

HeraMED continues to build strong foundation for international growth

- **FDA 510 (k) clearance received for HeraBEAT device - allows for initiation of operations in the USA**
- **A\$1.42m placement completed for EU launch and US strategy planning**
- **Development of HeraCARE comprehensive pregnancy management platform ahead of schedule.**
- **Agreement with Kinderheldin to add telehealth midwifery services to deliver HeraBEAT PLUS in Germany**
- **Cash balance of A\$2.96m provides financial flexibility**

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 ending 31 December 2019 (Q4 CY2019).

The Company achieved a number of milestones during the period, including FDA 510(k) clearance for its foetal heart rate monitor HeraBEAT, an agreement to add telehealth midwifery services to HeraBEAT in Germany, a commercial relationship with one of India's leading maternity hospital groups and further progress in Brazil with Hapvida. The Company also strengthened its balance sheet with a share placement raising A\$1.42 (before costs).

FDA 510(k) clearance received for HeraBEAT device:

In a major milestone, HeraMED's 510(k) application for its HeraBEAT US foetal ultrasonic heart rate monitor (HeraBEAT US) was cleared by the US Food and Drug Administration (FDA) and included rigorous review by FDA of HeraMED's comprehensive testing of the HeraBEAT US device.

FDA clearance allows HeraBEAT to be commercially distributed for use by medical professionals in clinical or home care settings through the United States.

The USA is a large addressable market for HeraMED and it is progressing the device's entry into the country as quickly as practicable.

HeraMED remains in ongoing discussions with its current clinical and research and development collaborators, as well as other medical institutions, hospitals and medical professionals to drive growth and product uptake.

Equity placement completed to expedite US market entry:

HeraMED completed a placement of 9,184,076 fully paid ordinary shares to sophisticated and institutional investors to raise \$1,423,531 (before costs).

Funds raised will be utilised to progress business development initiatives, and strategic planning for the Company's US market entry. HeraMED will increase its focus on expanding partnerships with top-tier medical organisations and progress agreements with insurance companies with the aim to drive solution uptake.

Capital will also be deployed to expedite the development and initiate discussions for piloting and clinical trials of HeraCARE, as well as ongoing development of its product suite and new technologies. The funding allows HeraMED to continue to support and rollout solutions in key markets such as Germany, India and Brazil.

Agreement to add midwifery telehealth services to HeraBEAT in Germany:

Furthering HeraMED's push into telemedicine, the Company entered into a cooperation agreement with leading midwife service provider, Kinderheldin GmbH ("Kinderheldin") and existing distributor, Duttenhofer Group ("Duttenhofer").

Kinderheldin is a leading, Berlin-based midwife service provider. The group has developed a web-based platform that offers expecting parents access to midwives through online chat or telephone. Midwives provide support and consultation, as well as discuss insecurities, health issues, nutrition and early child development.

Under the agreement, parties will collaborate to provide Kinderheldin's midwife services to expecting mothers using the HeraBEAT monitor. This has led to the launch of HeraBEAT Plus. Services will be offered via individual access codes, provided upon purchase of the device. Services will be complimentary for users during the launch phase, with a planned business model including a monthly rental and subscription payment to be implemented.

Kinderheldin and HeraMED will progress discussions with medical organisations and insurance companies to progress use of the device and service. Kinderheldin works with over fifty insurance companies, including some of Germany's oldest and largest, it also has agreements with five major hospitals in the country. HeraMED will aim to leverage these relationships to drive growth throughout the country.

Commercial cooperation agreed with one of India's leading maternity hospital groups:

The Company's Indian distributor Consultus, secured a partnership with one of the country's leading maternity Hospital Groups to initiate a pilot which will allow expecting mothers in the network to rent HeraBEAT monitors for home use.

The partnership was secured under Consultus' H-Cube (Her Healthcare at Home) brand, which is focused on pregnancy care and monitoring solutions. The brand aims to grow into a 360 degree solution homecare company for women in India.

Hapvida Saude trial continues in Brazil:

HeraMED's trial with one of Brazil's largest healthcare providers and hospital owners, Hapvida Saude, continued during the quarter. The Company advised that its solutions have been trialed with over 750 pregnant women in Hapvida's network, generating several thousand pregnancy monitoring records.

HeraBEAT and HeraCARE are being utilised by Hapvida medical professionals and expecting mothers for routine check-ups, as well as during labour. HeraMED has received positive feedback from nurses, and physicians, as well as Hapvida's management team.

The trial remains ongoing and HeraMED is continuing discussions with Hapvida to increase uptake of both solutions throughout its network.

Agreement with leading software and technology provider IntMED software Ltd ME:

HeraMED entered into a collaboration agreement with Brazilian IntMED Software LTD ME ("IntMED") to expedite HeraCARE co-development in country, geographical adaptation and optimisation.

IntMED is a leading medical software and technology company, focused on building innovative products. IntMED develops on demand solutions for major healthcare providers and medical organisations. The organisation is supported by an experienced management team that boasts considerable scientific expertise.

IntMED has partnerships with some of Brazil's largest medical organisations, hospitals and telehealth companies and insurance providers. The group is the software solutions provider for Hapvida and were instrumental in integrating HeraMED's solutions into the organisation's electronic medical records.

As part of the agreement, HeraMED will integrate its home and professional versions of HeraCARE into IntMED's existing technology suite. Both parties will further optimise the solutions for the local market. IntMED will assist HeraMED in growing adoption across Brazil.

Financial overview:

Receipts from customers were US\$56K mainly from Germany. Net cash outflows from operating activities for the period were US\$635K, and net cash inflows from financing activities for the period were US\$915K.

HeraMED recorded a cash balance of A\$2.96m (US\$2.04m) at the end of the period.

Outlook:

HeraMED expects to deliver on a number of objectives during the current period and beyond:

- Progress US market penetration strategy and continue to build relationship with the Mayo Clinic;
 - Initiate pilot or clinical trials of the Company's solutions in key markets;
 - Drive product uptake with top tier healthcare providers, medical organisations and insurances companies;
- and
- Ongoing develop HeraMED's technology and product offering specifically the HeraCARE digital pregnancy management platform.

Management commentary:

CEO and Co-founder Mr David Groberman said: “This quarter has marked a period of significant progress for HeraMED, which culminated in a number of major achievements.

“The Company has set a strong foundation to continue its momentum over the next 12 months. FDA clearance for the HeraBEAT device, leaves HeraMED well placed to initiate market penetration to the US market in the coming months. Particular focus will be made on leveraging our relationship with our current medical partners and entering into pilot trials where possible.

“The agreement with Kinderheldin in Germany marks the first time that a telehealth company has utilised HeraMED’s solutions and we look forward to progressing this to a revenue generating agreement.

“Management are also progressing initiatives in India and Brazil, with additional markets to follow. We look forward to updating shareholders on all progress in the near term.”

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

-ENDS-

HeraMED Limited
CEO and Co-Founder
David Groberman
M: +972-52-6991188
E: david@hera-med.com

Company Secretary
Stephen Buckley
T: +61 (0) 8 6189 1155
E: stephen@hera-med.com

Released through: Henry Jordan, Six Degrees Investor Relations, +61 431 271 538

About HeraMED Limited (ASX:HMD):

HeraMED is an innovative medical Data and Technology company leading the digital transformation of prenatal care. HeraMED utilises the digital health ecosystem including clinical home monitoring devices, cloud computing, artificial intelligence, big data and digital social networking to reshape the Doctor/Patient relationship. The Company is revolutionising the pregnancy experience by empowering personalised, continuous and proactive home monitoring, to deliver better care at a lower cost. Keeping pregnant mothers engaged, informed and well-supported provides reassurance and peace of mind while allowing the healthcare providers to work at their highest levels of ability and enabling early detection of potential risks.

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")

31 December 2019

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	56	206
1.2 Payments for		
(a) research and development	(44)	(161)
(b) product manufacturing and operating costs	(4)	(147)
(c) advertising and marketing	(127)	(590)
(d) leased assets	(24)	(82)
(e) staff costs	(418)	(1,679)
(f) administration and corporate costs	(92)	(654)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	10
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	18	158
1.9 Net cash from / (used in) operating activities	(635)	(2,940)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(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	-	(7)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	980	980
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	(65)	(157)
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	915	823

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

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	1,751	4,034
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(635)	(2,940)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(7)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	915	823
4.5	Effect of movement in exchange rates on cash held	14	135
4.6	Cash and cash equivalents at end of quarter	2,045	2,045

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	2,045	1,751
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)	2,045	1,751

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**

97

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Item 1.2 includes directors' fees and salaries.

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

7.	Payments to related entities of the entity and their associates	Current quarter \$US'000
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	
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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	81
9.2	Product manufacturing and operating costs	293
9.3	Advertising and marketing	152
9.4	Leased assets	24
9.5	Staff costs	527
9.6	Administration and corporate costs	197
9.7	Other	2
9.8	Total estimated cash outflows	1,276

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.

This statement is authorised by the Board of HeraMED Limited.

Sign here:


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Company Secretary

Date: 30 January 2020

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.