

# ASX Announcement

## 23 November 2018

**STOCK CODE:**  
HMO

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

**OPTIONS ON ISSUE:**  
60,356,410

**BOARD:**

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

Mr. Moran Chamsi  
*Non-Executive Director*

Mr. David Tasker  
*Non-Executive Director*

## Company Update

The Board of HearMeOut Limited (**ASX: HMO**) (**HearMeOut** or the **Company**) is pleased to provide the following update regarding the HearMeOut Platform and other related corporate matters.

As detailed in the ASX announcement dated 18 June 2018, the board of HMO at that time made the decision to significantly reduce expenditure to its 100% owned subsidiary HMO Israel and place the HearMeOut Platform ("HMO platform") on "care and maintenance".

This decision was made to allow sufficient time for the board to evaluate the HMO platform in light of historical and planned expenditure, engagement and revenue opportunities to determine an optimal "path forward" for the HMO platform from a commercial perspective.

In addition to reducing marketing and technical costs, the HMO board also made the decision to transfer operation of the HMO platform from Israel to Australia.

The HMO Board would like to commend the HMO Israel staff and executives for the professional manner in which they conducted themselves during this time.

### Defined path forward for HearMeOut Platform

Following a detailed review of the HMO platform the board of HMO has determined that it wishes to continue to operate the HMO platform, albeit with a more conservative cost structure and with a different user / marketing strategy.

Firstly, with the bulk of the previous operating costs now removed, HMO has migrated operation of the HMO platform to an Australian technical team who have a defined scope and a fixed monthly budget. This has reduced expenditure associated with the operation and management of the HMO platform to approximately USD\$10,000 per month.

Together with current advisory board members David McGrath and Jon Housman, who are both still retained by the Company, HMO intends to actively pursue content and branded marketing opportunities in Australia, the USA and India - where the HMO platform has a strong user base. These opportunities continue to be evaluated by the Company at this time.

In addition, HMO will continue to look to expand the relationship with Ford and SDL, with the HMO platform the sole social media platform available to be accessed through the Ford AppLink™ in care entertainment system in the USA, India, Australia and the UK.

## **Handover by Former HMO Israel Management**

A number of HMO Israel executives have continued to assist the Company for no financial benefit following their respective employment contracts being terminated, while HMO has continued to evaluate the path forward for the HMO platform.

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 has entered into a settlement deed with each member of former management. Under these settlement deeds the former management have agreed that a total of 43,248,000 Performance Options held by former management (comprising Class A Performance Options, Class B Performance Options, Class C Performance Options and Class D Performance Options) will be cancelled once they are released from escrow. The Company would like to acknowledge the decision taken by the original vendors (Management of HMO Israel) to cancel these options once released from escrow. A total of 1,342,582 Vendor Options and 3,600,000 Incentive Options (all of which have now vested) will continue to be held by former management.

Former management will receive termination payments totalling USD90,000 in accordance with the terms of their employment contracts as limited by the ASX Listing Rules. As part of the above settlement arrangements, the Company has also agreed pay founder of the HMO platform, Lior Menashe, USD35,000 for technical support services performed for the Company and will issue Mr Menashe 3,000,000 non-transferable zero priced options with a three year term and subject to a six month vesting condition in recognition of extensive services performed for the Company to maintain the HMO platform and facilitate handover of the operation the platform to Australia.

## **Changes to HMO board**

The board of HMO wishes to advise that founding board member, Mr Moran Chamsi, has tendered his resignation from the board with effect from receipt of the termination payments outlined above, which is expected shortly.

Mr Chamsi has been a valued member of the Company and an active board member, being one of three founders of the HMO platform. He, together with fellow co-founders Yitzchak (Issy) Livian and Lior Menashe, has played a key role in conceptualising and launching the HMO platform and establishing a footprint for the HearMeOut platform in the social media and automotive industry. During this challenging time, as the decision was made to re-align the HMO business to better suit current capital market conditions in Australia, the three founders have assisted and supported the Company transition operation of the HMO platform to Australia.

The board of HMO would like to extend its thanks and gratitude to Moran, Issy and Lior for all the work they have done for the Company over the past 24 months and wish them great success in the future.

With the resignation of Mr Chamsi the HMO Board is pleased to advise that founding Chairman Mr Howard Digby has agreed to rejoin the Company as a Non-Executive Director.

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 Group 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 has held a number of executive and non-executive director positions with ASX listed companies. Mr Digby holds a Bachelor of Engineering (Mechanical), Honours, from The University of Western Australia.

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