

G MEDICAL INNOVATIONS HOLDINGS LTD.
5 Oppenheimer St.
Rehovot 7670105, Israel

November 25, 2020

UPDATE - NASDAQ Initial Public Offering

G Medical Innovations Holdings Ltd (“G Medical” or the “Company”) wishes to provide shareholders with an update in respect to its proposed Initial Public Offering (IPO) on the NASDAQ Stock Market and the engagement agreement between G Medical, Boustead Securities LLC (“Boustead”) and Fosun Hani Securities Limited (collectively “the Underwriters”) (the “Agreement”).

On October 29, 2020, G Medical received notification from the Underwriters that they had received oversubscribed commitments from investors to the IPO equity capital raising of US\$30 million, on the IPO metrics published in both the Company’s Registration Statement on Form F-1 (Registration No. 333-249182) and the Company’s Free Writing Prospectus. The Company and the Underwriters instructed their respective legal counsel to file its Registration Statement “effective” with the U.S. Securities and Exchange Commission (“SEC”) with the SEC declaring “effective” on the same day.

On the morning of October 30, 2020 (AWST), prior to the proposed commencement of trading on the NASDAQ, Boustead’s Managing Director confirmed on a call with one of the Company’s directors that the IPO equity capital raising was priced and completed and that an executed underwriting agreement would be sent to the Company following a call with G Medical’s Managing Director, Dr Geva. Immediately prior to the proposed commencement of trading, Dr Geva and representatives of the Underwriters held a conference call, whereby those representatives informed Dr Geva that the equity capital raising had, in fact, not been completed and rather tabled Dr Geva an informal term sheet for a debt facility for the Company’s consideration. The terms of the debt facility provided to Dr Geva by the Underwriters is as follows (quoting);

<start quote>

- *“A max of USD 20 million facility*
- *Investors are requesting a new structure given the increased size and market uncertainties these few days*
- *NO share pledge/transfer from controlling shareholder is required under the new structure*
- *Fee is 10% of USD 20m =USD 2.0 m (USD 100k payable upfront as legal expenses and rest payable on listing day*

Steps and details:

1. *Setting up a bank account for Gmed Hong Kong Subsidiary (2 days + HKD 30K cost)*
2. *Drafting of agreements between 1/Gmed and Alan, 2/ Alan and investors and 3/ bank and investors (2 weeks + USD 100k legal cost in advance, which is deductible from final fee)*
3. *Depositing USD 20m into bank account from Gmed Hong Kong Subsidiary, which can be recognized by auditor into asset in balance sheet, but not actually touchable by the company, UNTIL someone (company/ controlling shareholder/ 3rd parties) repays this USD 20m*
4. *2.4% monthly interest would apply on this USD 20m*

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5. *THREE ways to repay USD 20m and release it to the company (actually a combination of all 3 ways)*

- *1/ Investors can sell shares with the company's instructions, if the final amount is less than 20m after selling all shares, the gap can be repaid with the following other 2 ways*
- *2/ Company lends cash to a 3rd party, this 3rd party to repay Alan, then fund will be released*
- *3/ Company/ other 3rd parties to source new funds to repay Alan for fund release*

<end quote>

Additionally, the Underwriters confirmed to the Company that they intended to claim all fees associated with the IPO equity capital raising, in respect to the proposed debt facility.

The Company rejected the proposed debt facility on the basis (and not limited to) that the proposed debt facility was not compliant with the Company's IPO requirements, not disclosed within the Company's Registration Statement or Free Writing Prospectus, not disclosed to FINRA or the SEC, was not an actual debt instrument, was not an instrument with terms that could be commercially acceptable in any capacity nor was it in the best interests of the Company and its shareholders.

The Underwriters refused to execute the underwriting agreement – which refusal was not due to any fault of the Company or non-performance of the Company by any means. On this basis, the IPO was placed on hold at the Company's direction to consider the events.

Since these events, the Company has remained in dialogue with the underwriters and provided them the sufficient additional time to complete the IPO equity capital raising. Despite this additional time, the Underwriters have not executed their underwriting agreement, and therefore the Company (in consultation with its legal counsel) has terminated the Agreement effective November 15, 2020.

Termination of the Agreement has allowed for G Medical to engage with new underwriters to the NASDAQ IPO. As part of this process, the Company has today withdrawn its existing Registration Statement on Form F-1 (Registration No. 333-249182) to allow for the required new filing to proceed.

The Company will provide further updates as soon as available.

G Medical Innovations Holdings Ltd