

STATEMENT OF COMMITMENTS

HeraMED Limited ACN 626 295 314 (**Company**) intends to apply the funds raised from its public offer (**Public Offer**) AUD6,000,000 together with cash reserves as set out below.

An exchange rate of AUD1.00:USD0.7394 has been assumed for the purposes of this statement, being the same exchange rate that was used for currency conversions in the Independent Accountant's Report in the Company's prospectus dated 15 October 2018 as modified by a supplementary prospectus dated 23 November 2018 (**Prospectus**).

Use of Funds	(AUD)	(USD)	%
Existing cash reserves ¹	\$1,524,839	\$1,127,466	20.26%
Funds raised under the Public Offer	\$6,000,000	\$4,436,400	79.74%
Total	\$7,524,839	\$5,563,866	100%
Research and Development, Engineering, Regulation and Clinical ²	\$1,506,189	\$1,113,676	20%
Marketing and Sales ³	\$1,740,942	\$1,287,253	23.14%
Loan Repayment ⁴	\$200,162	\$148,000	2.66%
Corporate Expenditure (General and Administration) ⁵	\$1,701,058	\$1,257,762	22.61%
Other general and working capital ⁶	\$1,345,910	\$995,166	17.89%
Expenses associated with the Public Offer ⁷	\$1,030,578	\$762,009	13.7%
Total	\$7,524,839	\$5,563,866	100%

Notes:

- Cash reserves of the Company and HeraMED Israel as at 30 September 2018.
- Research and development, engineering, regulation and clinical costs include relevant labour costs as well as third payments to third party consultants and contractors. The primary activities of the Company in relation to research and development and engineering will be progressing the development of its existing and future products as referred to sections 2.6 and 2.10 of the Prospectus, seeking regulatory approvals such as FDA as referred to in Section 2.7 of the Prospectus, and ongoing maintenance of HeraMED's ISO and CE certificates.
- Sales, marketing and business development includes costs in relation to relevant labour costs, third party consultants and contractors, costs of samples for marketing purposes, costs incurred in attending conferences, trade show, corporate events, the cost of business development staff and associated travel.
- Loan Repayment pursuant to the Credit Line Agreement summarised at Section 7.6 of the Prospectus.
- The Company's anticipated expenditures for the 12 months from completion of the acquisition of Hera Med Ltd (P.C. 51-467654-3) (**HeraMED Israel**). This includes wages, director fees, contractor fees, rent and outgoings, insurance, accounting, legal, listing and registry fees and other items of a general administrative nature.
- Other general and working capital may be used for corporate expenditure items or in connection with any project, investment or acquisition, as determined by the Board. Refer to the table in section 8.7 of the Company's prospectus dated 15 October 2018 as supplemented by the supplementary prospectus lodged on 23 November 2018 for the itemised costs of the expenses associated with the offers.
- Anticipated revenues have not been included in the table above on the basis that the Company does not consider that it has a reasonable basis on which to include financial forecasts.

The above table is a statement of current intentions as of the date of this announcement. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.