

HERAMED LIMITED
ACN 626 295 314

PROSPECTUS

For the offer of up to 100 Shares in the capital of the Company at an issue price of \$0.22 per Share to raise up to \$22 (before expenses).

This Prospectus has been prepared for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered under this Prospectus should be considered speculative.

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY.....	1
2.	TIMETABLE AND IMPORTANT NOTES	2
3.	DETAILS OF THE OFFER.....	4
4.	PURPOSE AND EFFECT OF THE OFFER.....	7
5.	RIGHTS AND LIABILITIES ATTACHING TO SHARES	9
6.	RISK FACTORS	12
7.	ADDITIONAL INFORMATION	18
8.	DIRECTORS' AUTHORISATION	26
9.	DEFINITIONS	27

1. CORPORATE DIRECTORY

Directors

Ronald Weinberger
Non-Executive Chairman

David Groberman
*Executive Director/
Chief Executive Officer*

Tal Slonim
*Executive Director/
Chief Executive Officer*

David Hinton
Non-Executive Director

Doron Birger
Non-Executive Director

Company Secretary

Jonathan Hart

Share Registry*

Automic Share Registry
Level 2, 267 St Georges Terrace
PERTH WA 6000

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+61 2 9698 5414 (outside Australia)
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Email: hello@automic.com.au
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Registered Office

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Telephone: +61 2 7251 1888

Email: info@hera-med.com
Website: www.hera-med.com/

ASX Code

HMD

Israel lawyers*

Pearl Cohen Zedek Latzer Baratz
Azrieli Sarona Tower,
121 Menachem Begin Rd,
Tel-Aviv 6701203, Israel

Australian Lawyers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditors*

BDO Audit (WA) Pty Ltd
38 Station Street Subiaco WA 6008

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. TIMETABLE AND IMPORTANT NOTES

2.1 Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	16 August 2021
Opening Date	16 August 2021
Closing Date*	5:00pm WST on 17 August 2021
Expected date of Official Quotation of the Shares	18 August 2021

* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

2.2 Important Notes

This Prospectus is dated 16 August 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.hera-med.com/. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and

any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.4 Website

No document or information included on our website is incorporated by reference into this Prospectus.

2.5 Risk Factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2.6 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.7 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offer. You should rely only on information in this Prospectus.

3. DETAILS OF THE OFFER

3.1 Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 100 Shares at an issue price of \$0.22 per Share to raise up to \$22 (before expenses).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

3.2 Objective

The Company is seeking to raise only a nominal amount of \$22 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

3.3 Application for Shares

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.22 per Share.

Completed Application Forms and accompanying cheques must be mailed or delivered to the Company as follows:

Delivery by hand	Delivery by post
Suite 4 Level 16 55 Clarence Street SYDNEY NSW 2000	Suite 4 Level 16 55 Clarence Street SYDNEY NSW 2000

Cheques should be made payable to “**HeraMED Limited**” and crossed “**Not Negotiable**”. Completed Application Forms and cheques must reach the address set out above by no later than the Closing Date.

3.4 Minimum subscription

There is no minimum subscription.

3.5 Issue of Shares

Issue of Shares under the Offer will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until the Shares are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares are issued and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for.

Where the number of Shares issued is less than the number applied for, the surplus moneys will be returned by cheque as soon as practicable after the Closing Date. Where no issue of Shares is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

3.6 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.7 Restrictions on the distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

For personal use only

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.8 Enquiries

Any questions concerning the Offer should be directed to Jonathan Hart, Company Secretary, on +61 2 7251 1888.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus). All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

4.2 Effect of the Offer on capital structure

The effect of the Offer on the Company's capital structure is set out below.

Shares ¹	Number
Shares currently on issue ²	177,188,678
Shares offered under this Prospectus ³	100
Total Shares on issue on completion of the Offer³	177,188,778

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 5 of this Prospectus.
2. This assumes the Offer is fully subscribed and no Options are exercised.

Options	Number
Unlisted Options exercisable at \$0.00002 each on or before 5 December 2021	2,980,008
Unlisted Options exercisable at USD\$0.01 each on or before 15 August 2024	574,000
Unlisted Options exercisable at \$0.165 each on or before 15 August 2024	1,225,000
Unlisted Options exercisable at \$0.20 each on or before 14 August 2022	3,672,419
Unlisted Options exercisable at \$0.20 each on or before 2 June 2025	7,440,000
Unlisted Options exercisable at \$0.20 each on or before 15 June 2022	9,093,499
Unlisted Options exercisable at \$0.25 each on or before 19 February 2022	2,250,000
Unlisted Options exercisable at \$0.25 each on or before 5 December 2021	4,578,000
Unlisted Options exercisable at \$0.25 each on or before 31 December 2021	2,000,000
Unlisted Options exercisable at \$0.25 each on or before 5 December 2021	19,022,000
Unlisted Performance Options exercisable at \$0.15 each on or before 14 August 2022	5,500,000
Unlisted Performance Options exercisable at \$nil each on or before 21 July 2022	4,349,229
Total Options on issue on completion of the Offer	62,684,155

4.3 Financial effect of the Offer

After expenses of the Offer of approximately \$10,000, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$22) will be met from the Company's existing cash reserves.

As such, the Offer will have an effect on the Company's financial position, being receipt of funds of \$22 less costs of preparing the Prospectus of approximately \$10,000.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

5.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

5.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms

and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

5.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

5.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

5.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

5.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

5.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

5.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6. RISK FACTORS

6.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific

(a) Coronavirus (COVID-19) risk

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The COVID-19 pandemic may give rise to issues including delays or restrictions in product processing and packaging and the Company's ability to deliver products to customers, and to freely move people, supplies and equipment globally which may result in cost increases or adverse impacts on sales.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market regarding the impact of the coronavirus on its revenue channels and adverse impact on the Company.

(b) Competition and New Technologies

The industry in which the Company is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of the Company's business. For instance, new technologies could overtake the advancements made by the Company's products. In that case, the Company's revenues could be adversely affected.

(c) **Reputational Risks**

The Company operates in a fast-changing environment, and negative publicity can spread quickly, whether true or false. Negative comments by disgruntled customers about the Company may have a disproportionate effect on the Company's reputation and its ability to earn revenues and profits. Additionally, complaints by such customers can lead to additional regulatory scrutiny and a consequential increase compliance burden in responding to regulatory inquiries. This could negatively impact on the Company's business.

(d) **Commercialisation**

The Company's success will depend on the Company's ability to implement its business plan, the ability to commercialise the Company's products and the ability of the Company to successfully implement its R&D plans. There can be no guarantee that the Company can or will be able to commercialise its products.

(e) **Large Scale Manufacturing**

The success of the Company's products will require further production of many thousands of units and large-scale manufacturing expertise that will both maintain reliability and quality standards and efficient production processes and costs. Initiating mass-production may be a protracted process, and shortages of products available to the market may frustrate end-user demand.

(f) **Going Concern**

The Company's audited financial report for the year ended 31 December 2020 includes a note on the existence of a material uncertainty about the Company's ability to continue as a going concern. Notwithstanding this, the Directors continue to seek opportunities and the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

(g) **Future Capital Needs**

Further funding is required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and consequently its performance.

The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(h) **Intense Customer Support Needs**

Sales of the Company's products in multiple geographical regions will require the Company to provide pre-sale, marketing and customer support to users in different languages and from different cultures. Further, expecting mothers and consumers who are not familiar with foetal monitoring may require intensive and frequent customer support and

assurance. High customer support costs may negatively impact the Company's business.

(i) **Dependency on Partners**

HeraMED has a network of partners, health care organisations and commercial medical service providers in various countries.

Financial failure, insolvency, default on performance or delivery, or any managerial failure by any third parties that HeraMED engages with may have a material impact on HeraMED's operations and performance.

(j) **Retention of Key Personnel**

HeraMED's success depends on retaining its key management personnel, and attracting suitably qualified, new personnel. There is no guarantee that HeraMED will be able to attract and retain suitably qualified management and technical personnel. A failure to do so could materially and adversely affect the Company, its operating results and financial prospects.

(k) **Operations in Israel**

Nearly all of HeraMED's senior staff and its primary operations are located in Israel and will likely remain there for the foreseeable future. Israeli industrial production has in the past and may in the future be subject to significant disruptions from domestic or foreign violent episodes. Such disruptions could materially and adversely affect the Company's operations and negatively impact its business.

(l) **Foreign Exchange Rate and Currency Risk**

HeraMED's financial statements are presented in US dollars, however HeraMED's expected sales are from various international markets. As a result, HeraMED's revenues may be highly sensitive to fluctuations in exchange rates. As HeraMED's business is proposed to operate in several jurisdictions, costs and expenses incurred in a foreign country will be in the foreign country's denomination. Accordingly, there might be a loss incurred when the foreign currency is converted into US dollars. As HeraMED does not have hedging arrangements in place, foreign exchange rate movements could adversely impact its business, financial performance and operations.

(m) **Regulatory Restrictions**

HeraMED's products are subject to continuing regulation including medical device regulation, HIPPA regulation, quality assurance, ongoing monitoring and reporting, and restrictions on promoting or advertising its products. Some of these regulations change over time and are enforced unpredictably. An example of this is the recently introduced General Data Protection Regulations in Europe which add significant challenges for companies that collect personal user information. Meeting such regulatory compliance may prove expensive and may affect HeraMED's business. Failure by the Company to comply with applicable regulations may subject it to enforcement actions such as warning letters, fines, or other penalties. Such failure may also attract negative publicity to HeraMED and could harm HeraMED's reputation and adversely impact its ability to develop its business.

(n) **Intellectual Property**

HeraMED has know-how, trade secrets and other intellectual property that are important assets. HeraMED relies on a combination of confidentiality and license agreements with its consultants, employees and third parties with whom it has relationships, as well as patents, domain names and copyright, to protect its brand and other intellectual property rights.

If HeraMED fails to adequately protect its intellectual property rights, competitors may gain access to its intellectual property, which would in turn harm its business.

HeraMED may be required to incur significant expenses in monitoring and protecting its intellectual property rights. HeraMED may initiate or otherwise be involved in litigation against third parties for infringement or to establish the validity of its rights. Any litigation, whether or not it is successful, could result in significant expense to HeraMED and cause a distraction to management. In addition, unauthorised use of HeraMED's brand or intellectual property by third parties may not only result in potential revenue loss, but also have an adverse impact on HeraMED's brand value and the market perception of the quality of its products.

(o) **Liability and Law Suits**

Medical device companies are frequently subject to claims alleging negligence, product liability, breach of warranty or malpractice that may involve large claims and significant defence costs whether or not such liability is imposed. These claims may be brought by individuals seeking relief for themselves or, increasingly, by groups seeking to represent a class.

HeraMED provides information to and about pregnant women, and claims could be made against HeraMED for liabilities resulting from adverse medical consequences to such women or their babies. In addition, HeraMED could be liable if its products fail to correctly record, identify or transfer foetal data or if HeraMED improperly responds to communications with patients using its products. Such potential claims may be costly to defend, could consume management resources and could adversely affect HeraMED's reputation and business.

(p) **Insurance**

HeraMED has insurance coverage to cover claims generally experienced by companies engaged in its businesses. The current insurance policies in place are believed to be reasonable to adequately cover HeraMED's operations. However, there is a risk that HeraMED is not fully insured against all liabilities and if HeraMED incurs any uninsured losses, there may be a risk to the Company's assets. If HeraMED was to suffer one or more significant claims in the future, or was required to, or elected to, undertake certain actions in response to these claims, such as a product recall as a result of alleged product defects, such claims or actions could have a material adverse effect on HeraMED's business, financial condition and results of operations. If HeraMED incurs substantial losses or liabilities, its insurance coverage may become prohibitively expensive or unavailable.

(q) **Cyber Security Risk**

There is a risk of outage, disruption, or security breach of IT systems. This could result in significant business disruption or a loss of confidential business data. The Company mitigates this risk through IT security and infrastructure solutions. This is supported by IT policies and procedures governing security and usage of IT systems.

6.3 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(d) **Dividends**

The Company is not distributing dividends and does not intend to distribute dividends. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant

by the Directors. No assurance in relation to the payment of dividends can be given by the Company.

(e) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.]

(f) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

6.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Description of Announcement
13 August 2021	HeraCARE paid pilot commences at Joondalup Health Campus
2 August 2021	Sheba Expands Pilot to include High-Risk Pregnancies
29 July 2021	Quarterly Activities & Cashflow Report
23 July 2021	Results of Meeting
19 July 2021	Change of Registered Office
19 July 2021	Update - Notice of Extraordinary General Meeting
19 July 2021	HeraCARE paid pilot commences with US-based Obstetrix Group
14 July 2021	Application for quotation of securities - HMD
30 June 2021	Application for quotation of securities - HMD
23 June 2021	Notice of Extraordinary General Meeting/Proxy Form
15 June 2021	Notification regarding unquoted securities - HMD
15 June 2021	Appendix 3G
31 May 2021	Results of Annual General Meeting
31 May 2021	Chairman's letter to shareholders
17 May 2021	Updated Investor Presentation and Webinar
13 May 2021	Pilot agreement signed with US leader Obstetrix Medical
11 May 2021	Trading Halt
3 May 2021	Appendix 2A
29 April 2021	Notice of Annual General Meeting/Proxy Form
28 April 2021	Quarterly Activities & Cashflow Report
22 April 2021	HeraCARE commercial agreement with Joondalup Health Campus
20 April 2021	Trading Halt

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website (<https://hera-med.com/investor-relations/>).

7.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.305	23 June 2021
Lowest	\$0.145	17 and 19 May 2021
Last	\$0.22	13 August 2021

7.4 Details of substantial holders

Based on publicly available information as at 13 August 2021, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
ALTSHULER SHAHAM TRUSTS LTD <HOLLEY PHARMA CO LTD A/C>	10,857,385	6.13
ALTOR CAPITAL MANAGEMENT PTY LTD <ALTOR ALPHA FUND A/C>	10,066,046	5.68
ALTSHULER SHAHAM TRUSTS LTD <TAL SLONIM A/C>	9,245,418	5.22
ALTSHULER SHAHAM TRUSTS LTD <DAVID GROBERMAN A/C>	9,245,418	5.22

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

7.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or

otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options
Ronald Weinberger	486,000	100,000 ¹
David Groberman	9,245,418	3,651,252 ²
Tal Slonim	9,245,418	3,651,252 ²
David Hinton	358,333	Nil
Doron Birger	Nil	Nil

Notes:

1. Unlisted Options exercisable at \$0.25 each on or before 5 December 2021.
2. 3,187,500 Unlisted Options exercisable \$0.25 each on or before 5 December 2021 and 463,752 Unlisted Options exercisable \$0.00002 expiring 5 December 2021.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	FY 2019	FY 2020	FY 2021 ²
Ronald Weinberger ³	\$63,266	\$54,903	\$66,208
David Groberman ⁴	\$209,855	\$211,911	\$253,914
Tal Slonim ⁴	\$111,691	\$58,303	\$61,288
David Hinton	\$35,148	\$30,044	\$41,750
Doron Birger	\$34,873	\$27,727	\$42,372

Notes:

1. All amounts are in USD.

2. Remuneration expected to be paid to each Director based on the actual remuneration paid to each Director in H1 2021.
3. In addition to the remuneration, during July 2020, Dr Weinberger was paid \$18,951 (A\$27,500) for services rendered during the capital raising in June 2020.
4. Credit Line Agreement – Meytar (Digital) Engineering Ltd (**Meytar**)

HeraMED Israel and Meytar, a company controlled by Messrs David Groberman and Tal Slonim, entered into a Credit Line Agreement dated 21 December 2017 (**Credit Line Agreement**). The key terms and conditions of the Credit Line Agreement are set out below.

- (a) **Interest:** The Principal shall bear interest from the date of payment of the Principal at a rate equivalent to the minimal interest amount recognised and attributed by the Israel Tax Authority.
- (b) **Repayment:** Repayment of the Principal shall take place as follows:
- (i) half of the Principal shall be repaid upon the consummation by HeraMED Israel of an equity investment/aggregate sales transaction or series of transactions which are in aggregate amount of at least US\$3,000,000; and
 - (ii) the second half of the Principal is to be repaid at the earlier of the date HeraMED Israel pays dividends or 21 December 2022.
- (c) **Accelerated Repayment:** Amongst other events, upon the consummation of an IPO, the Principal must be repaid in full.
- (d) **Waiver of accelerated repayment:** The parties have agreed that despite the **requirement** to repay the Principal in full in accordance with clause (c) above, half the Principal will be repaid upon completion of the Public Offer with the second half to be repaid at the earlier of the date HeraMED Israel pays dividends or 21 December 2022.

The Credit Line Agreement otherwise contains terms and conditions that are considered standard for an agreement of its nature. The interest is at the rate equivalent to the minimal interest amount recognized and attributed by the Israel Tax Authorities, as such may be adjusted from time to time.

According to the above terms, half of the loan amount was repaid upon the consummation of the Company's initial public offer. As of 30 June 2021, the amount of \$185,516 was owed by HeraMED Israel to Meytar.

7.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or

(f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(g) the formation or promotion of the Company; or

(h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$2,215.01 (excluding GST and disbursements) for legal services provided to the Company.

7.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.8 Estimated expenses of Offer

The total expenses of the Offer are estimated to be approximately \$[insert] as follows:

Expense	(\$)
ASIC Fees	3,206
Legal Fees	5,000
Miscellaneous, printing and other expenses	1,794
Total	10,000

7.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 2 7251 1888 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

7.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

For personal use only

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Ron Weinberger

**Dr Ron Weinberger
Non-Executive Chairman
For and on behalf of
HeraMED Limited**

9. DEFINITIONS

\$ means Australian dollars.

Applicant means an investor who applies for Shares pursuant to the Offer.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESSE.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

Company or **HeraMED** means HeraMED Limited (ACN 626 295 314).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Offer means the offer of Shares referred to in the "Details of the Offer" Section of this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offer as specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Prospectus means this prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Share Registry means Automatic Share Registry (ACN 152 260 814).

WST means western standard time as observed in Perth, Western Australia.