



ASX ANNOUNCEMENT

31 July 2019

Quarterly Activities Report: HeraMED lays strong foundation for growth

- HeraCARE Pro successfully integrated with Hapvida, one of Brazil's largest healthcare organisations - first commercial deployment underpins validation and potential
- HeraBEAT and HeraCARE PRO trial progressing with Hapvida - 112 HeraBEAT devices distributed across network
- HeraCARE Home platform development to underpin growth - HeraMED to seek guidance from Mayo Clinic and Hapvida for ongoing product development
- FDA process underway for HeraBEAT device - 510K application submitted
- Distribution agreements secured in Turkey and Mexico for HeraBEAT - sales to materialise near term
- HeraBEAT Australian B2C sales campaign commenced via Meerkats and Dale Group International
- Head of Cardiology at the Mayo Clinic, Dr Paul Friedman appointed to HeraMED Advisory Board
- HeraMED remains with US\$2.546m (~A\$3.62m) cash at bank to drive growth through international expansion and dual commercialisation initiatives

Medical technology company, **HeraMED Limited (ASX:HMD)** ("HeraMED" or the "Company") is pleased to provide an update on its progress for the three month period ended 30 June 2019 (Q2 CY2019).

HeraMED is progressing in its commercial launch of its products through multiple distribution agreements for its HeraBEAT device, the first commercial deployment of HeraCARE and the development and pending commercialisation of a second business model.

Hapvida integration marks first HeraCARE commercial deployment:

HeraMED successfully integrated both its HeraBEAT device and HeraCARE Pro platform into Hapvida's Electronic Medical Records, marking the first commercial integration and providing considerable validation.

Hapvida is one of Brazil's largest healthcare providers and hospital owners. It services ~6.5m customers through circa 100 hospitals and 1,000 clinics across 11 states.

The integration phase included rigorous technical testing from Hapvida's team of medical professionals, as well as multiple scenario tests to gauge the efficiency and resilience of the platform and device. HeraMED advises that both HeraCARE and HeraBEAT passed all of these tests and the products reliability and accuracy is now validated.

The integration process now allows for seamless data upload and sharing between HeraBEAT and customised HeraCARE PRO platform. The platform now also supports immediate data upload from HeraBEAT via the cloud to Hapvida's infrastructure enabling the medical team to view analytics in real-time.

112 HeraBEAT devices are being shipped across Hapvida's network of hospitals ahead of a broader pilot trial to test both solutions with the group. HeraMED will provide trial updates as they become available.

Considerable progress with HeraCARE:

Following ongoing cooperation with partners and medical organisations, specifically Hapvida and the Mayo Clinic, HeraMED has enhanced its cloud based SaaS platform HeraCARE. The Company has devoted focus and resources to project development and has made significant progress to date. HeraMED will now offer two versions of HeraCARE, HeraCARE Home (under development) and HeraCARE PRO.

The HeraCARE platform is designed as a modular and customisable platform for healthcare organisations. It includes self monitoring devices managed by a personalised app running from an expecting mother's mobile device, as well as a cloud-based software solution that connects to any caregiver's IT interface or Electronic Medical System.

The platform facilitates remote monitoring of pregnancy metrics, direct communication between the caregiver and the expecting mother and a machine learning engine designed to provide insights based on the data collected from a large number of pregnancies. The aim of the platform is to improve safety, and reduce costs and labor associated with managing a successful pregnancy.

While the feature set will differ between Home and PRO models, HeraMED advises that cloud based infrastructure is operational and pilot testing is underway. HeraMED will aim to beta test a version of HeraCARE Home in early 2020.

The business model of HeraCARE Home will be based on recurring revenue generated through a monthly subscription. HeraMED will provide all technological aspects of the platform and local partners such as insurers, employers, healthcare providers and commercial telemedicine companies will manage deployment and provide reservice.

HeraMED is progressing discussions for testing and broader roll out of the HeraCARE PRO solution and looks forward to updating shareholders on developments.

Australian B2C Launch:

HeraMED strengthened its Australian presence following the launch of a dedicated B2C website (www.hera-beat.com.au) for its medical grade, foetal heart rate monitor, HeraBEAT. The launch coincided with a strategic marketing campaign across multiple channels to drive uptake and awareness.

The website and campaign have been developed in collaboration with top tier creative agency, Meerkats. Meerkats will receive a pre-negotiated commission from Dale Group International for each device sold, incentivising them to drive sales. The campaign is ongoing and HeraMED will provide an update to shareholders around uptake in the near term.

HeraBEAT commercial expansion through Turkey and Mexico:

HeraMED has bolstered its global distribution footprint following respective binding Memorandum of Understanding agreements (MOU) in Turkey and Mexico.

HeraMED secured a binding MOU with leading Turkish baby and toddler product distributor, Medizane Inc for the distribution of its HeraBEAT device in Turkey with the potential to expand to other territories. The agreement with Medizane follows strict commercial and clinical due diligence.

The Company also secured an agreement with IBL Holdings Limited to progress the soft launch of HeraBEAT in Mexico. Under the agreement, IBL will distribute the device through its Mexican partner, MacStore. MacStore holds the distribution rights to Apple products in Mexico, which it sells through 48 stores.

MacStore will feature HeraBEAT in designated stores in its network, that will include a specially designed and branded digital health space. IBL will also promote the device across its digital mediums, including its ecommerce site.

HeraMED is finalising all necessary translations for the product customisation with a view to begin sales in the near term.

Outlook:

HeraMED expects to deliver on a number of growth objectives in the current period and across the remainder of 2019. These include:

- International expansion via distribution agreements for HeraBEAT
- Progress trial of HeraCARE PRO with Hapvida
- Ongoing commercialisation initiatives and roll out of HeraCARE PRO and HeraCARE Home
- Explore opportunities relating to partnerships for both HeraCARE and HeraBEAT in the UK and USA

Financial overview:

Receipts from customers for the period were US\$62,000 with cash outflows of US\$788,000. HeraMED remains with US\$2.546m (~A\$3.6m) cash at bank.

The Company expects to improve its revenue profile during the current period and remainder of 2019 as sales from multiple distribution agreements materialise.

Management commentary:

Cofounder and CEO Mr David Groberman said: "I am encouraged by the positive results and progress the Company has achieved in a short period of time. HeraMED continues to achieve significant commercial milestones on an ongoing basis and generally ahead of time.

"The Company is proceeding in building our distribution footprint which it will progress accordingly and also focus on commercialising a second offering in HeraCARE which we will roll out strongly in the near term.

"HeraMED remains well positioned with enviable global partners and a growing distribution footprint to drive growth over the remainder of 2019."

-ENDS-

HeraMED Limited

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About HeraMED Limited (ASX:HMD):

HeraMED Limited is an innovative medical technology company delivering smart pregnancy monitoring solutions for home and professional use. HeraMED provides peace of mind to expecting parents by solving problems associated with the reliability of pre-natal analysis, as well as the cost and shortage in fundamental services through the development and utilisation of end-to-end medical grade solutions including monitoring devices, cloud based platforms and AI capabilities.

HeraMED is commercialising its smart medical grade ultrasound monitoring device, HeraBEAT. The device has passed multiple clinical trials and secured approval by key regulatory bodies including TGA (Australia), CE (Europe) and AMAR (Israel) for commercial sale.

The Company has partnerships with two leading medical organisations, the Mayo Clinic and TEVA Pharmaceutical Industries Inc. (NYSE: TEVA). HeraMED diversifying its product range and services with the launch of SaaS services and cloud based monitoring systems.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

HeraMED Limited

ABN

65 626 295 314

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	62	150
1.2 Payments for		
(a) research and development	(63)	(97)
(b) product manufacturing and operating costs	(58)	(95)
(c) advertising and marketing	(175)	(304)
(d) leased assets	(21)	(36)
(e) staff costs	(430)	(785)
(f) administration and corporate costs	(185)	(403)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	4
1.5 Interest and other costs of finance paid		(1)
1.6 Income taxes paid		-
1.7 Government grants and tax incentives		-
1.8 Other – GST/VAT refunds	55	75
1.9 Net cash from / (used in) operating activities	(812)	(1,492)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(3)	(7)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) property, plant and equipment		
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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)	(7)

3.	Cash flows from financing activities	-	-
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(92)
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	-	(92)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,334	4,034
4.2	Net cash from / (used in) operating	(812)	(1,492)

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

	activities (item 1.9 above)		
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(7)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(92)
4.5	Effect of movement in exchange rates on cash held	27	103
4.6	Cash and cash equivalents at end of quarter	2,546	2,546

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 \$US'000	Previous quarter \$US'000
5.1	Bank balances	2,546	3,334
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)	2,546	3,334

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$US'000**

129

-

Item 1.2 includes directors' fees and salaries.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$US'000**

-

-

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Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
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9. Estimated cash outflows for next quarter	\$US'000
9.1 Research and development	47
9.2 Product manufacturing and operating costs*	237
9.3 Advertising and marketing	135
9.4 Leased assets	24
9.5 Staff costs	474
9.6 Administration and corporate costs	191
9.7 Other	7
9.8 Total estimated cash outflows	992

* Includes estimated advanced payments for production.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.

Sign here: 
Company Secretary

Date: 31 July 2019

Print name: Mr Stephen Buckley

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.