

**HeraMED continues to deliver on commercialisation strategy with
growing pipeline of potential opportunities**

Q1 FY21 and Subsequent Events Highlights

- **Announced a commercial agreement with Joondalup Health Campus (JHC) in WA representing the first agreement under new B2B strategic direction, based on a TaaS (Technology as a Service) model. The initial part of the agreement includes a paid pilot involving 100 expectant mothers.**
- **The JHC agreement follows the very successful clinical study at JHC, which delivered excellent clinical and functional validation of the HeraBEAT device.**
- **Publication of a peer reviewed article covering the JHC clinical study, in 'Obstetrics & Gynecology'; the official publication of the American College of Obstetricians and Gynecologists, widely regarded as one of most renowned scientific journals now reaching 40,000 subscribers globally.**
- **Israel's largest hospital, Sheba Medical Centre, undertaking an operational pilot study of the HeraBEAT device.**
- **Announced that Hapvida, one of Brazil's Largest network of hospitals, had extended their subscription for HeraCARE cloud-based monitoring services for 24 months on new SaaS terms.**
- **Completed a AUD \$2.3m placement, with strong support from existing and new sophisticated and institutional investors with proceeds being used to accelerate commercial roll out of the HeraCARE platform and the HeraBEAT device.**

HeraMED Limited (ASX:HMD) ("HeraMED" or the "Company"), a medical data and technology company leading the digital transformation of maternity care with its proprietary remote monitoring maternity care platform, is pleased to provide an update on its progress for the three months ending 31 March 2021 (Q1 FY21) and subsequent events.

Q1 FY21 represented a transformational period, in which HeraMED made significant progress in the execution of its commercialisation strategy. Since achieving the important clinical validation of the HeraBEAT device in the very successful results of the JHC trial, HeraMED has been in discussions with several healthcare providers in different geographies to take the next step to a commercial agreement. We are delighted to have reached the Company's first commercial agreement with JHC, part of Australia's largest private hospital operator Ramsay Health Care Group, and widely regarded as an early adopter of new technologies in obstetrics.

COVID-19 has presented a unique opportunity to fast-track the adoption of digital health in maternity care globally and we are confident that this trend will continue post COVID. HeraMED is uniquely placed to deliver high quality, prenatal, and postpartum care to improve the safety, efficiency, and cost of maternal healthcare and continues to receive significant interest from potential commercial partners from around the world and is focused on progressing the growing pipeline of opportunities.

JHC commercial agreement

The agreement represents HeraMED's first commercial agreement on a Technology as a Service basis recurring revenue model. The agreement incorporates a paid pilot involving 100 expectant mothers, representing the initial phase of what is anticipated to become a comprehensive collaboration agreement for the deployment of HeraMED's Technology as a new standard of care for pregnancy under JHC innovative service.

JHC is one of Western Australia's largest hospitals, a leading medical institution, and a maternity care service provider to an average of 3,000 expectant mothers annually. For the paid pilot JHC will be paying A\$50 per user per month.

The HeraCARE solution will be used for remote monitoring and care management in low-risk as well as high-risk pregnancies. The HeraBEAT device will be used to monitor the fetal and maternal HR while being supervised and reviewed by the professional team at Joondalup. Furthermore, the HeraCARE platform will be used to integrate and aggregate additional medical data from smart connected devices such as blood pressure, weight, activity, mood,

amongst others to be used in telehealth, remote, home-based consultations. This provides the physician with more data to better understand the physical and mental health of the pregnant woman.

On completion of the pilot, both parties intend to enter into a comprehensive collaboration agreement for the full deployment of the HeraCARE platform as a standard JHC service.

JHC is part of Australia's largest private hospital network; Ramsay Health Group and is well regarded as an early adopter of new technologies in general and specifically in obstetrics. It is particularly pleasing that JHC has chosen to adopt HeraMED's technology as it forms part of their strategic plan to become market leaders in adopting innovative care models based on digital health and home-based remote monitoring.

Clinical Study published in one of most cited scientific journals

The commercial cooperation with JHC follows a successful period of R&D, and clinical cooperation and partnership.

In October 2020, HeraMED announced the results of an independent clinical study that was undertaken at JHC, in which the HeraBEAT device demonstrated hospital-grade accuracy for monitoring foetal and maternal heart rates, as well as excellent usability scores and user satisfaction, for use both by clinicians and pregnant women. During this clinical study, the Foetal Heart Rate was detected on 100% of occasions by clinicians and importantly, it was also accurately and quickly detected on 100% of occasions by expectant mothers when using the device by themselves at home. Essentially these results represented the all-important clinical validation for the company's technology.

Following the outstanding results, HeraMED was honoured to have an overview of the trial published in a globally recognised scientific journal called 'Obstetrics & Gynecology'. Also known as 'the green journal' it is ACOG's formal medical journal and widely regarded as one of the most renowned scientific journals in the industry reaching over 40,000 subscribers globally. This peer-reviewed publication was carefully reviewed and analysed by the editors and they validated the methods, processes and accuracy levels of the results and concluded that our technology is indeed accurate, easy to use and includes all the features and capabilities necessary to be used in telehealth consultations. Furthermore, the clinical trial results were chosen to be featured in the journal's monthly webcast, where the chief editor of the journal and one of the leading physicians in the US stated his strong interest to follow the technology's progress and mentioned he sees great potential in home-based pregnancy monitoring.

Cooperation with Israel's largest Hospital, Sheba Medical Centre

The first step of the partnership was a pilot that was undertaken at the Sheba Medical Centre at Tel-Hashomer, a university-affiliated tertiary referral hospital that serves as Israel's national medical centre in many fields. Housing over a quarter of Israel's medical research, including a focus on women's health, Sheba is renowned for its compassionate care and leading-edge medicine, and was recently ranked 9th in the world's best hospitals in 2020 by Newsweek. Overall, Sheba manages more than 10,000 births annually.

The pilot involves several defined stages. During the first stage, which began in February 2021, Sheba used the HeraBEAT smart pregnancy monitors in operational mode to enable telehealth-based services in their dedicated pregnancy COVID-19 unit. Pregnant women who were admitted to the Covid-19 unit required continuous monitoring. The HeraBEAT monitors real-time foetal and maternal heart rate monitoring and analysis by Sheba's midwives and obstetricians, limiting the amount of physical interaction to potentially reduce the risk of COVID-19 exposure and spread. The second stage of the pilot involves a much wider study providing additional use cases beyond COVID-19 such as high-risk pregnancies and post-term in which constant and real-time remote pregnancy monitoring is necessary. This stage holds significant potential to include a wide audience of pregnant women. This pilot will further include both in-hospital as well as in-home used-cases, and it is a part of Sheba BEYOND's vision to become a leader in virtual care and home admission services. During the first stage of the pilot, HeraMED will work closely with the professional team at Sheba to ensure the technology is successfully integrated into their workflows and IT infrastructure. This work is expected to underpin an efficient adoption for the anticipated full-scale, commercial deployment.

Hapvida extends HeraCARE cloud-based monitoring services subscription on new SaaS terms

Hapvida, one of Brazil's largest health care providers extended their subscription for HeraCARE cloud monitoring services for 24 months on new SaaS terms. Hapvida services customers nationwide, through a network of 96 hospitals and 966 clinics. The combination of the HeraBEAT device and HeraCARE cloud monitoring services are currently being used in the Hapvida hospitals as their primary pregnancy monitoring tool, in place of the traditional and much more

expensive CTG pregnancy monitoring machines. Under the new agreement, Hapvida have adopted a per user per month subscription model. Hapvida have elected to make an upfront payment of US\$45,000 for the 24-month extension and negotiations are continuing in relation to the purchase of additional HeraBEAT devices.

About HeraMED's commercialisation strategy

HeraMED's B2B commercialization strategy can be summarized to the following 4 well-defined and measurable steps:

- Focus on establishing clinical credibility of the technology.
- Healthcare providers to undertake paid pilots.
- Enable broad adoption amongst healthcare providers.
- Execute a 'Land and Expand' strategy across target markets.

Financial overview

The cash balance as at 31 March 2021 was US\$2.768 million. Net cash of US\$753K was used in operating activities compared with US\$868K for the quarter ending 31 December 2020.

Advertising and marketing expenses decreased from US\$113K in Q4 FY20 to US\$47K in Q1 FY21. Staff costs increased from US\$477K in Q4 FY20 to US\$483K in Q1 FY21.

The company continues to invest in business development as well as sales and marketing initiatives, to capitalise on the growing pipeline of commercial opportunities that exist across several geographies following the most recent clinical trial results and remote monitoring tailwinds as a result of COVID-19.

Payments to related parties of the entity and their associates

In item 6 of the attached Appendix 4C cash flow report for the quarter, payments to related parties and their associates of US\$107K comprised director fees paid to executive and non-executive directors.

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

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About HeraMED Limited (ASX: HMD):

HeraMED is an innovative medical technology company leading the digital transformation of maternity care by revolutionising the pre and postnatal 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, big data, and a digital social networking dashboard.

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 2021

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	45	45
1.2 Payments for		
(a) research and development	(70)	(70)
(b) product manufacturing and operating costs	(14)	(14)
(c) advertising and marketing	(47)	(47)
(d) leased assets	(44)	(44)
(e) staff costs	(483)	(483)
(f) administration and corporate costs	(199)	(199)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – GST/VAT refunds	59	59
1.9 Net cash from / (used in) operating activities	(753)	(753)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Appendix 4C

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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,804	1,804
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	(121)	(121)
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	1,683	1,683

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,903	1,903
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(753)	(753)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,683	1,683

4.5	Effect of movement in exchange rates on cash held	(65)	(65)
4.6	Cash and cash equivalents at end of period	2,768	2,768

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	2,768	1,903
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)	2,768	1,903

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**

107

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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

-

- 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)	(753)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,768
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	2,768
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	3.68

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?

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?

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

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 2021

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.