

ASX ANNOUNCEMENT

31 January 2023

Quarterly Activities & Cashflow Report**Further progress in commercial adoption in Australia and key appointment in America****Q4 FY22 and Subsequent Events Highlights**

- Commercial deployment of HeraCARE platform at Joondalup Health Campus (JHC) progressing well with strong growth in numbers of pregnant mothers added to the platform each month;
- Discussions continue for an extended long-term contract to cover all pregnant women under JHC's care;
- Discussions progressing well regarding commercial deployment with several major public hospitals on East coast of Australia delivering well in excess of 10,000 pregnancies per annum;
- Plans for deployment within 'Melbourne Mothers' private practice progressing well;
- E'Lövu Health achieved important milestones including ordering and paying for the first 200 HeraCARE licences;
- Appointment of highly experienced Executive Keith Koby as President America representing an important step in strategy to rapidly grow presence in key target market of America.

HeraMED Limited (ASX:HMD) ("HeraMED" or the "Company"), a leader in the digital transformation of maternity care with its proprietary remote monitoring maternity care platform, is pleased to provide its Appendix 4C cash flow statement for the December 2022 quarter (Q4 FY22) along with the following financial and operational update.

HeraMED CEO David Groberman, commented: "The achievements in December are the culmination of several years of hard work and a particularly pleasing twelve months of strategic progress during 2022.

"The team has worked tirelessly to establish so many promising relationships and commercial leads across Australia, America and Israel and I am confident that 2023 will be a very important year for the business," he said.

Australia – Commercial Deployment

Since the September quarterly update published on 28 October 2022, JHC has continued to deploy the HeraCARE solution as their primary and standard model of care for pregnant women and has now registered over 2,000 pregnancies.

HeraMED continues to engage regularly with executive management at JHC with the intention to agree to a long-term extension of the existing commercial agreement. In order to complete the agreement JHC does require authorisation from its parent Ramsay Health. Whilst JHC (and by extension HeraMED) wait for that authorisation, HeraMED and JHC continue to work very closely on what has been a very successful first commercial deployment of HeraCARE.

In November, results from JHC's second Clinical Trial were peer-reviewed and published in Nature magazine's digital health platform - Nature Portfolio Journals (NPJ). This publication is important for several reasons; the validation of the results that found the technology to be comparable to the current standard of care hospital based CTG machines, the conclusion that the device can be used for remote and home monitoring and that this has not been possible before.

HeraMED Director of Strategic Partnerships, Australia & New Zealand, Anoushka Gungadin who joined in July 2022 has achieved solid progress in further growing the pipeline of opportunities across Australia, with a direct focus on business development and sales.

The first agreement achieved under Anoushka's stewardship was an agreement with leading obstetrician and gynaecologist Associate Professor Vinay Rane, who will lead the first private clinic commercial HeraCARE launch in Victoria, with deliveries across private hospital networks. The agreement includes 250 HeraCARE licenses (with a similar number of HeraBEATs) for a total of A\$169,000 for one year. Associate Professor Vinay Rane's private practice 'Melbourne Mothers' will undertake the project for deliveries. These initial 250 licenses represent Phase 1 of adopting the new 'Connected Maternity Care' (CMC) model. Dr Rane and HeraMED have been working closely to finalise the structure of the first phase of the commercial deployment and are planning to launch in the coming month.

Pleasingly, there are well progressed discussions underway with major public hospitals on the East Coast of Australia, which combined have >10,000 births per year. These discussions have moved from the 'trial scoping' stage into the 'technology due diligence' phase. Furthermore, there are discussions underway with other organisations including hospitals, health insurers, and other health professionals which are all useful in determining the best fit for the HeraCARE platform in different settings including public and private hospitals.

US - Commercial progress

e-Lövu and HeraMED executed an initial partnership agreement for deployment of HeraCARE into the US market in July 2022. e-Lövu is a clinically guided digital ecosphere and marketplace that is focused on bringing a new level of service and an innovative business model to the pregnancy and maternity care market in the US.

Pleasingly e-Lövu have initiated their first pilot, paid for the first 200 licences, and have well progressed plans to commence commercial rollouts at several West Coast, US-based sites from February 2023. In the coming weeks e-Lövu plans to officially launch its business. At that time HeraMED will be able to provide further updates on the progress of its first pilot, further deployments and progress on the commercialisation of its platform.

In January 2023, a key announcement was made with the appointment of Keith Koby as President, North America. Keith is a highly experienced health executive, having spent over 30 years working in medical technology and services sales in North America, including senior roles at GE Healthcare and Nanosonics. Keith was most recently Senior Vice President, North America at Nanosonics (ASX:NAN) where he led the team that transformed the ultrasound probe disinfection market and established Nanosonics' technology as the standard of care across North America.

In Keith's first week at HeraMED he attended the inaugural 'Future of Maternal Care' summit in San Diego alongside HeraMED's CFO Sivan Sadan and VP Innovation Dr Arturo Weschler, where HeraMED presented. Pleasingly HeraMED received strong interest from numerous industry players, some of whom were already known to Keith, further expanding the direct pipeline in the US.

Israel – Commercial Deployment

There continues to be positive feedback on the HeraCARE platform and technology from Project Rozana in the West Bank. In July 2022, HeraMED announced that its remote monitoring technology was chosen as one of the key components of a collaboration between Israel's Sheba Medical Center and Project Rozana, an Australian-inspired, non-profit organization building bridges to better understanding between Israelis and Palestinians through health. This collaboration is targeting improved healthcare services for expectant mothers in Palestine's West Bank.

Board Change

As of today, Mr Tal Slonim will formally resign from his position of Executive Director and Chief Operating Officer. Mr Slonim will remain on the HeraMED board as a Non-Executive director.

Financial overview

The cash balance as at 30 December 2022 was US\$2.617m. Net cash of US\$800k was used in operating activities compared to US\$930k for the quarter ended 30 September 2022. During the quarter, receipts from customers totalled US\$137k, with approx. 60% of receipts originating from America via e-Lövu and the balance from Australia.

December 2022 quarter totals for key expense components were staff costs of US\$417K compared to US\$402K in the previous quarter, research & development costs of US\$120 compared to US\$162K in the previous quarter, administration and corporate costs of US\$200K compared to US\$303K in the previous quarter, and product manufacturing and operating costs of US\$133K compared to US\$44K in the previous quarter.

-ENDS-

This announcement has been authorised by the Board of 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.

About HeraCARE:

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")

31 December 2022

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (12 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	137	272
1.2 Payments for		
(a) research and development	(120)	(420)
(b) product manufacturing and operating costs	(133)	(244)
(c) advertising and marketing	(79)	(285)
(d) leased assets	(25)	(103)
(e) staff costs	(417)	(1,864)
(f) administration and corporate costs	(200)	(848)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – GST/VAT refunds	29	124
1.9 Net cash from / (used in) operating activities	(800)	(3,352)
2. Cash flows from investing activities		
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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	387	2,713
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	115
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(29)	(186)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	358	2,642

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,995	3,560
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(800)	(3,352)
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)	358	2,642

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

4.5	Effect of movement in exchange rates on cash held	64	(233)
4.6	Cash and cash equivalents at end of period	2,617	2,617

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$USD'000	Previous quarter \$USD'000
5.1	Bank balances	2,617	2,995
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,617	2,995

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$USD'000**

103

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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

7. Financing facilities

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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

**Total facility
amount at quarter
end
\$USD'000****Amount drawn at
quarter end
\$USD'000**

-

-

-

-

-

-

-

-

7.5 Unused financing facilities available at quarter end

-

- 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	\$USD'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(800)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	2,617
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	2,617
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	3.2

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?

N/A

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?

N/A

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

N/A

Compliance statement

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

Date: 31 January 2023

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

Notes

- 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.
- 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.
- 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.
- 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".
- 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.