

Dear fellow Shareholders,

Firstly, I would like to thank you for your ongoing support in HeraMED, I am proud to be your Chairman.

I am writing to you today to provide an update on the improving momentum in the execution of our commercialisation strategy.

COVID-19 has presented a unique opportunity to fast-track the adoption of digital health in maternity care globally, and HeraMED's technology is at the forefront of this digital transformation. The HeraBEAT device forms the backbone of HeraMED's comprehensive HeraCARE SaaS and IoT platform, a digital hybrid maternity care solution.

During 2020, we launched a comprehensive commercialisation strategy across four key steps:

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

In October, we successfully completed Step 1 of this strategy when we achieved the all-important clinical validation of our technology with the outstanding study results from the clinical trial undertaken at Joondalup Health Campus (JHC), in WA Australia, part of the Ramsay Health Group. These results confirmed the accuracy of the HeraBEAT device against a hospital-grade Cardiotocography CTG machine (Philips Avalon). Subsequently, these trial results were published in a peer reviewed article in Obstetrics & Gynecology which is the official publication of the American College of Obstetricians and Gynecologists (ACOG), providing further independent clinical validation of our technology.

Furthermore, during the past few weeks, we have announced two paid pilot agreements: the first with JHC, and the second with Obstetrix Medical Group, leaders in women's and children's health care in United States, representing the successful execution of Step 2 of our strategy.

Obstetrix Medical Group is an affiliate of Mednax which is listed on the New York Stock Exchange, with a market capitalisation of over US\$2.7 billion. Mednax is one of the largest providers of women's and children's physician services in the US, via its network of over 2,300 physicians in 39 states. Mednax-affiliated clinicians and their practices provide vital care or diagnostics to a remarkable 1 in 4 babies born in the US and their partnership with HeraMED and belief in the potential for our technology, represents a significant opportunity for the Company.

Both paid pilots form part of a potential rollout of the HeraCARE technology as a standard of care for broader deployment and scaled commercial implementation representing Step 3 of our strategy.

HeraMED continues to receive interest from several prospects from around the world and I am confident that the clinical validation that we received from the JHC clinical trial, together with the two paid pilot agreements announced more recently, will lead to continued growth in the pipeline of potential partnerships.

Having spent the majority of my career working in the development of innovative medical technologies, I can assure you that this strategy is a proven approach in commercialisation, and if we continue to execute on this strategy, then I am confident substantial revenues will eventuate.

Earlier this year, we signed a cooperation with Sheba Medical Centre (Sheba) in Israel, resulting in HeraMED now collaborating with two of the top 10 hospitals in the world, being Mayo Clinic and Sheba. During the past 12 months, we have raised over A\$6 million (before transaction costs) from professional and sophisticated investors and from Mayo Clinic, to pursue growth opportunities.

Outlook for 2021

The focus at HeraMED continues to be on creating value for our shareholders and capitalising on our growing pipeline of potential partnerships across the US, Australia, EU, and Israel. Having secured further valuable clinical credibility from the JHC clinical trial results and the publication in Obstetrics and Gynecology, one of the most influential journals in the field, then signed two paid pilot agreements with leaders in maternity health care we believe we have reached an important 'commercial tipping point' as we progress towards executing Steps 3 and 4 of our strategy.

I take this opportunity to thank the team at HeraMED for their hard work and you, our shareholders for your ongoing support.

Sincerely,

Ron Weinberger

Non-Executive Chairman