

HeraMED continues to show progress, achieving several important commercialisation milestones in Q2 FY21

Q2 FY21 and Subsequent Events Highlights

- **Announced a paid pilot agreement with US-based Obstetrix Medical Group (Obstetrix), leaders in women's and children's health care**
- **Subsequently, the Obstetrix paid pilot was commenced, involving 100 expectant mothers, with several additional potential sites identified**
- **Focus remains on capitalising on growing pipeline of commercial opportunities across several geographies underpinned by continued remote monitoring tailwinds as a result of COVID-19**

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 30 June 2021 (Q2 FY21) and subsequent events.

Q2 FY21 represented another essential period for the Company with the achievement of several important milestones. Since achieving the important clinical validation of the HeraBEAT device in the outstanding results of the JHC trial announced in October 2020, and the subsequent publication of these results in the peer-reviewed article in Obstetrics & Gynecology in March 2021, the Company has enjoyed improved momentum in the execution of its commercialisation strategy.

HeraMED has now signed two paid pilot agreements, the first with JHC and the second with Obstetrix Medical Group in United States. 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.

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.

Obstetrix Medical Group paid pilot

Obstetrix Medical Group is an affiliate of Mednax. Listed on the NYSE, with a market capitalisation of ~US\$2.5 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.

Since this pilot was first announced in May 2021, HeraMED's customer success team has been working closely with Obstetrix to ensure the HeraCARE platform is fully integrated with the workflows and clinical pathways. Both parties have been focused on configuring and optimising the platform to accommodate Obstetrix's requirements, as well as providing training to the project's staff. Obstetrix is licensing the hardware and software from HeraMED on a SaaS-based per user, per month model for the pilot.

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.

Joondalup Health Campus (JHC) paid pilot agreement signed

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.

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.

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.

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.

Earlier this year HeraMED's technology was used operationally, due to a sharp increase in the number and severity of COVID-19 infections during pregnancy, specifically during Q1 2021, Sheba 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.

The cooperation with Sheba is progressing well and the feedback has been positive. The team are now focused on preparing for an expanded pilot, the details of which will be announced when applicable.

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 30 June 2021 was US\$2.07 million. Net cash of US\$793K was used in operating activities compared with US\$753K for the quarter ending 31 March 2021.

Advertising and marketing expenses totalled \$65K in Q2 FY21. Staff costs decreased from US\$483K in Q1 FY21 to US\$475K in Q2 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 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\$108K comprised director fees paid to executive and non-executive directors.

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

-ENDS-

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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")

30 June 2021

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (6 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2	47
1.2 Payments for		
(a) research and development	(91)	(161)
(b) product manufacturing and operating costs	(3)	(17)
(c) advertising and marketing	(65)	(112)
(d) leased assets	(24)	(68)
(e) staff costs	(475)	(958)
(f) administration and corporate costs	(163)	(362)
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	26	85
1.9 Net cash from / (used in) operating activities	(793)	(1546)
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	-	-

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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	20
2.6	Net cash from / (used in) investing activities	20	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	43	43
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	43	1,726

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,768	1,903
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(793)	(1,546)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	20	20
4.4	Net cash from / (used in) financing activities (item 3.10 above)	43	1,726

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

4.5	Effect of movement in exchange rates on cash held	32	(33)
4.6	Cash and cash equivalents at end of period	2,070	2,070

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	2,070	2,768
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)	2,070	2,768

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)	(793)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	2,070
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	2,070
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.61

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.

29 July 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 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.