ASX ANNOUNCEMENT **29 January 2021**

HeraMED continues to pursue its growing pipeline of opportunities

Q4 FY20 Highlights

- **Outstanding results achieved in the independent clinical trial at Joondalup Health Campus as announced on 8 October 2020. The trial has been further expanded to evaluate additional clinical used-cases such as full-length CTG's both in a clinic as well as at-home setting**
- **Mayo Clinic's Institutional Review Board (IRB) approved the launch of a Clinical Study of the HeraBEAT device and the HeraCARE platform to review foetal and maternal heart rates**
- **Focus continues on pursuing growing the pipeline of new strategic partnerships**
- **Partnership agreement with eCare21 for the HeraMED solution to be marketed to eCare21's broad customer base of healthcare providers, increasing awareness of HeraBEAT and HeraCARE in the US**
- **LOI signed for a partnership with Teleperinatal to offer the company's technology through a US medical benefits program for employees**

HeraMED Limited (ASX:HMD) ("HeraMED" or the "Company"), a medical 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 December 2020 (Q4 FY20).

The highlight of the previous quarter was the release of the outstanding clinical study results from the Joondalup Health Campus trial that confirmed the accuracy of the HeraBEAT device against a hospital-grade CTG (Cardiotocography) machine. The results also confirmed the ease of use and user satisfaction by expectant mothers at the clinic, and at home, as well as the effective electronic transmission of the foetal heart rate (FHR) trace by the mother to the antenatal care team for review and consultation. This clinical validation represented a significant milestone for HeraMED and was leveraged into all commercialisation opportunities during Q4 FY20.

HeraMED continued the positive momentum during the period with an expanded study at JHC, the announcement of two new partnerships in the US, and a Mayo Clinical Study approval.

Joondalup Health Campus expanded study

On 8 October 2020, HMD announced outstanding clinical study results that confirmed the accuracy of the HeraBEAT device against a hospital grade Cardiotocography CTG machine. At the same time HMD announced that Joondalup Health Campus who undertook the clinical study were expanding the study to explore additional applications for HeraBEAT. During December 2020, approval was granted for this expanded study to begin and as a result, recruitment is now underway. Further details will be provided at the relevant time.

Collaboration with Mayo Clinic extended

On 16 December 2020, HMD announced that the Mayo Clinic's Institutional Review Board (IRB) had approved the launch of a Clinical Study of the HeraBEAT device and the HeraCARE platform to review foetal and maternal heart rates.

The clinical study, which commenced during December 2020, is being conducted at Mayo Clinic in Rochester, Minnesota, and has recruited 50 low-risk expectant mothers. The study is being led by Principal Investigator Yvonne S Butler Tobah M.D., head of Mayo's OB Nest program with co-investigators Regan Theiler M.D., Ph.D, Chair, Division of Obstetrics, Department of Obstetrics and Gynaecology and Abimbola Famuyide, MBBS, Chair of the Department of Obstetrics and Gynaecology.

The overall study will encompass an assessment of the solution's functionality, usability, and user acceptability, as well as an evaluation of the impact of the device on the expectant mothers' perception of foetal wellbeing, measured by

standardised surveys. In addition to the clinical trial, HeraMED is also working with the Mayo Clinic to undertake a pilot of the complete HeraCARE solution. HMD will update the market when the pilot begins.

Partnership with eCare21 in US

On 9 November 2020, HMD announced that it had executed its partnership agreement with leading provider of virtual care, eCare21, to integrate its technology into the eCare21 platform.

The immediate benefit of this agreement allows for the HeraMED solution to be marketed to eCare21's broad customer base of healthcare providers. Furthermore, this partnership will enable both parties to approach medical organisations, healthcare providers, and doctors' clinics to accelerate awareness of HeraCARE and HeraBEAT in the US. Commercial rollout is expected to follow a similar strategy of paid pilots before broader commercial rollout of the combined telehealth offering within a particular healthcare provider.

eCare21 is an established, US-based, virtual care platform that combines telehealth and remote patient monitoring into an integrated SaaS solution, enabling an end-to-end solution for virtual care. eCare21, powered by Dell Technologies ensures providers can give patients access to remote care and analyse patient data, enabling better patient care and improved outcomes. This partnership with HeraMED reflects eCare21's intention to strengthen its platform with the addition of a maternal health monitoring solution.

Partnership with Teleperinatal

On 15 December 2020, HMD announced that it had signed a Letter of Intent (LOI) with Teleperinatal to deploy the company's technology, under an initial paid pilot for six months. Assuming a successful pilot, both parties intend to progress to a formal commercial agreement. Teleperinatal, a maternity telehealth service, provides a maternity benefits program for employers and giving employees direct, virtual access to Maternal-Foetal Medicine (MFM) physicians, who will serve as advocates throughout the pregnancy and postpartum period.

About HeraMED's commercialisation strategy

The onset of COVID-19 has presented a unique opportunity to fast-track the adoption of digital health in maternity care. HeraMED is well-placed to deliver high-quality, prenatal, and postpartum care to improve the safety, efficiency, and cost of maternal healthcare. HeraMED continues to receive significant interest from prospects from around the world and is focused on progressing the growing pipeline of opportunities.

The US market offers significant operational and commercial upside due to the relatively expensive healthcare system that currently exists. Focus on partnerships with leading technology and medical services market leaders represent progress in HeraMED's execution of its US market entry strategy that focusses on leveraging existing relationships with healthcare institutions and to target healthcare providers including hospitals, clinics, and doctors.

While our focus has been on progressing the commercialisation strategy with leading healthcare providers, primarily in the US and Australia, HMD continues to support and work in collaboration with existing partners in other territories and support the strategy of partnering with global providers.

Most recently, HMD announced that Hapvida, one of Brazil's largest healthcare groups had extended its subscription for HeraCARE SaaS and cloud monitoring services for a further 24 months. Hapvida services customers across Brazil, 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 previous commercialisation strategy, HeraBEAT devices were purchased, however, under the new agreement, a per user per month subscription model has been adopted. 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.

Financial overview

The cash balance as at 31 December 2020 was US$1.9 million. Net cash of US$868K was used in operating activities compared with US$814K for the quarter ending 30 September 2020.

Advertising and marketing expenses decreased from US$218K in Q3 FY20 to $113K in Q4 FY20. Staff costs increased from US$377K in Q3 FY20 to $477K in Q4 FY20.

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.

ASX Listing Rule 4.7C.2 information

Pursuant to ASX Listing Rule 4.7C.2, the Company provides the below table as a comparison of actual expenditure against the "use of funds" table as disclosed in the Prospectus dated 15 October 2018 ("Prospectus") (ASX announcement of 10 December 2018):

Opening cash 10.12.2018		1,008,523
Proceeds from the IPO		4,228,332
Receipts from customers		243,577
Additional capital raises		3,810,809
Total		9,291,241
Use of Proceeds Under Prospectus	**Budgeted Expenditure Amount (US$)***	**Actual Expenditure Amount (US$)****
Expenses of the Offer	732,841	559,204
R&D, Engineering, Regulation & Clinical	1,071,050	2,157,274
Marketing & Sales	857,503	1,807,502
Loan Repayment	145,425	146,000
Corporate expenditure (General & Administration)	1,239,150	2,234,453
Other general and working capital	1,304,930	85,162
TOTAL	**5,350,899**	**6,819,271**
Expenses of additional capital raises		**277,696**
Product manufacturing costs		**290,448**
Total		**7,387,415**
Remaining cash 31.12.2020		**1,903,826**

* *The Budgeted Expenditure Amount has been converted from A$ to US$ at the date of the Prospectus for ease of comparison. In the Prospectus, the figures were in A$.*

** *Staff costs that are presented in the 4C as an aggregate amount, were reallocated to R&D, M&S and G&A for ease of comparison*

Explanation of variances

1. The variance in research and development is mainly attributed to the increased activity in R&D including the development of the HeraCARE pregnancy management platform and expediting the development of the Company's next-generation pregnancy monitor EchoBEAT

2. The variance in marketing and sales is mainly attributed to the company's activities in various markets and the need to support distributors. In addition, the company added the HeraBEAT Plus and HeraCARE pregnancy management platform that is offered to healthcare providers with a different business model

3. The variance in general and administrative expenses is mainly attributed to higher than expected costs related to the public entity as well as consultancy and professional services.

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$103K comprised director fees paid to executive and non-executive directors.

This announcement has been authorised 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
Jonathan Hart
T: +61 2 8379 2961
E: Jonathan@hera-med.com

Media Enquiries
Melissa Hamilton
Media & Capital Partners
M: +61 4 1775 0274
E: Melissa.hamilton@mcpartners.com.au

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	**Quarter ended ("current quarter")**
65 626 295 314	31 December 2020

Consolidated statement of cash flows		**Current quarter $USD'000**	**Year to date (12 months) $USD'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1	23
1.2	Payments for		
	(a) research and development	(91)	(156)
	(b) product manufacturing and operating costs	(48)	(102)
	(c) advertising and marketing	(113)	(588)
	(d) leased assets	(28)	(106)
	(e) staff costs	(452)	(1,603)
	(f) administration and corporate costs	(199)	(675)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	-	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	5
1.8	Other – GST/VAT refunds	62	255
1.9	**Net cash from / (used in) operating activities**	**(868)**	**(2,947)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(4)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

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**	**-**	**(4)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,830
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	-	(213)
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**	**-**	**2,617**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,638	2,045
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(868)	(2,947)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(4)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,617

4.5	Effect of movement in exchange rates on cash held	133	192
4.6	**Cash and cash equivalents at end of period**	**1,903**	**1,903**

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	1,903	2,638
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)**	**1,903**	**2,638**

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	103
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** *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.

8.	Estimated cash available for future operating activities	$USD'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(868)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,903
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	1,903
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	2.19

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?

Notwithstanding, that item 8.5 is above 2 the Company continues to carefully monitor its cash flows and its on-going funding requirements.

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 Company does intend to raise further equity in the near term as required and based upon previous successful equity raisings has no reason to believe that funding will not be available.

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

Yes, refer above.

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: …….

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.