

ASX ANNOUNCEMENT**Friday 28 April 2023****Quarterly Activities & Cashflow Report****Solid progress on commercialisation plan and strengthened management team****Q3 FY22 and Subsequent Events Highlights**

- Appointment of Keith Koby as President, North America, responsible for growing HeraMED's presence, optimizing the go-to-market strategy and establishing the sales and distribution model;
- Director of Strategic Partnerships, Australia & New Zealand Anoushka Gungadin to transition to a full-time role to capitalise on the significant opportunities;
- Gold Coast Hospital and Health Service to trial the use of the HeraCARE Platform for their Women Newborn and Children Services;
- Successful first phase of US Strategic Partner e-Lövu Health's initial commercial rollout is progressing well, with positive feedback already received from both patients and providers; and
- Since January 2022, the total number of pregnant women that have used the HeraCARE platform now exceeds 2,400 along with valuable data including >15,000 fetal heart rate measurements, >9,500 blood pressure measurements, >8,500 weight measurements and >10,000 mental health measurements.

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 March 2023 quarter (Q1 FY23) along with the following financial and operational update.

HeraMED is focused on executing its well-defined strategic plan for the commercialisation of HeraCARE and during the period as well as subsequent to the period, there were several changes made to the Board and Management, to reflect the changing needs of the Company. The Company will continue to invest in ensuring there is appropriate expertise and resources in place to capitalise on the opportunity with significant interest, expanding pipelines as well as the expected onboarding of new customers in the coming months.

Initially the focus at HeraMED was on technology design, development, and manufacturing, and this has evolved to the current focus on commercialisation in the key target markets of Australia and USA and scaling up resources to generate sales in all markets.

To reflect this, during the quarter, there was a very senior appointment in USA. Keith Koby, formerly Senior Vice President, North America at Nanosonics, one of Australia's most successful medical technology companies, representing HeraMED's most senior appointment to date. Keith brings over 30 years of leadership, excellence and relevant experience in the medical technology and devices market.

Anoushka Gungadin was initially appointed as Director of Strategic Partnerships, Australia, and New Zealand, in June 2022, in a part time capacity. On 20 April, the Company announced that Anoushka would be transitioning to full-time to capitalise on the significant opportunity in Australia.

As part of the commercialisation strategy for HeraCARE Keith and Anoushka have begun implementing strategies to build HeraCARE's brand awareness amongst the medical community by attending conferences and workshops in the US and Australia and by refining the go to market strategies for HeraCARE for various customer sets.

Since January 2022, the total number of pregnant women that have used the HeraCARE platform now exceeds 2,400, along with valuable data including >15,000 fetal heart rate measurements, >9,500 blood pressure measurements, >8,500 weight measurements and >10,000 mental health measurements. The widespread use of the HeraCARE platform is resulting in valuable data being constantly accumulated which will further support commercial deployment in the future.

Importantly, the satisfaction scores based on over 520 surveys from individual users of the HeraCARE platform were an impressive 4.5 stars out of 5 for general satisfaction and over 90% said they preferred remote patient monitoring with 94% saying using HeraCARE contributed to their peace of mind.

Australia – Commercial Deployment

One of the key new business opportunities that Anoushka was successful in establishing was announced on 21 March 2023 when the Gold Coast Hospital and Health Service signed a Memorandum of Understanding to trial the use of the HeraCARE platform. A controlled trial of the platform will be undertaken for up to 90 pregnancies for a period of six to nine months, with an objective to evaluate clinical usability, patient satisfaction, value for money and economic analysis. Since signing the MoU, the project team has now been established for both HeraMED and GCUH, with the project agreement currently being finalised and the anticipated launch and recruitment to begin during the current quarter.

Since signing a commercial agreement in December 2022 with Melbourne Mothers (MM), HeraMED has supported the review of their existing care model. Pleasingly, HeraCARE is now successfully integrated into their new care model and recruitment of newly pregnant mothers is underway.

The widespread use of HeraCARE at the Joondalup Health Campus (JHC) continued during the period. The total number of pregnant women that are using or have used the HeraCARE platform now exceeds 2,200. Commercially, JHC and HeraMED have for some time been undertaking commercial discussions for a long-term agreement. Whilst this has taken much longer than either party anticipated, discussions have progressed and are drawing to their conclusion. HeraMED will update shareholders once the agreement has been finalised.

During the quarter many commercial discussions continued with both prospective public and private hospitals and hospital groups, health insurers, digital health platforms and not-for-profit foundations focused on women's and or rural and remote health. HeraMED is evaluating several commercial models in conjunction with various potential partners to ensure alignment with various type of customers from Hospitals to health insurers, governments to not-for profit organisations as well as private practices. Models for both hardware and software that are being assessed include direct monthly SaaS for hospitals, fees on a per pregnancy basis, one off upfront arrangements as well as licencing. Over the coming quarters, HeraMED anticipates entering into initial commercial agreements with additional customers.

Furthermore, relationships are being established with various Universities to undertake further research on the health economics, access, and equity of maternity care for a healthcare provider to deploy HeraCARE.

US – Commercial Deployment

Since joining HeraMED in January 2023, Keith Koby has been charged with leading the commercialisation strategy in the US. The pipeline has expanded and progressed rapidly as Keith has capitalised on his broad network and deep experience in commercialising new medical technologies. Three types of commercial relationships are being developed and established through extensive customer engagement across the US which include:

1. Direct contract with Hospitals, OB Physician and Practice Management Groups;
2. Large scale employers seeking to offer HeraCARE as part of their employee healthcare benefits; and
3. Strategic Agreements including digital health platforms, of which e-Lövu is an example.

There are several discussions underway directly with hospitals seeking a remote pregnancy solution. The US healthcare market is very diverse and fragmented as regards to how healthcare is accessed as well as health challenges which are faced in specific regions.

Over the coming months, HeraMED anticipates reaching agreement with its first hospital group based on the US East Coast along with three additional larger Hospital groups progressing through advanced discussions. Additionally, several broader digital health platforms providing remote care in other verticals are currently looking to establish relationships with HeraMED to be able to add a pregnancy solution to their broader offering. HeraMED is also developing a strategy to add HeraCARE into the US employer led Employee health benefit industry.

In February, the Company announced that the successful first phase of US-based e-Lövu's initial commercial rollout, at a leading private Medical Group was progressing well, with positive feedback already received from both patients and providers. Importantly, insurance companies are also reimbursing practices for services associated with e-Lövu's new technology enabled care model.

The binding Term Sheet, originally signed in July 2022 was developed into a full strategic partnership agreement that was signed in October 2022. The agreement included 1,000 HeraBEAT smart fetal heart rate monitors, together with a separate license for access and utilisation of the HeraCARE platform for 1,000 pregnancies; the total expected revenues under this initial agreement are ~US\$550,000.

During the period, E-Lövu fully paid and received 200 HeraBEATs and placed a formal purchase order and paid 50% for a further 300 units with another purchase order placed for the additional 500, of which 50% is expected to be paid soon. Both companies are aligned and committed to continue working together to leverage each other's strengths to grow commercial traction and gain further momentum.

Board changes

On 20 April, it was announced that Non-Executive Director, Mr Tal Slonim, had agreed to leave the Board. Tal was the co-founder of HeraMED and until recently, the Chief Operating Officer and an Executive Director and his significant knowledge, hands-on capabilities, and deep experience in system design were hugely valuable in the success of HeraMED to date.

Financial overview

The cash balance as at 31 March 2023 was US\$1.827m. Net cash of US\$742k was used in operating activities compared to US\$800k for the quarter ended 31 December 2022. During the quarter, receipts from customers increased to \$340k compared to US\$137k for the prior quarter which is a significant increase. This number does however include upfront payments from e-Lövu and Melbourne Mothers as well as payment from JHC for 2022. Receipts from JHC contributed US\$186k of the total amount. This does include payments made for fees from 2022 as well as the March quarter. E-Lövu contributed US\$125k.

March 2023 quarter totals for key expense components were staff costs of US\$489K compared to US\$417K in the previous quarter, research & development costs of US\$142k compared to US\$120k in the previous quarter, administration, and corporate costs of US\$256K compared to US\$200K in the previous quarter, and product manufacturing and operating costs of US\$110K compared to US\$133K in the previous quarter.

-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.

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 March 2023

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (3 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	340	340
1.2 Payments for		
(a) research and development	(142)	(142)
(b) product manufacturing and operating costs	(110)	(110)
(c) advertising and marketing	(132)	(132)
(d) leased assets	(27)	(27)
(e) staff costs	(489)	(489)
(f) administration and corporate costs	(256)	(256)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(7)	(7)
1.7 Government grants and tax incentives	-	-
1.8 Other – GST/VAT refunds	75	75
1.9 Net cash from / (used in) operating activities	(742)	(742)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1)	(1)
(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)	(8)	(8)
2.6	Net cash from / (used in) investing activities	(9)	(9)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,617	2,617
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(742)	(742)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(9)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(39)	(39)

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

4.6	Cash and cash equivalents at end of period	1,827	1,827
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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	1,272	2,617
5.2	Call deposits	555	-
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)	1,827	2,617

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**

106

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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

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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	\$USD'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(742)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,827
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	1,827
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.46
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

- 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: 28 April 2023

Authorised by: The Board of Directors
(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.