thereafter be subject to retirement by rotation under the Company's Constitution.
- Termination: Either party may at any time during the Term, terminate the contract. The Director shall terminate by giving thirty (30) days written notice. HMO may immediately cease the Director's employment and may shorten all or part of the notice period, regardless of whether notice of termination was given by HMO or by the Director, and in such event the Director shall be entitled to receive remuneration as if the Director were to continue to be employed by HMO for the duration of the notice period. In the event of breach or criminal activity termination is effective immediately without payment other than the fee accrued to the date of termination; and in specific circumstance no severance pay at all.
- Director's Fee: From 11 September 2017 to 31 May 2018 Mr Whiddon's Director fee was set at \$45,000 per annum (plus GST). From 1 June 2018 Mr Whiddon's Director fee was reduced to \$36,000 per annum (plus GST). From 1 July 2019 Mr Whiddon's Director fee was reduced further to \$24,000 per annum (plus GST).
- Incentive Options: In the 2017 financial year Mr Whiddon received 3,600,000 Incentive Option as approved by shareholders at a General Meeting held on 18 December 2017.
- Subject to periodic reviews.

HearMeOut Limited

Directors' Report

For the year ended 31 December 2019

Executive Director: Mr David Tasker

- Contract: Commenced 11 September 2017. Resigned as Executive Director on 29 May 2018 and moved to the position of Non-Executive Director, due to increasing external business interests. On 25 February 2019 the Company re-appointed Mr David Tasker Executive Director of the Company effectively immediately.
- Term: The Director shall hold office from Commencement Date until the date of the Company's next annual general meeting. The Director is eligible and must stand for election as a director at that meeting and, if elected, will thereafter be subject to retirement by rotation under the Company's Constitution.
- Termination: Either party may at any time during the Term, terminate the contract. The Director shall terminate by giving thirty (30) days written notice. HMO may immediately cease the Director's employment and may shorten all or part of the notice period, regardless of whether notice of termination was given by HMO or by the Director, and in such event the Director shall be entitled to receive remuneration as if the Director were to continue to be employed by HMO for the duration of the notice period. In the event of breach or criminal activity termination is effective immediately without payment other than the fee accrued to the date of termination; and in specific circumstance no severance pay at all.
- Director's Fee: From 11 September 2017 to 31 May 2018 Mr Tasker's Director fee was set at \$90,000 per annum (plus GST). From 1 June 2018 his Director fee was reduced to \$36,000 per annum (plus GST).
- Incentive Options: In the previous financial year Mr Tasker received 3,600,000 Incentive Option as approved by shareholders at a General Meeting held on 18 December 2017.
- Subject to periodic reviews.

Non-Executive Director - Mr Howard Digby

- Contract Commencement Date: 4 December 2018.
- Director's Fee: \$36,000 per annum (plus GST). From 1 July 2019 Mr Digby's Director fee was reduced to \$24,000 per annum (plus GST).
- Term: The Director shall hold office from Commencement Date until the date of the Company's next annual general meeting. The Director is eligible and must stand for election as a director at that meeting and, if elected, will thereafter be subject to retirement by rotation under the Company's Constitution.

F. Share-based Compensation

The Company rewards Directors and senior management for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options and or shares. Share-based compensation is at the discretion of the Board and no individual has a contractual right to participate in any share-based plan or to receive any guaranteed benefits.

➤ Options issued to Key Management Personnel

Class		Balance at beginning of year 1/1/2019	Granted as remuneration	Balance at end of year 31/12/2019	Vested at 31/12/2019	Not vested at 31/12/2019	Share-based payment recognised during the year (\$)
Directors							
Glenn Whiddon	Incentive (1)	1,200,000	-	1,200,000	1,200,000	-	-
	Incentive (2)	1,200,000	-	1,200,000	600,000	600,000	41,004
	Incentive (3)	1,200,000	-	1,200,000	600,000	600,000	37,010
Total Glenn Whiddon		3,600,000	-	3,600,000	2,400,000	1,200,000	78,014
David Tasker	Incentive (1)	1,200,000	-	1,200,000	1,200,000	-	-
	Incentive (2)	1,200,000	-	1,200,000	600,000	600,000	41,004
	Incentive (3)	1,200,000	-	1,200,000	600,000	600,000	37,010
Total David Tasker		3,600,000	-	3,600,000	2,400,000	1,200,000	78,014
Total Directors		7,200,000	-	7,200,000	4,800,000	2,400,000	156,028

HearMeOut Limited
Directors' Report
For the year ended 31 December 2019

➤ **Shares issued to Key Management Personnel**

There were no shares issued as compensation to KMP during the financial year ended 31 December 2019. At 31 December 2019 the relevant interest of each KMP in ordinary fully paid shares of the Company were:

	Balance at beginning of year 1/1/2019	Granted as remuneration	On exercise of options	Net change other	Balance at end of year 31/12/2019
Directors					
Glenn Whiddon	-	-	-	-	-
David Tasker	-	-	-	-	-
Howard Digby	133,333	-	-	-	133,333
Total Directors	133,333	-	-	-	133,333

G. Loans Made to Key Management Personnel

No loans were made to any Director or KMP or any of their related entities during the reporting period.

H. Voting and comments made at the Company's 2019 Annual General Meeting

At the Annual General Meeting of Shareholders held on 30 May 2019, the Remuneration Report was voted for, with the resolution being voted on by a poll.

I. Other transactions with Key Management Personnel

There were no other transactions with any Director or KMP or any of their related entities during the reporting period.

End of Audited Remuneration Report

14. INDEMNIFICATION OF AUDITORS

To the extent permitted by Law, the Company has agreed to indemnify its auditors, BDO (WA) Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDO during or since the financial year.

15. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, HearMeOut Limited paid a premium to insure the directors and officers of the Group. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the entity in the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings.

This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage from themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

16. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court, under section 237 of the *Corporations Act 2001*, to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company for all or part of these proceedings. The Company was not a party to any such proceedings during the Period.

HearMeOut Limited
Directors' Report
For the year ended 31 December 2019

17. ENVIRONMENTAL REGULATIONS

The Company's operations are not subject to significant environmental regulation under the Australian Commonwealth or State law.

18. NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

Details of the amounts paid or payable to the auditor (BDO Audit (WA) Pty Ltd) for non-audit services provided during the year are set out below.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independent requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Non-audit services:

BDO (WA) Pty Ltd - Accounting Advice

	Year-ended 31 December 2019 \$	Year-ended 31 December 2018 \$
	1,565	-
	1,565	-

19. AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* for the year ended 31 December 2019 forms a part of the Directors' Report and can be found on page 24.

No officer of the Company is or has been a partner/director of any auditor of the Company.

Signed in accordance with a resolution of the Board of Directors.



Mr David Tasker
Executive Director
Date: Thursday, 27 February 2020

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF HEARMEOUT LIMITED

As lead auditor of HearMeOut Limited for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of HearMeOut Limited and the entity it controlled during the period.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 27 February 2020

HearMeOut Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2019

		Full-year ended 31 December 2019	Full-year ended 31 December 2018
	Note	\$	\$
Interest income	9	3,932	6,706
Total income		3,932	6,706
Administration expenses	10	(324,010)	(675,737)
Business development expenses	10	(15,000)	(729,647)
Depreciation expense		-	(9,391)
Foreign exchange (loss) / gain		(1,368)	72,451
Finance expenses		(211)	(2,677)
Research & development expenses		(113,862)	(463,835)
Share-based payment expenses	18	(199,462)	2,139,322
Total expenses		(653,913)	330,486
(Loss) / profit before income tax		(649,981)	337,192
Income tax benefit/(expense)	11	-	-
(Loss) / profit for the year		(649,981)	337,192
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Unrealised foreign currency gain		13,548	31,717
Total comprehensive (loss) / profit for the year		(636,433)	368,909
(Loss) / profit per share for attributable to the ordinary equity holders of the company			
Basic (loss) / profit per share (cents)	12	(0.99)	0.51
Dilutive (loss) / profit per share (cents)	12	(0.99)	0.51

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

HearMeOut Limited
Consolidated Statement of Financial Position
As at 31 December 2019

	Note	As at 31 December 2019 \$	As at 31 December 2018 \$
CURRENT ASSETS			
Cash and cash equivalents	13	441,874	979,283
Trade and other receivables	14	147,879	51,784
TOTAL CURRENT ASSETS		589,753	1,031,067
TOTAL ASSETS		589,753	1,031,067
CURRENT LIABILITIES			
Trade and other payables	15	101,997	106,340
TOTAL LIABILITIES		101,997	106,340
NET ASSETS		487,756	924,727
EQUITY			
Contributed equity (net)	16	8,141,481	8,141,481
Reserves	17	1,575,267	1,362,257
Accumulated losses		(9,228,992)	(8,579,011)
TOTAL EQUITY		487,756	924,727

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

HearMeOut Limited
Consolidated Statement of Cash Flows
For the year ended 31 December 2019

	Full-year ended 31 December 2019	Full-year ended 31 December 2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	3,932	6,706
Payments to suppliers & employees	(423,459)	(1,488,621)
Payments for research and development	(130,062)	(465,857)
Net cash outflow used for operating activities	(549,589)	(1,947,772)
	13	
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments	-	272,863
Net cash inflow used for investing activities	-	272,863
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital raising costs	-	(11,984)
Net cash outflow used for financing activities	-	(11,984)
Net decrease in cash and cash equivalents	(549,589)	(1,686,893)
Cash and cash equivalents at beginning of the Year	979,283	2,634,459
Foreign exchange differences	12,180	31,717
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	441,874	979,283

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

HearMeOut Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2019

Full-year ended 31 December 2019	Contributed Equity \$	Accumulated Losses \$	Option Reserve \$	Foreign Currency Translation Reserve \$	Total \$
Balance as at 1 January 2019	8,141,481	(8,579,011)	1,395,085	(32,828)	924,727
Loss for the year	-	(649,981)	-	-	(649,981)
Other comprehensive income	-	-	-	13,548	13,548
Total comprehensive loss for the year	-	(649,981)	-	13,548	(636,433)
Transactions with equity holders in their capacity as equity holders:					
Share-based payments	-	-	199,462	-	199,462
Balance as at 31 December 2019	8,141,481	(9,228,992)	1,594,547	(19,280)	487,756

Full-year ended 31 December 2018	Contributed Equity \$	Accumulated Losses \$	Option Reserve \$	Foreign Currency Translation Reserve \$	Total \$
Balance as at 1 January 2018	8,153,465	(8,916,203)	3,534,407	(64,545)	2,707,124
Profit for the year	-	337,192	-	-	337,192
Other comprehensive income	-	-	-	31,717	31,717
Total comprehensive profit for the year	-	337,192	-	31,717	368,909
Transactions with equity holders in their capacity as equity holders:					
Capital raising costs	(11,984)	-	-	-	(11,984)
Share-based payments	-	-	(2,139,322)	-	(2,139,322)
Balance as at 31 December 2018	8,141,481	(8,579,011)	1,395,085	(32,828)	924,727

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

HearMeOut Limited

Notes to the Financial Statements

For the year ended 31 December 2019

1. CORPORATE INFORMATION

The financial statements and notes represent those of the consolidated entity consisting of HearMeOut Limited ("the Company" or "HMO") and its subsidiary HearMeout Ltd ("HMO Israel") (collectively, "the Group") for the year ended 31 December 2019 ("the Period"); and were authorised in accordance with a resolution of Directors on 27 February 2020.

The Company is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of operations and principal activities of the Group are described in the Directors' Report.

The Company was incorporated on 4 August 2016. On 2 December 2016, the Company acquired 100% of the equity in HearMeOut Ltd ("HMO Israel"); and on 6 December 2016 the Company listed on the ASX and commenced trading.

2. BASIS OF PREPARATION

Statement of compliance

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the *Corporations Act 2001*. The Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

Basis of measurement and reporting convention

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded off to the nearest dollar unless stated otherwise.

Going concern basis

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business. For the year ended 31 December 2019 the group recorded a loss of \$649,981, net cash outflows from operating activities of \$549,589 and had net working capital of \$487,756.

These conditions indicate a material uncertainty that may cast a significant doubt about the group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the entity's working capital requirements as at the date of this report. The financial statements have been prepared on a going concern basis as the Directors expect the Group to be successful in securing additional funds through debt or equity issues, when and if required.

Should the group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the group not continue as a going concern.

New and amended standards adopted

During the financial year, the following new or amended standard became applicable and the Group had to change its accounting policy as a result of the adoption of the following standard:

- AASB 16: Leases (issued February 2016)

The impact of the adoption of this standard and the new accounting policy are disclosed below. The impact of this standard has not had a material impact on the amounts presented in the Group's financial statements.

HearMeOut Limited

Notes to the Financial Statements

For the year ended 31 December 2019

AASB 16: Leases (issued February 2016)

AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases into its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases.

There are some optional exemptions for leases with a period of 12 months or less and for low value leases.

The adoption of AASB 16 from 1 July 2019 resulted in no material changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Company assessed its leases and noted that all leases held are for a period of 12 months or less and there is therefore no impact on the amounts recognised in the financial statements as a result of adoption.

3. PRINCIPLES OF CONSOLIDATION

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of HearMeOut Limited ('Company' or 'Parent Entity') as at 31 December 2019 and the results of all subsidiaries for the year then ended. HearMeOut Limited and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss & Other Comprehensive Income and Consolidated Statement of Financial Position respectively.

4. FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Group's financial statements are presented in Australian dollars, which is also the Group's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

HearMeOut Limited
Notes to the Financial Statements
For the year ended 31 December 2019

5. KEY JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires the use of certain critical accounting judgments and estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements except for the following:

- *Key estimate: Share-based payments*

The Group initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Additionally, it also includes judgement on the determination of non-market vesting conditions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 18.

6. OTHER ACCOUNTING POLICIES

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements. The accounting policies disclosed at each note have been consistently applied to all the years presented, unless otherwise stated.

7. SEGMENT REPORTING

The Group's operations are predominately overseas in Israel. Given the nature of the Group, its size and current operations, the Group's management does not treat any part of the Group as a separate operating segment. Internal financial information used by the Group's decision makers is presented on a "whole of entity" manner without dissemination to any separately identifiable segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

8. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk, credit risk and liquidity risk. The Group's overall risk in these areas is not significant enough to warrant a formalised specific risk management program.

Risk management is carried out by the Board of Directors in their day to day function as the overseers of the business.

Set out below is an overview of the financial instruments held by the Group as at 31 December 2019:

	As at 31 December 2019	As at 31 December 2018
	\$	\$
Financial assets		
Cash and cash equivalents	441,874	979,283
	441,874	979,283
Financial liabilities		
Trade and other payables	101,997	106,340
	101,997	106,340
Net exposure	339,877	872,943

HearMeOut Limited

Notes to the Financial Statements

For the year ended 31 December 2019

Market Risk

(i) Interest rate risk

The Group's main interest rate risk exposure relates primarily to the Group's cash at bank that is held with variable interest rates. The Group does not rely on the generation of interest on cash and cash equivalents to provide for working capital and as a result does not consider this to be material. The Group therefore has not undertaken any further analysis of exposure.

Credit risk

Credit risk is the risk of financial loss to the Group if a counter party to a financial instrument fails to meet its contractual obligations. The Group's main credit risk exposure relates to the financial assets of the Group, which comprise cash and cash equivalents. The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments.

The carrying amount of financial assets included in the statement of financial position represents the Group's maximum exposure to credit risk in relation to those assets. The Group does not hold any credit derivatives to offset its credit exposure. The Group trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. Receivable balances are monitored on an ongoing basis with the result that the Group does not have a significant exposure to bad debts. The Group has no significant concentrations of credit risk except for cash held with the National Australia Bank, Bank Leumi Lelsrael Ltd; and various receivables with recognised third parties whereby none of the receivables are impaired or past due but not impaired.

(i) Cash

The Directors believe that there is negligible credit risk with the Group's cash and cash equivalents, as almost all of the funds are held at call with the National Australia Bank, a reputable banking institution.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial liabilities as and when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows. Surplus funds are generally only invested at call or in bank bills that are highly liquid and with maturities of less than six months.

- (i) *Financing arrangements:* The Group does not have any financing arrangements.
- (ii) *Maturities of financial liabilities:* The Group's debt relates to trade payables, whereby payments are generally due within 30 days.

Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Accounting standards require disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Group holds no available-for-sale financial assets or liabilities as at 31 December 2019.

Fair Values

The carrying value of trade receivables and trade payables as at 31 December 2019, and 31 December 2018, are assumed to approximate their fair value due to their short-term nature.

HearMeOut Limited
Notes to the Financial Statements
For the year ended 31 December 2019

9. INTEREST INCOME

	Full-year ended 31 December 2019 \$	Full-year ended 31 December 2018 \$
Income		
Interest income	3,932	6,706
Total Income	3,932	6,706

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income is recorded using the effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument, or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the Statement of Profit or Loss and Other Comprehensive Income.

10. EXPENSES

	Full-year ended 31 December 2019 \$	Full-year ended 31 December 2018 \$
Administration expenses		
Compliance and professional expenses	157,031	271,892
Insurance expense	31,410	33,383
Legal Fees	34,423	68,421
Wages, salaries and employee expenses	96,000	267,466
General Administration	5,146	34,575
Total administration expenses	324,010	675,737
Business development expenses		
Wages, salaries and employee expenses	-	377,206
Travel and accommodation	-	81
Marketing and advertising expenses	15,000	352,360
Total business development expenses	15,000	729,647

Research and development expenditure

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group has the intention and sufficient resources to complete development and to use or sell the asset.

As of 31 December 2019, the Group does not meet the conditions to capitalise any development expenditure, therefore, all was recognised in profit or loss as incurred.

HearMeOut Limited
Notes to the Financial Statements
For the year ended 31 December 2019

11. INCOME TAX

	Full-year ended 31 December 2019 \$	Full-year ended 31 December 2018 \$
(a) Income tax expense / (benefit)		
The components of income tax expense / (benefit) comprise:		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

(b) Reconciliation of income tax expense / (benefit) to prima facie tax payable on accounting (loss) / profit

Operating (loss) / profit before income tax	(649,981)	337,192
Prima facie tax (benefit) / payable at Australian rate of 30% (2018: 27.5%)	(194,994)	92,728
Adjusted for tax effect of the following amounts:		
Tax effect of different tax rate of foreign subsidiary	3,534	61,302
Taxable / non-deductible items	59,839	-
Non-taxable / deductible items	(33,263)	(618,805)
Under-provision in prior year	-	2,928
Adjustment for change in tax rate	(47,630)	-
Adjustment for forex movement	(10,236)	(269,443)
Income tax benefit not brought to account	222,750	731,290
Income tax expense	<u>-</u>	<u>-</u>

(c) Deferred tax assets and liabilities not brought to account

The Directors estimate that the potential future income tax benefits carried forward but not brought to account at year end are made up as follows:

- Australian carry forward tax losses (at 30%, 2018: 27.5%)	697,242	495,873
- Australian deductible temporary differences (at 30%, 2018: 27.5%)	27,594	28,059
- Israeli carry forward tax losses (at 23%)	1,464,608	1,280,857
- Israeli deductible temporary differences (at 23%)	36,221	198,125
- Unrecognised net deferred tax assets	<u>2,225,665</u>	<u>2,002,914</u>

These benefits will only be obtained if:

- (i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deduction for the losses to be realised;
- (ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deduction for the losses.

HearMeOut Limited
Notes to the Financial Statements
For the year ended 31 December 2019

12. EARNINGS PER SHARE

	31 December 2019	31 December 2018
Net (loss) / profit attributable to the ordinary equity holders of the Group (\$)	(649,981)	337,192
Weighted average number of ordinary shares for basis per share (No)	65,759,990	65,759,990

Continuing operations

- Basic and diluted (loss) / profit per share (\$)	(0.99)	0.51
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There are 16,293,473 unissued ordinary shares under option that have been excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are anti-dilutive on the current period presented. There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

Recognition and Measurement

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Potential ordinary shares are not considered dilutive, thus diluted loss per share is the same as basic loss per share.

13. CASH AND CASH EQUIVALENTS

(a) Reconciliation to cash at the end of the year

	As at 31 December 2019 \$	As at 31 December 2018 \$
Cash at bank and on hand	441,874	979,283
Total cash and cash equivalents	441,874	979,283

(b) Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in Note 8: Financial Risk Management.

(c) Reconciliation of net cash flows from operating activities to (loss) / profit for the year after tax

	As at 31 December 2019 \$	As at 31 December 2018 \$
(Loss) / profit for the year	(649,981)	337,192
Non-cash items:		
- Depreciation	-	9,391
- Share-based payment expense	199,462	(2,139,322)
Change in assets and liabilities:		
- (Increase) / decrease in trade and other receivables	(96,095)	26,337
- Decrease in trade and other payables	(2,975)	(181,370)
Net cash used in operating activities	(549,589)	(1,947,772)

Recognition and Measurement

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

HearMeOut Limited
Notes to the Financial Statements
For the year ended 31 December 2019

14. TRADE AND OTHER RECEIVABLES

	As at 31 December 2019 \$	As at 31 December 2018 \$
GST & VAT Receivables (i)	14,280	17,516
Prepayments and pledged deposits	133,599	34,268
Total trade and other receivables	147,879	51,784

(i) GST and VAT Receivables

This amount relates to good and services tax (GST) and value-added tax (VAT) paid that is refundable to the Group by the Australian Tax Office and the relevant tax authority in Israel.

Recognition and Measurement

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure or a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Credit risk

While the Group has policies in place to ensure that transactions with third parties have an appropriate credit history, the management of current and potential credit risk exposures is limited as far as is considered commercially appropriate. Up to the date of this report, the Board has placed no requirement for collateral on existing debtors. None of the current receivables are impaired or past due but not impaired.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

HearMeOut Limited
Notes to the Financial Statements
For the year ended 31 December 2019

15. TRADE AND OTHER PAYABLES

	As at 31 December 2019	As at 31 December 2018
	\$	\$
Trade and other payables (i)	81,856	53,108
Accruals	20,000	23,000
Employee liabilities (ii)	141	30,232
Total trade and other payables	101,997	106,340

(i) Trade and other payables

Trade and other payables are non-interest-bearing liabilities stated at cost and generally settled within 30 days.

(ii) Employee liabilities

Employee liabilities consist of salaries payable to employees plus superannuation and pension contributions payable to the relevant authorities.

Recognition and Measurement

Liabilities for trade payables and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

16. CONTRIBUTED EQUITY (NET)

	As at 31 December 2019	As at 31 December 2018
	\$	\$
Fully paid ordinary shares (ORD: 65,759,990)	8,695,876	8,695,876
Capital raising costs	(554,395)	(554,395)
Total contributed equity	8,141,481	8,141,481

Recognition and Measurement

Ordinary issued share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

Share Capital

Ordinary shares: These shares entitle the holder to participate in dividends and the proposed winding up of the Company in proportion to the number and amount paid on the share held. Effective 1 July 1998 the Corporations legislation in place abolished the concepts of authorised capital and par share values. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so it can provide returns to shareholders and benefits to other stakeholders. The Group considers capital to consist of cash reserves on hand.

Consistent with the Group's objective, it manages working capital by issuing new shares, investing in and selling assets, or modifying its planned research and development program as required.

Given the stage of the Group's development there are no formal targets set for return on capital. The Group is not subject to externally imposed capital requirements. The net equity of the Group is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange.

HearMeOut Limited
Notes to the Financial Statements
For the year ended 31 December 2019

17. RESERVES

	As at 31 December 2019 \$	As at 31 December 2018 \$
Option reserve	1,594,547	1,395,085
Foreign currency translation reserve	(19,280)	(32,828)
	1,575,267	1,362,257

Reserves are made up of the options reserve and the foreign currency translation reserves.

Option reserve:

The Option reserve records items recognised as expenses on valuation of options issued to employees, vendors and brokers. Details of the movement in reserves is shown below.

	As at 31 December 2019 \$	As at 31 December 2018 \$
Option Reserve		
Balance at the beginning of the year	1,395,085	3,534,407
Share-based payment expense	199,462	1,281,440
Reversal of prior year options	-	(3,420,762)
Balance at end of year	1,594,547	1,395,085

Foreign currency translation reserve:

	As at 31 December 2019 \$	As at 31 December 2018 \$
Foreign currency translation reserve		
Balance at the beginning of the year	(32,828)	(64,545)
Foreign currency movement	13,548	31,717
Balance at end of year	(19,280)	(32,828)

HearMeOut Limited
Notes to the Financial Statements
For the year ended 31 December 2019

18. SHARE-BASED PAYMENTS

As at 31 December 2019, there are 16,293,473 unissued ordinary shares under option comprising the following:

Class of Options	Number of Options @ 31 Dec 2019	Share-based payment expense @ 31 Dec 2019	Remaining share-based payment expense @ 31 Dec 2019	Ref
Broker Options	-	-	-	(a)
Vendor Options	2,000,010	-	-	-
Incentive Options	10,800,000	\$156,028	\$38,966	(b)
Advisor Options	493,463	-	-	-
Lior Menashe Options	3,000,000	\$43,434	-	(c)
Total	16,293,473	\$199,462	\$38,966	

(a) Broker Options

On 2 December 2019, 2,500,000 unlisted options exercisable at \$0.30 each expired.

(b) Incentive Options

During the 2017 financial year, the Group issued remuneration in the form of Incentive Options. The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. It was assumed that no dividends are expected to be declared or paid by the Company during the terms of the various classes of Options. The cost of these equity-settled transactions, and the inputs used, are outlined below:

	Class	# Options at 31/12/19	Grant date	Vesting date	Expiry date	Exercise price (\$)	Fair value per option at grant date (\$)	Share-based payment expense @ 31/12/19	Remaining Share-based payment expense balance @ 31/12/19
M Chamsi	Incentive 1	1,200,000	18/12/17	11/09/18	28/12/22	-	0.1350	-	-
I Livian	Incentive 1	1,200,000	18/12/17	11/09/18	28/12/22	-	0.1350	-	-
G Whiddon	Incentive 1	1,200,000	18/12/17	11/09/18	28/12/22	-	0.1350	-	-
G Whiddon	Incentive 2	1,200,000	18/12/17	Note 1	28/12/22	0.15	0.1350	\$41,004	\$10,240
G Whiddon	Incentive 3	1,200,000	18/12/17	Note 2	28/12/22	0.25	0.0996	\$37,010	\$9,243
D Tasker	Incentive 1	1,200,000	18/12/17	11/09/18	28/12/22	-	0.0899	-	-
D Tasker	Incentive 2	1,200,000	18/12/17	Note 1	28/12/22	0.15	0.1350	\$41,004	\$10,240
D Tasker	Incentive 3	1,200,000	18/12/17	Note 2	28/12/22	0.25	0.0996	\$37,010	\$9,243
L Menashe	Incentive 1	1,200,000	18/12/17	11/09/18	28/12/22	-	0.0899	-	-
Total		10,800,000						\$156,028	\$38,966

Vesting conditions attached to the Incentive Options are detailed below:

- 6,000,000 Tranche 1 Incentive Options shall vest on the Cliff Date, this being 11 September 2018, upon the continuous provision of services to the Company from the date of grant until the relevant vesting date.
- 2,400,000 Tranche 2 Incentive Options shall vest incrementally upon the continuous provision of services to the Company from the date of grant until the relevant vesting date. 600,000 options shall vest at the end of each 6-month period after the Cliff Date, this being 11 September 2018. Such that all Tranche 2 Incentive Options will become vested by 11 September 2020.
- 2,400,000 Tranche 3 Incentive Options shall vest incrementally upon the continuous provision of services to the Company from the date of grant until the relevant vesting date. 600,000 options shall vest at the end of each 6-month period after the Cliff Date, this being 11 September 2018. Such that all Tranche 2 Incentive Options will become vested by 11 September 2020.

HearMeOut Limited
Notes to the Financial Statements
For the year ended 31 December 2019

Fair value inputs using Black Scholes valuation model:

Class	Risk free rate % (i)	Volatility factor % (ii)
Incentive Options	2.33%	100%

- (i) A risk-free rate of a five-year Australian Government bond has been used on the Incentive Options.
- (ii) Given the Company listed on the ASX on the 5 December 2016, there was only approximately 12.8 months of share trading on ASX and the share prices in that period ranged between 7.0 cents and 30.0 cents. Over the past three months to 18 December 2017, the shares traded in the narrower range of 13.5 cents to 19.5 for a simple volatility from the low of approximately 86% (around 45% from 1 July 2017 to 18 December 2017). Therefore, after taking into account the potential of the Company, the risk of success, the shares being just listed, and the general trend in the shares of companies in similar businesses, the opinion formed was that the fair volatility factor for the purpose of valuation as at the date of grant should be 100%.
- (c) Lior Menashe Options

On 4 December 2018, the Company granted 3,000,000 unlisted options to Lior Menashe in recognition of extensive services performed for the Company to maintain the HMO platform and facilitate handover of the operation of the platform to Australia. The options have a three-year term, expiring on 4 December 2021, with an exercise price of nil and vesting over a period of 6 months from the date of issue.

The fair value was determined using the net asset value basis, as the last traded share price of HMO was 10 May 2018 at 6.8 cents. Since that time the Company has scaled back operations and accordingly the last traded price is not considered to be a reliable measure of the current value of the Company's shares. Accordingly, a net assets based value was used for the Company, and a total number of shares comprising 65,759,990 ordinary shares plus existing options likely to be exercised. Using this approach derived a value of 1.7 cents per HMO share.

	# Options at 31/12/19	Grant date	Vesting date	Expiry date	Exercise price (\$)	Fair value per option at grant date (\$)	Share-based payment expense @ 31/12/19	Remaining Share-based payment expense balance @ 31/12/19
L Menashe	3,000,000	4/12/18	4/6/19	4/12/21	-	0.017	\$43,434	-
Total	3,000,000						\$43,434	-

Recognition and Measurement

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

HearMeOut Limited
Notes to the Financial Statements
For the year ended 31 December 2019

19. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel of Group are listed below:

Name	Position	Appointed	Resigned
Mr Glenn Whiddon	Non-Executive Chairman	11/09/2017	-
Mr David Tasker	Non-Executive Director	29/05/2018	22/02/2019
	Executive Director	22/02/2019	-
Mr Howard Digby	Non-Executive Director	04/12/2018	-

Key Management Personnel Compensation:

	Full-year ended 31 December 2019 \$	Full-year ended 31 December 2018 \$
Short-term employee benefits	96,000	467,910
Post-employment benefits	-	173,929
Share-based payment	156,028	(2,130,148)
	252,028	(1,488,309)

No termination benefits were paid out during the financial year (2018: As part of the separation arrangements with former HMO Israel management, and final handover of the operation of the HMO platform to Australia, the Company entered into a settlement deed with each member of former management. Former management therefore received termination payments totalling USD\$90,000 in accordance with the terms of their employment contracts as limited by the ASX Listing Rules).

The detailed remuneration disclosures and relevant interests of each Key Management Personnel in fully paid ordinary shares and options of the Group are provided in the audited Remuneration Report in the Directors Report.

20. RELATED PARTY TRANSACTIONS

Transactions with Key Management Personnel

Other than what is mentioned below, and also in Note 19: Key Management Personnel and Note 18: Share-based Payments, there were no transactions with Key Management Personnel and no other related party transactions that occurred during the Period.

21. INTERESTS IN OTHER ENTITIES

The Company's principal subsidiary at 31 December 2019 is set out below. Unless otherwise stated, the share capital consists solely of ordinary shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of Business / country of incorporation	Ownership interest held by the group		Principal activities
		2019	2018	
HearMeOut Ltd	Israel	100%	100%	See below

Principal activities: Development of the HearMeOut App which 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), in a super simple way.

HearMeOut Limited
Notes to the Financial Statements
For the year ended 31 December 2019

22. PARENT ENTITY NOTE

	As at 31 December 2019 \$	As at 31 December 2018 \$
CURRENT ASSETS		
Cash and cash equivalents	427,547	854,526
Trade and other receivables	68,196	10,881
TOTAL CURRENT ASSETS	495,743	865,407
TOTAL ASSETS	495,743	865,407
CURRENT LIABILITIES		
Trade and other payables	101,856	54,219
TOTAL CURRENT LIABILITIES	101,856	54,219
NET ASSETS	393,887	811,188
EQUITY		
Contributed equity (net)	6,966,355	6,966,355
Reserves	1,575,267	1,362,257
Accumulated losses	(8,147,735)	(7,517,424)
TOTAL EQUITY	393,887	811,188
Loss for the year	(5,668,267)	(2,479,468)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(5,668,267)	(2,479,468)

The parent entity has no commitments or contingent liabilities at 31 December 2019 (2018: none).

The parent entity was incorporated on 4 August 2016 in Australia. On 2 December 2016, the Company acquired 100% of the equity in HearMeOut Ltd ("HMO Israel"); and on 6 December 2016 the Company listed on the ASX and commenced trading. HearMeOut Limited was established for the sole purpose of acquiring, under a capital reorganisation, HMO Israel by way of equity.

HearMeOut Limited
Notes to the Financial Statements
For the year ended 31 December 2019

23. REMUNERATION OF AUDITOR

	Year-ended 31 December 2019 \$	Year-ended 31 December 2018 \$
Audit & Review Services:		
BDO Audit (WA) Pty Ltd	30,453	36,303
<i>Non-related entities:</i>		
KMPG (Israel)	17,265	21,004
	47,718	57,307
	Year-ended 31 December 2019 \$	Year-ended 31 December 2018 \$
Non-audit services:		
BDO (WA) Pty Ltd - Accounting Advice	1,565	-
<i>Non-related entities:</i>		
KPMG (Israel) - Tax Matters	6,688	-
	8,253	-

24. CONTINGENCIES

The Directors are not aware of any contingent liabilities or assets as at 31 December 2019 (2018: \$Nil).

25. COMMITMENTS

The Directors are not aware of any future commitments existing as at 31 December 2019 (2018: Nil).

26. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of the Group in subsequent financial years.

HearMeOut Limited
Directors' Declaration
For the year ended 31 December 2019

In the Directors opinion:

1. The financial statements and notes set out on pages 25 to 43, are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the year ended on that date;
2. The remuneration disclosure included in the audited Remuneration Report in the Directors' Report complies with Section 300A of the Corporations Act 2001.
3. The Directors have been given the declaration by the Executive Director and the Chief Financial Officer (or equivalent) as required by section 295A of the Corporations Act 2001.
4. The Group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
5. Subject to disclosure in Note 2 "Going concern basis", there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Mr David Tasker
Executive Director
Date: Thursday, 27 February 2020

INDEPENDENT AUDITOR'S REPORT

To the members of HearMeOut Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of HearMeOut Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for share-based payments

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>During prior years the Group issued options to key management personnel and employees and options to advisors which have been accounted for as share-based payments.</p> <p>During the year ended 31 December 2019, all of the options issued to advisors expired.</p> <p>Refer to notes 5 and 18 of the financial report for a description of the accounting policy and significant estimates and judgements applied to these arrangements.</p> <p>Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payments, we consider the Group's accounting for share-based payments to be a key audit matter.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none">• Reviewing the relevant terms and conditions to obtain an understanding of the contractual nature of the share-based payment arrangements• Reviewing and evaluating management's assessment of the likelihood of achieving the non-market performance conditions attached to the share-based payments• Assessing the allocation of the share-based payment expense over the relevant vesting period• Assessing the appropriateness and accuracy of the treatment of expired options recognised in the current financial year relating to the advisor options; and• Assessing the adequacy of the Group's disclosures in Notes 5 and 18 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 22 of the directors' report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of HearMeOut Limited, for the year ended 31 December 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

Phillip Murdoch

Director

Perth, 27 February 2020

HearMeOut Limited

ASX Additional Information

The shareholder information set out below was applicable as at 6 April 2020

As at 6 April 2020 there were 463 holders of fully paid ordinary shares.

VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

- (a) at meetings of members each member entitled to vote may vote in person or by proxy or attorney;
- (b) on a show of hands each person present who is a member has one vote; and
- (c) on a poll each person present in person or by proxy or by attorney has one vote for each ordinary share held

There are no voting rights attached to any of the options and performance options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities are listed below:

Fully Paid Ordinary Shares

Holder Name	Holding	% IC
Vaizra Growth Ltd	7,802,855	11.87
ESOP Management and Trust Service Ltd <Moran Chamsi A/C>	7,155,960	10.88
Mr Paul Gregory Brown & Mrs Jessica Oriwia Brown <Brown Super Fund A/C>	3,905,000	5.94
Mrs Wishny Sritharan Krishnarajah	3,739,958	5.69
Esop Management and Trust Service Ltd <Yitzchak (Issy) Livian A/C>	2,501,677	3.80
Intervest HK Limited	2,500,000	3.80
Mr Seah Kee Khoo	2,000,000	3.04
CR Investments Pty Ltd	1,750,000	2.66
Banskin Pty Ltd <De Nicola Family A/C>	1,550,000	2.36
Gnat Pty Ltd <G&N Investment A/C>	1,500,000	2.28
Mr Michael John Najdek	1,345,853	2.05
ESOP Management and Trust Service Ltd <Lior Menashe A/C>	1,163,571	1.77
Citicorp Nominees Pty Limited	829,694	1.26
ESOP Management and Trust Service Ltd <Stuff Partners Limited A/C>	814,499	1.24
Jetmax Trading Pty Ltd	750,000	1.14
Mr Dimce Spaseski	681,460	1.04
Reediyal Ltd	571,428	0.87
Brown Bricks Pty Ltd <HM A/C>	540,251	0.82
Curis Capital Pty Ltd <Uvarov Super Fund A/C>	500,000	0.76
BT Global Holdings Pty Ltd <BT Unit A/C>	500,000	0.76
Total	41,102,206	64.02%

SUBSTANTIAL HOLDERS

The names of the substantial shareholders disclosed to the Company as substantial shareholders as at 6 April 2020 are:

Name	No of Shares Held	% of Issued Capital
Vaizra Growth Ltd	7,802,855	11.87%
Moran Chamsi	7,555,710	11.49%
Wishny Sritharan Krishnarajah	3,418,071	5.20%

HearMeOut Limited

ASX Additional Information

DISTRIBUTION OF EQUITY SECURITIES

Ordinary Fully Paid Shares

Holding Ranges	Holders	Total Shares	% Issued Share Capital
1 - 1,000	11	2,089	0.00
1,001 - 5,000	63	234,621	0.36
5,001 - 10,000	78	698,358	1.06
10,001 - 100,000	231	10,023,764	15.24
100,001 - 9,999,999,999	79	54,801,158	83.34
Totals	462	65,759,990	100.00

Unmarketable Parcels – 90 Holders

RESTRICTED SECURITIES

There are no ASX restricted securities or securities subject to voluntary escrow.

UNQUOTED SECURITIES

As at 6 April 2020, the following unquoted securities are on issue:

255,872 Options Expiring 2 May 2021 @ \$0.20 – 1 Holder

Holder with more than 20%

Holder Name	Holding	% IC
Jon Housman	255,872	100.00

164,532 Options Expiring 2 May 2021 @ \$0.30 – 1 Holder

Holder with more than 20%

Holder Name	Holding	% IC
HoxtonTwelve UG	164,532	100.00

1,428,582 Options Expiring 2 December 2021 @ \$0.20– 4 Holders

Holder with more than 20%

Holder Name	Holding	% IC
ESOP Management and Trust Service Ltd <Moran Chamsi A/C>	755,577	52.89
ESOP Management and Trust Service Ltd <Lior Menashe A/C>	322,857	22.60

571,428 Options Expiring 2 December 2021 @ \$0.20 – 2 Holders

Holder with more than 20%

Holder Name	Holding	% IC
ESOP Management and Trust Service Ltd <Vaizra Growth Ltd A/C>	514,285	90.00

3,000,000 Options Expiring 4 December 2021 @ \$0.00 – 1 Holder

Holder with more than 20%

Holder Name	Holding	% IC
Lior Menashe	3,000,000	100.00

73,059 Options Expiring 19 February 2022 @ \$0.20 – 1 Holder

Holder with more than 20%

Holder Name	Holding	% IC
Jon Housman	73,059	100.00

HearMeOut Limited

ASX Additional Information

6,000,000 Options Expiring 28 December 2022 @ \$0.00 – 5 Holders

Holders with more than 20%

Holder Name	Holding	% IC
Moran Chamsi	1,200,000	20.00
Yitzchac Livian	1,200,000	20.00
Lior Menashe	1,200,000	20.00
Glenn Ross Whiddon	1,200,000	20.00
David Raymond Tasker	1,200,000	20.00

2,400,000 Options Expiring 28 December 2022 @ \$0.15 – 2 Holders

Holders with more than 20%

Holder Name	Holding	% IC
Glenn Ross Whiddon	1,200,000	50.00
David Raymond Tasker	1,200,000	50.00

2,400,000 Options Expiring 28 December 2022 @ \$0.25 – 2 Holders

Holders with more than 20%

Holder Name	Holding	% IC
Glenn Ross Whiddon	1,200,000	50.00
David Raymond Tasker	1,200,000	50.00

ON-MARKET BUY BACK

There is currently no on-market buyback program.