

## QUARTERLY ACTIVITIES & CASHFLOW REPORT - Q2 FY24 HIGHLIGHTS

- Strategic review announced on 10 May 2024 resulting in leadership changes, a clearly defined four-point strategic plan, and roadmap to enhance the Company's long-term sustainability;
- Anoushka Gungadin appointed as Managing Director and CEO, Tim Chapman as Chair of the Board, and Cameron Jones as CFO and Company Secretary;
- Successful capital raising totalling \$2.75 million supported by existing and new institutional and sophisticated investors;
- Completed an organisational restructure resulting in streamlined operations, right-sizing to further scale HeraMED, resulting in an approximate \$2.0 million annualised operating cost reduction;
- As part of the strategic review, HeraMED announced on 11 June 2024 the termination of its partnership with US-based Fembridge following both parties being unable to agree on revised commercial terms;
- HeraCARE went live at Broward Health, Florida, one of the 10 largest US public healthcare systems;
- Soft launch of HeraCARE within the Telstra Health ecosystem through targeted GP clinics announced on 24 June 2024. HeraCARE will soon be available to medical practices using Telstra Health's MedicalDirector patient management software; and
- Record number of accumulated registered mums on the HeraMED platform reaching 3,553 as at 15 June 2024, including 560 active mums (previous record was 517 active mums as at 21 July 2022).

**HeraMED Limited (ASX:HMD)** ('HeraMED' or the 'Company'), a medical data and technology company leading the digital transformation of maternity care, is pleased to provide its Appendix 4C cash flow statement for the June 2024 quarter ('Q2 FY24' or the 'Quarter') along with the financial update.

**Anoushka Gungadin, MD & CEO of HeraMED, said,** *"The June 2024 quarter has been a period of renewal, restructure, and transformation for HeraMED. We confirmed changes to our leadership and Board, a clearly defined four point strategic plan, and roadmap to sustainably scale HeraCARE as a connected maternity care platform for the ultimate benefit of women, babies, and the broader community."*

*"With the organisational review completed, the second phase looks out to the market: commercial and strategic partnerships. We are working with all our partners to get a close look, understanding and garner insights into the implementation and integration of our solutions in their organisations and workflow. This informs our roadmap and helps us align our resources strategically to maximise their impact."*

*We are very pleased with the operating momentum we are experiencing, including a record number of active mums recorded at the end of the June quarter. As implementation scales up at a number of previously announced channel partners, we anticipate continuing growth in the adoption of the HeraCARE.”*

### **Strategic Review**

On 10 May 2024, HeraMED announced the results of a strategic review resulting in a clearly defined Strategic Plan, streamlined operations, and cost optimisation after confirming that it was undergoing a restructure on 11 March 2024.

The new four-point strategic plan ('Four Point Plan') was supported by a detailed budget and roadmap to enhance the Company's long-term sustainability.

Underpinned by a customer first approach, the Four Point Plan ensures that HeraCARE is fit for purpose in each of the Company's verticals, including Commercialisation Focus – Customer First, Strategic Partnerships, Non-Dilutive Funding, and Brand Visibility.

### **Leadership and Board Changes**

During the Quarter, the HeraMED team was restructured allowing for greater efficiency, productivity, cost optimisation, and leadership to underpin the successful execution of the Four Point Plan.

On 9 April 2024, HeraMED confirmed the appointment of Anoushka Gungadin as CEO after Ron Weinberger stepped down from his Executive role. Cameron Jones, Managing Director of Bio101 Financial Advisory Pty Ltd ('Bio101') was appointed as CFO and Company Secretary of the Company. As HeraMED transitions its financial operations from Israel to Australia, Bio101 will provide CFO and finance function services to the Company. The appointment of Cameron Jones follows the resignation of Jonathan Hart.

Recently appointed CEO Anoushka Gungadin joined the HeraMED Board as Managing Director as announced on 10 May 2024. Since joining HeraMED in July 2022, Anoushka has been Vice President, Strategic Partnerships and Sales across ANZ, gaining substantial expertise across all aspects of the HeraCARE platform, HeraBEAT device, the global women's health and remote monitoring markets, and the competitive landscape.

On 10 May 2024, Tim Chapman was appointed as Chair of the Board replacing Ron Weinberger who resigned from the Board on 1 May 2024. It is the Board's intention to add additional Directors who provide skills, experience, networks, and market knowledge during the next phase of commercialisation. The advisory board will also be enhanced to provide another layer of support to Anoushka and the leadership team as they execute the Four Point Plan.

### **Successful Capital Raising**

To support the next phase of HeraMED's commercialisation, the Company raised \$2.75 million during the Quarter, comprising:

- an issue of 2.35 million Convertible Notes each with an issue price of \$1 to raise \$2.35 million without interest ('Convertible Notes'), converting to Ordinary Shares at an issues price of \$0.01 per share upon shareholder approval at the 2024 Annual General Meeting held on 20 June 2024;
- an issue of 35 million Ordinary Shares with an issue price of \$0.01 per share to raise \$350,000 ('Shares'); and
- an unsecured loan without interest of \$50,000 from Tim Chapman, Chair of the Board, which converted to Ordinary Shares at an issue price of \$0.01 per share (same as Convertible Notes) upon shareholder approval.

## Organisation Restructure

The strategic review entailed a thorough assessment of all roles and costs across the business, including a decision to restructure and right size the Company.

The restructure was aimed at optimising the Company’s resources while structuring the business for scalability. The operating cost base of the Company is estimated to reduce on an annualised basis by approximately \$2.0 million. The benefits of the reduction in the operating cost base are anticipated to be realised from the second half of 2024.

Throughout this period of restructuring, HeraMED’s commitment to its customers remains unwavering. HeraMED is continuing to support its existing global customer base, including Broward and Lovu Health in the US and Telstra Health, PHI and the Gold Coast University Hospital in Australia.

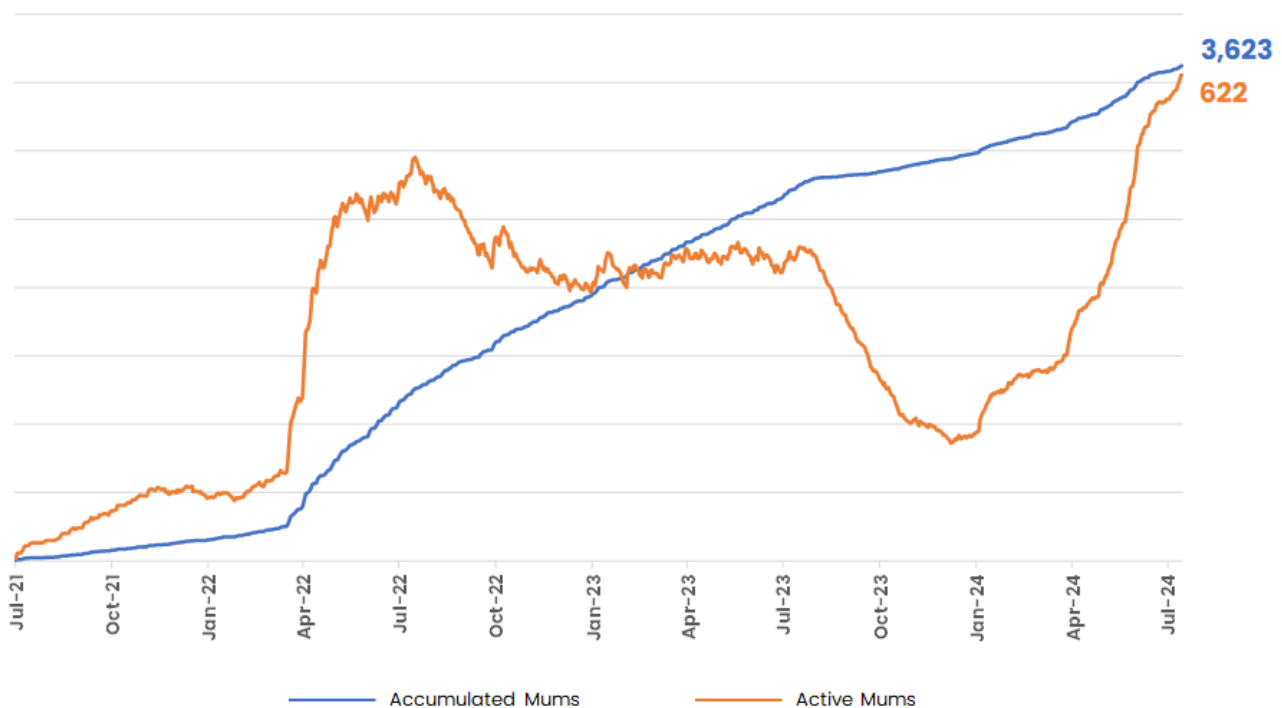
## HeraCARE Platform

HeraMED continues to build momentum on its innovative HeraCARE platform with a record number of active and accumulated users (‘mums’). The number of accumulated registered mums on the HeraMED platform reached a new record 3,623 as at 19 July 2024, including 622 active mums (previous record was 517 active mums as at 21 July 2022) (see Figure 1).

Recent growth can be primarily attributed to US-based Broward (67 active mums) as well as Perth based private clinics Simply Women and JOGG (199 active mums). The number of accumulated HeraCARE platform mums is anticipated to continue growing as a number of previously announced agreements and partnerships are implemented across calendar 2024.

Over time, accumulated HeraMED platform data is anticipated to provide early clinical intervention opportunities, accelerating HeraMED’s “data as an asset” approach and the use/integration of proprietary AI tools and analysis.

Figure 1 - HeraCARE Platform Accumulated and Active Mums Registered



## Key Customer Updates

### United States

#### *Broward*

On 17 June 2024, HeraMED announced Broward Health had commenced onboarding mums as part of the implementation of its agreement with Broward Health in Florida, USA. Broward Health is one of the 10 largest public healthcare systems in the US and includes five safety net hospitals with more than 50 locations and offices, and a team of over 1,800 nationally recognised doctors. The HeraCARE platform is currently being used by more than 60 mums since going live as part of the controlled rollout. The implementation will scale to support at least 700 pregnancies.

Over the September 2024 quarter, HeraMED is anticipating onboarding will begin to accelerate as the new model of care is rolled out.

#### *Lovu*

During the Quarter, Lovu has continued to build its user base (15 clinics now onboarded across California, Texas and Ohio). Across these clinics, there are 381 active mums on the platform.

#### *New Customers and Channel Partners*

As part of the strategic review, HeraMED announced on 11 June 2024 the termination of its partnership with US-based Fembridge following both parties being unable to agree on revised commercial terms. As part of its continued commercial strategy into the US, HeraMED is continuing to have commercial discussions with a number of other channel partners that specialise within specific customer verticals within the US.

To complement HeraMED's channel partner strategy on the back of the successful launch at Broward, direct discussions continue with a number of other large east coast US healthcare systems and partners that are aligned to the priorities of HeraMED to drive the business forward.

### Australia

#### *Gold Coast University Hospital*

The trial has continued as planned and is now drawing to a conclusion with the preparation of final reports underway. The engagement and experience with Gold Coast University Hospital to this point has been of a very high quality with some very positive insights into the solution. The Company is currently waiting for formal reporting on various KPIs looking at both clinical team and mums experience. Both organisations have worked very collaboratively throughout and HeraMED continues to support in this evaluation phase.

This trial has been conducted as a real partnership and has already delivered mutual and meaningful benefit, whilst allowing the Company to gain significant insights into the practical application of our solution in a real-world public hospital setting (being a key vertical for HMD). The Company looks forward to sharing more detailed results once the formal reporting is complete and next steps.

#### *Telstra Health*

On 24 June 2024, the soft launch of HeraCARE within the Telstra Health ecosystem through targeted GP clinics was announced. In November 2023, HeraMED announced its partnership with Telstra Health's Medical Director platform servicing GP and healthcare professionals and is the first remote maternity solution to join the Telstra Health digital ecosystem.

As planned, a number of GP Clinics have been recruited with the expectation of onboarding and going live within these clinics in the coming weeks. This soft launch is designed to test GP workflows as well as optimise care and commercial models, before a full launch to the larger network. On completion of the soft launch,

HeraMED anticipates marketing to the entire GP clinic customer base and onboarding of mums through Telstra Health's GP clinics practices by the end of calendar year 2024.

#### *PHI*

Through Simply Women and JOGG, PHI had an active Quarter adding 153 mums onto the platform and expanding care plans across low and high risk pregnancies. PHI is a key partner in our innovation as they provide meaningful insight and feedback from both clinical team and users for continuous product and process improvement. The Company anticipates this trend to continue across the remainder of calendar year 2024.

#### **Financial Update**

As at 30 June 2024, the Company had a cash balance of \$1.405 million. During the Quarter, there were no cash receipts from customers. Licences being used from Lovu and PHI had been prepaid in 2023, however Lovu has now exhausted the 500 prepaid licences and will be invoiced for new mothers being added to the platform on a monthly basis from July 2024. In July 2024, HeraMED received US\$200,000 (~\$300,000) from Broward Health for the first year of its current two-year agreement.

For the Quarter, key expense components included staff costs (\$578k), research and development costs (\$191k), administration and corporate costs (\$295k), advertising and marketing (\$279k), and product manufacturing and operating costs (\$40k). There were a number of one-off payments as part of the restructure as well as accrued payables incurred prior to the restructure that were settled during the Quarter.

The Company anticipates the cost benefits of the restructure estimated at \$2.0 million on an annualised basis will begin to take effect during the September 2024 quarter and have its full effect by the end of the December 2024 quarter.

In accordance to Listing Rule 4.7C, payments made to related parties and their associates included in items 6.1 of the Appendix 4C was \$112k and included Director fees, salary and superannuation for the previous Executive Chair and Non-Executive Directors.

ENDS

This announcement has been authorised by the Board of HeraMED Limited.

#### **HeraMED Limited**

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## About HeraMED Limited (ASX:HMD)

HeraMED is an innovative medical data and technology company leading the digital transformation of maternity care by revolutionising the prenatal and postpartum experience with its hybrid maternity care platform. HeraMED offers a proprietary platform that utilises hardware and software to reshape the Doctor/Patient relationship using its clinically validated in-home foetal and maternal heart rate monitor, HeraBEAT, cloud computing, artificial intelligence, and big data.

The Company's proprietary offering, HeraCARE, has been engineered to offer a fully integrated maternal health ecosystem designed to deliver better care at a lower cost, ensure expectant mothers are engaged, informed and well-supported, allow healthcare professionals to provide the highest quality care and enable early detection and prevention of potential risks.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

HERAMED LIMITED

**ABN**

65 626 295 314

**Quarter ended ("current quarter")**

30 June 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$AUD'000</b>	<b>Year to date (6 months) \$AUD'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	14
1.2 Payments for		
(a) research and development	(191)	(371)
(b) product manufacturing and operating costs	(40)	(54)
(c) advertising and marketing	(279)	(622)
(d) leased assets	(20)	(59)
(e) staff costs	(578)	(1,255)
(f) administration and corporate costs	(295)	(664)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	4
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	25	118
1.8 Other – GST/VAT refunds	72	135
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,304)</b>	<b>(2,755)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,750	3,390
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(178)	(226)
3.5	Proceeds from borrowings	260	260
3.6	Repayment of borrowings	(336)	(336)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	5	5
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,501</b>	<b>3,093</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	217	1,061
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,304)	(2,755)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,501	3,093



## Quarterly cash flow report for entities subject to Listing Rule 4.7B

4.5	Effect of movement in exchange rates on cash held	(9)	6
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,405</b>	<b>1,405</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$AUD'000</b>	<b>Previous quarter \$AUD'000</b>
5.1	Bank balances	1,405	217
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,405</b>	<b>217</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$AUD'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	112
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$AUD'000</b>	<b>Amount drawn at quarter end \$AUD'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-

7.5	<b>Unused financing facilities available at quarter end</b>	-
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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	Estimated cash available for future operating activities	\$AUD'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	1,304
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,405
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	1,405
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>1.08</b>

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

**1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?**

No. The Group has taken steps to significantly reduce the operating expenditure of the business moving forward as announced on 10 May 2024, the operating cost base is being reduced on an annualised basis of approximately \$2.0million.

Operating outflows reduced in the quarter ended 30 June 2024, compared to the quarter ended 31 March 2024, and the reduction in the operating cost base is expected to continue be realised in the second half of 2024.

In addition since 30 June 2024, the Company received (US\$200,000) from Broward Health.

**2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?**

During the six months ended 30 June 2024, the Group raised a total of \$3,395,000 (before transaction costs), of which \$2,750,000 was received in the quarter ended 30 June 2024.

The Group is continuously evaluating its funding options with advisors to determine the most suitable path for the future.

**3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?**

For the reasons outlined above, the Group expects to be able to continue its operations and to meet its business objectives.

## Compliance statement

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

Date: 30 July 2024

The Board

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.