

Several important commercialisation milestones achieved in Q3 FY21**Q3 FY21 and Subsequent Events Highlights**

- **Positive interim results for the HeraCARE paid pilot with US-based Obstetrix Medical Group (part of Mednax Inc.), with a second site confirmed for Atlanta, Georgia**
- **Paid pilot at the Joondalup Health Campus (JHC) in WA continues to progress**
- **High risk pregnancy and post-term study at Sheba Medical centre in Israel continues**
- **Shortlisted for a Government qualification process for technologies in obstetrics in Spain**
- **Focus remains on capitalising on growing pipeline of commercial opportunities globally underpinned by continued remote monitoring tailwinds as a result of COVID-19**
- **~\$2.39 million AUD successfully raised via a convertible note in October 2021 with strong support from both new and existing institutional and sophisticated investors**

HeraMED Limited (ASX:HMD) (“HeraMED” or the “Company”), a leader in 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 30 September 2021 (Q3 FY21) and subsequent events.

Q3 FY21 represented another important quarter of achievements for the company. The Company has continued to build and execute on its commercialisation strategy since achieving clinical validation of the HeraBEAT device 12 months ago through the outstanding results of the JHC clinical trial. The success of that trial led to the subsequent publication of the results in the peer-reviewed article in Obstetrics & Gynecology in March 2021.

HeraMED now has two paid pilots well progressed, the first with JHC in WA and the second with Obstetrix Medical Group in the United States. Both paid pilots form part of a potential rollout of the HeraCARE platform as a standard of care for broader deployment and scaled commercial implementation. With both pilots progressing well HeraMED has begun discussions with both groups about broader commercial rollout of the HeraCARE platform for 2022.

Obstetrix Medical Group paid pilot interim results and second site

Obstetrix Medical Group is an affiliate of Mednax. Listed on the NYSE, with a market capitalisation of ~US\$2.4 billion, Mednax is one of the largest providers of women’s and children’s physician services in the U.S. via its network of over 2,300 physicians in 39 states and Puerto Rico. Mednax-affiliated clinicians and their practices provide vital care or diagnostics to 1 in 4 babies born in the U.S. Mednax companies and solutions include Pediatrix Medical Group, the nation’s leading provider of maternal-fetal, newborn, and pediatric subspecialty services, and Obstetrix Medical Group, a provider of obstetric and maternal-fetal services.

On 13 September 2021, HeraMED announced positive interim results from the paid pilot with Obstetrix Medical Group (Obstetrix), an affiliate of Mednax. Obstetrix is licensing the hardware and software from HeraMED on a SaaS-based per user, per month model for the pilot.

Paid pilot with Obstetrix Medical Group (Obstetrix), has now been underway since July in San Jose, California. The interim results announced in September showed adherence levels and feedback from both expecting mothers and clinicians had all been very positive as follows:

- 89% - Overall very positive patient adherence rate to the HeraCARE care plan
- 100% of the professional care team (physicians and midwives) indicated they believe the HeraCARE platform is safe, effective and improves the standard of care and that they enjoy offering the solution to their patients
- 100% of the professional care team answered they would recommend the HeraCARE platform to other care teams

These results have been de-identified and anonymised according to the US HIPAA (Health Insurance Portability and Accountability Act) compliant for privacy.

The second pilot site has been confirmed at the Obstetrix practice in Atlanta, Georgia and has now begun.

The paid pilot represents the initial part of the agreement, including the purchase of 100 licenses to the HeraCARE software and devices, and will evaluate the functionality and suitability of the technology of the HeraCARE platform. Upon completion of the pilot, both Obstetrix and HeraMED will seek to enter into a comprehensive agreement for wider deployment and scaled commercial implementation of the technology.

HeraMED will provide further updates to shareholders on the pilots with Mednax as they progress as well as any further progress in discussion for a broader commercial rollout of HeraCARE with Mednax in 2022.

Joondalup Health Campus (JHC) paid pilot commenced

The JHC agreement represented HeraMED's first commercial agreement on a Technology as a Service basis recurring revenue model, incorporating a paid pilot.

The paid pilot involving 100 expectant mothers, represents 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.

Since this pilot was first announced in April 2021, HeraMED's team, including a dedicated local project manager, has been working closely with JHC's obstetrics department and the midwives that are leading the pilot, to ensure the HeraCARE platform is fully integrated with the workflows and clinical pathways. In addition, all parties have been focused on configuring and optimising the platform to accommodate JHC's requirements, as well as providing training to the project's staff. The paid pilot represents the last stage of the collaboration in which JHC incorporates the HeraCARE platform to introduce an innovative model for remote monitoring and care management for pregnant women, allowing for the HeraBEAT device and foetal heart rate data to be used in telehealth consultations.

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 across a wide range of 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.

Upon completion of the pilot, both parties intend to enter into a comprehensive collaboration agreement to fully deploy 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. Therefore, 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.

With respect to the paid pilot at JHC in excess of 70 pregnant mums have now been recruited to the pilot. HeraMED's intends to provide some interim results similar to the Mednax pilot in the coming weeks.

Cooperation with Israel's largest hospital, Sheba Medical Centre

Sheba Medical Centre 'Sheba' is Israel's largest and most advanced hospital, housing more than a quarter of all Israeli clinical research, Sheba cares for ~1.6 million people. Sheba is renowned for its compassionate care and leading-edge medicine and was recently ranked 9th as the world's best hospital in 2020 by Newsweek. Overall, Sheba manages more than 10,000 births annually.

The Sheba Women's Health Innovation Centre (part of Sheba's ARC Innovation Centre) led by Dr. Avi Tsur, M.D. is dedicated to providing Sheba's patients with innovative, state-of-the-art solutions. The centre leverages advances in artificial intelligence, precision medicine, virtual reality, and telemedicine to transform women's health care. The centre's remote care clinical activity is part of Sheba BEYOND, the first Virtual hospital, led by Dr. Galia Barkai, M.D., MBA.

HeraMED's technology was already used operationally earlier this year; due to a sharp increase in the number and severity of COVID-19 infections during pregnancy, specifically during Q1 2021, Sheba has increased its antepartum, labour and delivery ward care to deliver first-class services for pregnant women nationally. The HeraBEAT smart pregnancy monitors were used 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 require continuous monitoring. The HeraBEAT monitors enabled real-time foetal and maternal heart rate monitoring and analysis by Sheba's midwives and obstetricians through the HeraCARE professional dashboard, limiting the amount of physical interaction to potentially reduce the risk of COVID-19 exposure and spread.

After a successful first operational stage, the parties continued to the second stage of the pilot, involving a much broader 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.

Government tender in Spain

On 1 September, HeraMED announced that HeraCARE technology solution had been shortlisted for the Catalan Government's qualification tender as part of a comprehensive technology solution for obstetrics departments in nine hospitals in Catalonia, Spain, led by Hospital Hispania.

As part of the process, HeraMED has signed a binding MOU with leading medical technology company - Hospital Hispania. Headquartered in Madrid, with over 25 years of experience, Hospital Hispania offers innovative medical technologies and equipment aimed at optimising clinical processes in the obstetrics segment and represents a strategic partner for HeraMED in the Spanish market.

Should the qualification process be successful, and Hospital Hispania win the Government tender process, then Hospital Hispania have committed to purchase an initial number of HeraBEAT devices and HeraCARE software platform licenses for approximately USD250,000 in 2022.

Following this process, both parties will seek to enter into a comprehensive collaboration agreement allowing Hospital Hispania with exclusive rights to distribute HeraMED's technology to additional healthcare providers across Spain. The tender submission process is being led by 'Hospital Hispania', a leading Spanish medical technologies and equipment integrator and distributor. The purpose of the qualification tender is to leverage new digital technology to provide 'Connected Maternity Care' to several leading hospitals across Catalonia. The Tender is part of a government-led effort to adopt cutting-edge technology allowing personalised, better care leveraging remote monitoring and Telehealth.

About HeraMED's commercialisation strategy

HeraMED's B2B commercialisation strategy can be summarised 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.

Issue of convertible notes raising \$2.39 million AUD

On 18 October 2021, HeraMED announced that it had successfully raised ~\$2.39 million via a placement of convertible notes with strong support from several key institutional investors ("ASX Announcement").

For more information on the key commercial terms of the convertible notes please see the ASX Announcement.

Financial overview

The cash balance as of 30 September 2021 was US\$1.2 million. Net cash of US\$865K was used in operating activities compared with US\$793K for the quarter ending 30 June 2021.

Advertising and marketing expenses totalled US\$63K, research and development expenses totalled US\$143K and staff costs was US\$484K in Q3 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 underpinned by continued remote monitoring tailwinds globally.

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\$108K 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 a leader in 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")

30 Sep 2021

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	60	107
1.2 Payments for		
(a) research and development	(143)	(304)
(b) product manufacturing and operating costs	(18)	(35)
(c) advertising and marketing	(63)	(175)
(d) leased assets	(24)	(92)
(e) staff costs	(484)	(1,442)
(f) administration and corporate costs	(223)	(585)
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	30	115
1.9 Net cash from / (used in) operating activities	(865)	(2,411)
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	-	-

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)	-	20
2.6	Net cash from / (used in) investing activities	-	20

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,804
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	39	82
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(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	39	1,765

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,070	1,903
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(865)	(2,411)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	20
4.4	Net cash from / (used in) financing activities (item 3.10 above)	39	1,765

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

4.5	Effect of movement in exchange rates on cash held	(30)	(63)
4.6	Cash and cash equivalents at end of period	1,214	1,214

	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	1,214	2,070
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)	1,214	2,070

	6. Payments to related parties of the entity and their associates	Current quarter \$USD'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	108
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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 <i>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.</i>	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	-
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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)	(865)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,214
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	1,214
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.4

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?

Answer: Yes

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?

Answer: The Group has been successful in raising funds (please see ASX Announcement dated 18 October 2021) and the Company is continuing to assess capital requirements in order to meet its commercial objectives for 2022.

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

Answer: Yes, refer to 2 above.

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.

29 October 2021

Date:

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.
- 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".
- 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

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

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.