

Quarterly Activities & Cashflow Report

Progress continues to build on executing the commercialisation strategy

Q3 FY23 and Subsequent Events Highlights

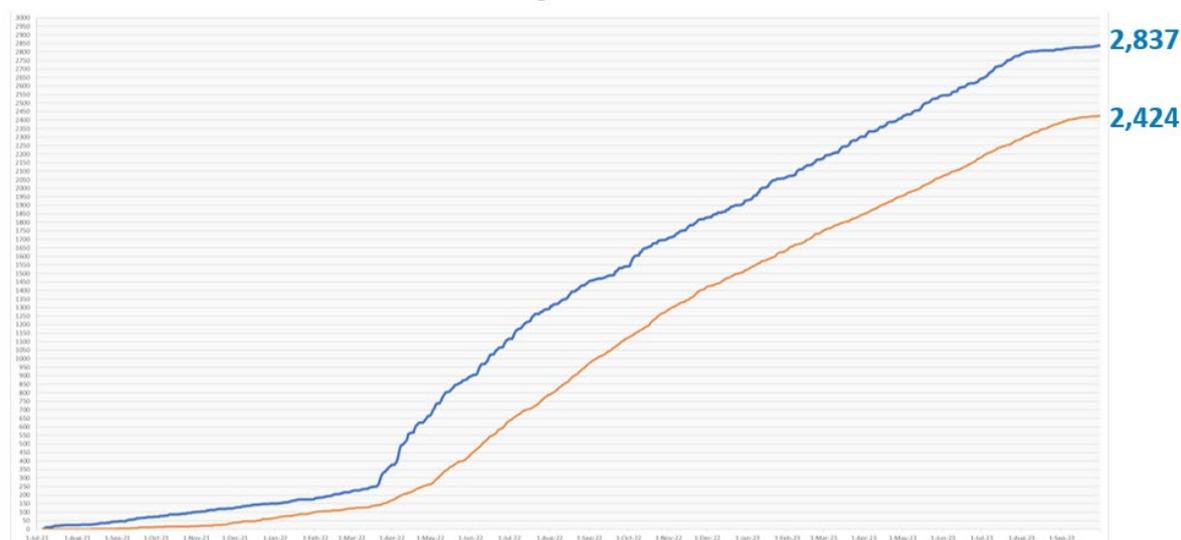
- Accumulated total users on the platform was at 2,837 as at 30 September 2023;
- Extension to e-Lövu agreement to 31 December 2023 with commitment to purchase an additional 150 HeraCARE licences and HeraBEAT devices; and
- Continued strong growth in the pipeline of commercialisation opportunities.

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 September 2023 quarter (Q3 FY23) along with the following financial and operational update.

During the quarter and to date in October, HeraMED has made continued progress on executing its commercialisation strategy in its target markets of USA and Australia.

The number of accumulated users on the platform continues to grow and is now at 2,837.

Combined Accumulated Total Users and Measurement Accumulation

Users Accumulation
— Registered — Archived

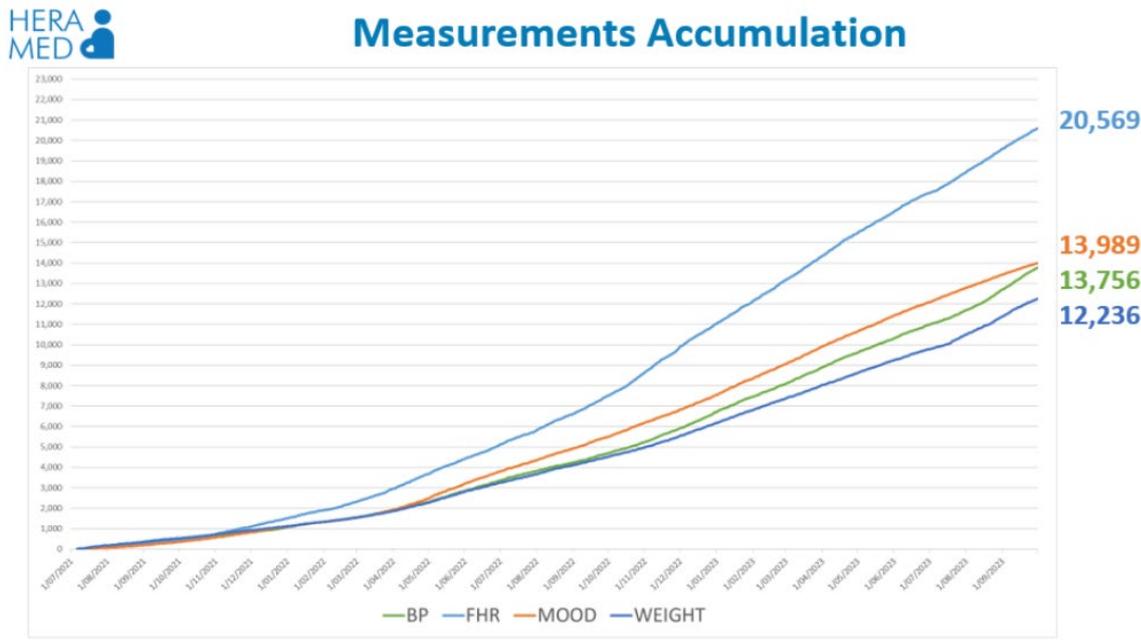
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Measurements Accumulation

Since inception, the Company has accumulated an excellent repository of data which is proving to be increasingly valuable to a range of health providers. In turn this will lead to accelerated patient data and the identification of early clinical intervention opportunities and reduction of mortality and morbidity. It will also accelerate our “*data as an asset*” approach and the use of our proprietary AI to assist in analysis and in the future, become integrated into our product.



HeraMED Executive Chairman Ron Weinberger said: “As outlined in my recent shareholder update, available on our website, one of my primary objectives in the short term is to focus on strategies to shorten the sales cycle.

Over the last 12 months, we have begun to make significant investment at the front end of our business and have continued to build market and customer understanding supported by deepening health economic and reimbursement research, and we still have significant work to do on each of these fronts to focus our commercialisation strategy,” he said.

To address the length of the sales cycle, below have been identified as the key priorities:

1. Simplify and Prioritise:

Focus on customers that are in the greatest need for HeraCARE, have the lowest barriers to uptake, and represent the easiest implementation. These are clinics facing the mortality crisis or in the maternal deserts and rural areas where access to care is difficult. HeraMED is well progressed with healthcare groups that support this customer set and I look forward to completing pilot agreements in the near-term.

Secondly, we are focusing on markets where state and national governments have already identified remote maternal care as a key priority. Several states including Florida have already taken policy steps with grant funding forming an element of the commercial model for some of our commercial discussions. The Netherlands is another country that has made public policy decisions to assess digital remote medical pregnancy care becoming the national standard. It has already proven the value as evidenced in this Lancet article: [https://www.thelancet.com/journals/landig/article/PIIS2589-7500\(22\)00231-X/fulltext](https://www.thelancet.com/journals/landig/article/PIIS2589-7500(22)00231-X/fulltext)

Although still confidential in its nature HeraCARE has been assessed in a clinical trial as part of this strategic initiative with leading universities and research institutions in the Netherlands. Pregnadigit of which HeraMED is a partner, has built a consortium of technology and service providers in the Netherlands and aims to have at least 50% of current physical outpatient and clinical pregnancy care replaced by digital remote care by 2030. It is awaiting the formal go ahead for funding from the Netherlands Health Ministry in December 2023.

HeraMED will share the results of these trials in the Netherlands as soon as its able which will hopefully become a significant opportunity for HeraCARE. It is important to note that this is not a distraction to our key markets, nor is it opportunistic, but we have been selected to be part of this Dutch initiative of which Philips is a partner, to transform management of maternal care.

Whilst not taking focus off the larger USA organisations such as hospitals, with higher numbers of pregnancies, there is a recognition the sales cycle is much longer with higher barriers to entry due to compliance and administration.

2. Agile pricing models

Different hospitals (for example public vs. private) and clinics have different business models and may require customised product/pricing packages.

3. Agile platform

We need to continue to customise and adapt our platform to suit the needs and workflows of our customers including for example reimbursements, frequency of alerts, levels of support for the pregnant women, translations into different languages, ability to integrate new devices such as the glucometer readings.

4. Implementation

To ensure the deployment and integration of HeraCARE is successful implementation support from HeraCARE is critical. Successful implementation is multi-faceted from our tech team working closely with the IT team from the hospital across any customised integrations, to ensuring all local data regulations are adhered to through, to onsite training and education for midwives, clinicians, and managers responsible for HeraCARE within the hospital. The implementation phase with Gold Coast hospital has been a huge undertaking with many learnings allowing for refined processes for other hospitals. A clear learning is onsite support is required to ensure a successful implementation.

5. Collaborate

Additional strategic partners will be added to support all facets of the business.

Integration of additional devices to HeraCARE

There is a strong demand amongst clinicians to integrate glucometer readings particularly in the USA, as existing pre-diabetic and diabetic mums require a higher level of monitoring and risk assessment. Obesity and subsequent diabetes are in epidemic proportions in the USA and these patients as well as those that acquire it during pregnancy are at significantly higher risk of developing pre-eclampsia and potentially fatal outcomes. In addition to glucose monitoring, a number of leading companies in pathology have approached to integrate blood and urine testing into HeraCARE via their home testing solutions.

To this end we are in discussions with a number of global medical device companies in order to partner with them for best pricing of their devices, promotion of their brand, research and expanding their market reach in maternal and women's health. This will definitely improve the value proposition of HeraCARE.

Further Research to Commercial Ends

Further agreements with flagship medical institutions are in discussion to continue to deepen the knowledge and database of HeraCARE to develop further non-dilutive funding opportunities. Governments, hospitals, large medical corporations, and insurers are convinced by clinical and economic data and results. This will lead to changes in guidelines and position us to be the standard of care for pregnancy. In turn this will lead to accelerated patient data and the identification of early clinical intervention opportunities and reduction of mortality and morbidity. It will also accelerate our "data as an asset" approach and the use of our proprietary AI to assist in analysis and in the future, become integrated into our product.

If we are to continue to be a leader in the space, we have to make this a strength and a key differentiator from competitors in the USA in particular. In Australia, developing the appropriate partnerships which we are presently scoping and discussing, will allow us access to non-dilutive government grant funding and the R&D tax concession of 43.5% which we can't immediately access due to the relevant business units being housed overseas. We have also recently applied for a major grant in the EU.

Current focus areas

We have three core priorities, over the next six months,

1. Execute on near term pipeline opportunities,
2. Continue to build out what HeraCARE can offer with strategic partners to ensure this is the solution to become the new standard of care in pregnancy, and
3. Focus on shortening the sales cycle and delivering more deployments of HeraCARE faster.

Target Markets

Australia

Gold Coast University Hospital (GCUH)

One of the most exciting partnerships currently underway within the business is at the GCUH, where there has been excellent progress across all fronts for the upcoming clinical trial of HeraCARE. HeraMED Executive Vice President, ANZ, Anoushka Gungadin has been working closely with GCUH executives who have applied significant resourcing to this partnership to not only ensure a successful pilot but also the longer-term success.

The pilot itself, is due to begin in the coming weeks 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. Progress has been made across clinical, technology integration and IT, workflow integration and project management and pregnant women are currently being signed up.

The Gold Coast hospital prides itself on its leadership in digital transformation under their 'Digital 2024 (D24) strategic plan' and it is therefore particularly pleasing that they have identified several opportunities to

collaborate on the development of innovative products and IP for use in a hospital and health service setting. As part of this, an Innovation Collaboration Deed and Project Agreement has been put in place.

Joondalup Health Campus (JHC)

HeraMED continues to assess the best pathway forward. Ramsay Health has made significant administrative and staff changes at Joondalup, and this has significantly impacted newer initiatives that have come up for renewal in which HeraMED is caught. This has led to challenges finding common ground for a longer-term commercial agreement with JHC thus far, but we continue to work towards a solution that will benefit all parties. Importantly HeraCARE continues to be supported by key leadership within the obstetrics department of JHC.

Pipeline

There are a number of commercial, collaborative, or pilot discussions taking place with two nearing conclusion in Australia. One is a large digital health platform with a global footprint that works with health care providers including hospitals and health service sectors to connect health information, clinicians, and consumers, with clinical and administrative systems, health data analytics, population health solutions, and information exchange platforms. The aim of these collaborations is to help providers to improve the quality, safety and efficiency of the healthcare they deliver. In the first stage, HeraMED will partner with them to deliver care in new ways through telehealth and connected maternity through their GPs networks, representing about 50% of Australian GPs. The second group leverages clinical, education and technological capabilities to deliver innovative solutions to the primary care system. They work directly with Government, academia, industry, and local health networks. HeraMED is looking at a new user-case in rural remote obstetric-GPs clinics and care starting in SA. Both groups offer access and scale to a large proportion of GPs in the country.

USA

Strengthened commercialisation team in USA gaining traction

Progress continues to be made under the leadership of Keith Koby in USA. Discussions are underway with some of the largest and most prestigious hospitals across the country with on average 4 new hospitals or healthcare providers added to the pipeline each week.

Discussions are progressing with one such hospital on the East Coast, servicing approximately 5,000 pregnancies annually, on the East Coast. In this case, the local Government is funding the trial to reduce the impact of the maternity desert on their local communities. This agreement is now at execution stage and will be update shareholders on completion.

Furthermore, there are well advanced discussions with leading groups across each customer vertical. Behind the abovementioned hospital others continue to progress with advanced discussions with major digital health platforms, insurers, numerous clinics and world renown universities and research hospitals.

e-Lövu

e-Lövu Health has now signed up six clinics in USA with a total audience of 3,600 pregnancies. Five of these clinics have been signed since June (which 3 now live and onboarding mothers) within excess of 100 mothers

onboarded since the beginning of June. This progress has demonstrated the faster sales cycle associated with smaller private clinics. Our initial 12-month agreement is reaching its term and we have agreed to extend the current term until year end, but we continue to engage with e-Lövu on how best to broaden the commercial relationship. e-lövu have committed to purchase 150 units that are ready for shipment in November. Further updates on these discussions will be provided in due course.

Financial overview

The cash balance as at 30 September 2023, was US\$1.352k. During the quarter, receipts from customers decreased to \$33k compared to US\$66k for the prior quarter. The decrease is due to e-Lovu not placing any additional orders during the quarter however an order was received in October for a further 150 licences and units (approx US\$75k) to be delivered in the December quarter. Furthermore, no receipts for HeraCARE were received during the quarter from JHC whilst management changes occurred. HeraMED is currently working with key leadership within the obstetrics department to reach a commercial solution for both parties.

September 2023 quarter totals for key expense components were staff costs of US\$367k compared to US\$413k in the previous quarter, research & development costs of US\$137k compared to US\$214k in the previous quarter, administration and corporate costs of US\$350k compared to US\$318k in the previous quarter, and product manufacturing and operating costs of US\$40k compared to US\$20k in the previous quarter.

-ENDS-

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

HeraMED Limited
Executive Chairman
Dr Ron Weinberger
M: +61 406 384 189
E: ron@hera-med.com

Company Secretary
Jonathan Hart
E: Jonathan@hera-med.com

Investor Relations
Tim Chapman
T: +61 419 897 062
E: tchapman@claritycap.com.au

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 September 2023

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (9 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	33	439
1.2 Payments for		
(a) research and development	(137)	(493)
(b) product manufacturing and operating costs	(44)	(174)
(c) advertising and marketing	(147)	(359)
(d) leased assets	(24)	(78)
(e) staff costs	(367)	(1,269)
(f) administration and corporate costs	(350)	(924)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(1)	(8)
1.7 Government grants and tax incentives	-	-
1.8 Other – GST/VAT refunds	38	130
1.9 Net cash from / (used in) operating activities	(998)	(2,724)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(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)
2.6	Net cash from / (used in) investing activities	-	(9)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,747	1,747
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	(156)	(156)
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	1,591	1,591

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	824	2,617
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(998)	(2,724)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(9)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,591	1,591

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

4.5	Effect of movement in exchange rates on cash held	(65)	(123)
4.6	Cash and cash equivalents at end of period	1,352	1,352

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	1,352	824
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)	1,352	824

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	135
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

**Current quarter
\$USD'000**

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.*

	Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
7.1	Loan facilities	-
7.2	Credit standby arrangements	-
7.3	Other (please specify)	-
7.4	Total financing facilities	-

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.

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8.	Estimated cash available for future operating activities	\$USD'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(998)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,352
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	1,352
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.35

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?

Yes, while all necessary attempts are being made to manage the cash flow we do anticipate a similar level of operating cash flows. See answers below

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?

The Group remains confident on raising further funds as and when the need arises.

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

Whilst the Group is expected to be cash-flow negative in the foreseeable future as a result of continued expenditures, the ability of the Group to continue as a going concern is dependent on securing additional funding to continue to fund its operational and technology development activities.

The Group is managing its level of expenditure and believes it can raise further financial resources as and when required to continue its operations and meet its business objectives.

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 October 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.

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.