



G Medical Innovations Holdings Ltd
ARBN 617 204 743

ASX Announcement

30 October 2017

G MEDICAL PURCHASES CARDIOSTAFF DIAGNOSTIC SERVICES INC, A MEDICAL DIAGNOSTIC MONITORING CALL CENTRE

- *The purchase agreement allows G Medical entry into the reimbursement space*
- *Provides the infrastructure to facilitate for a nationwide complete remote vital signs monitoring healthcare services in the USA*

Mobile and e-Health company **G Medical Innovations Holdings Ltd (G Medical or the Company) (ASX: GMV)** is pleased to announce that its wholly owned Delaware incorporated subsidiary, G Medical Innovations USA Inc, has executed an agreement to acquire 100% of the issued capital of CardioStaff Diagnostic Services Inc (**CardioStaff**), a US based Independent Diagnostic Testing Facility (**IDTF**), gaining national medical diagnostic service presence in the USA.

CardioStaff is a Medicare and Medicaid designated IDTF that provides physicians practices and hospitals with 24/7 patient medical monitoring services at the highest clinical accuracy together with state-of-the-art technologies and licensed professional staff. Headquartered in Austin, TX, CardioStaff provides excellent medical customer services nationwide. The call centre offers a variety of monitoring services including Cardiac Events Monitoring, Extended Holter Monitoring and Mobile Cardiac Tele-Monitoring.

Going forward with the CardioStaff call centre acquisition, complements G Medical's strategy to develop a US-based Independent Diagnostic Testing Facility. This allows G Medical to secure its ability to provide national coverage medical call centre services and enter into the reimbursement space.

The reimbursement system in the US is based on a mixed public/private third-party payment system whereby government, employers, and individuals share the cost of care. Premiums are paid to private insurance companies for private coverage either by individuals or employers. Government coverage is provided at federal level through Medicare and state levels through Medicaid.

G Medical will receive pre-defined and approved reimbursement rates for all services the Company will provide from the IDTF in the USA.

The IDTF will also serve as a platform for introducing G Medical's innovative breakthrough suite of consumer and professional clinical-grade products, targeting the outpatient settings market, which is a well-established business channel in the US, as well as the inpatient market like hospitals and home nursing.

The terms of the acquisition as reflected in the agreement will provide G Medical with 100% of CardioStaff's issued capital. In return, G Medical will assume up to a maximum of US\$3.22 million in debt and issue US\$1 million in G Medical fully paid ordinary shares to the sellers (to be voluntarily escrowed for six months).

Completion of the acquisition is subject to the satisfaction of certain customary conditions precedent, including the receipt of any necessary consents from third parties including Government authorities.

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

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

G Medical also offers a professional real-time patient continuous monitoring solution, G Medical's Vital Signs Monitoring System (VSMS) and G Medical Patch (GMP). This modular solution measures a wide range of vital signs that are automatically presented in a call centre (IDTF) or a hospital setting. The GMP assists in diagnosing patient complaints and conditions remotely, from pre-hospitalisation, hospitalisation and through to post discharge home-based settings. The Company is expecting FDA approval in 2H 2017 for this product.

Commenting on the latest strategic agreements, G Medical CEO Dr. Yacov Geva, said: *"Acquiring CardioStaff's IDTF positions G Medical with a strategic advantage that provides our customers a start-to-end complete and comprehensive vital signs medical monitoring service in the US. We will now own the infrastructure to establish our business through profitable and established professional care channels. This in fact, allows us to realise the Company's vision and provide patients and healthcare professionals with the means to improve healthcare outcomes and quality of life for themselves, their patients, and their family."*

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About G Medical Innovations

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

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

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