

HeraMED commercial strategy and service offering gain momentum**With an important commercial agreement executed during Q1 FY22****Q1 FY22 and Subsequent Events highlights**

- Joondalup Health Campus (JHC) enters into a full-scale commercial agreement to adopt the HeraCARE solution as its primary standard of care.
- The JHC agreement validates HeraMED's commercial strategy and service offering in one of Western Australia's largest hospitals.
- HeraMED-Pediatrics San Jose and Atlanta pilot trial delivers promising clinical results and excellent satisfaction scores.
- HeraMED is well positioned to capitalise on a growing pipeline of commercial opportunities globally.

HeraMED Limited (ASX:HMD) ("**HeraMED**" or the "**Company**"), a leader in the digital transformation of maternity care with its proprietary remote monitoring maternity care platform, is pleased to provide an update on its progress for the three months ending 31 March 2022.

During the quarter, HeraMED executed an important commercial agreement and subsequent deployment of the HeraCARE solution to the Joondalup Health Campus ("**JHC**"). Additionally, the Company received exciting results from the HeraMED-Pediatrics Paid Pilot program in San Jose and Atlanta for the collaboration undertaken by US based Pediatrics Medical Group.

As one of Western Australia's largest hospitals, JHC is a leading medical institution which provides care to over 3000 maternity care patients annually. The signing of this important commercial agreement validates the Company's commercial B2B strategy of broader hospital rollout opportunities, initiated by pilot programs and trials. The key commercial terms of the agreement are outlined below:

- Initial 12-month contract with both parties exploring the potential for a further extension.
- HeraMED to supply JHC with licenses and equipment to support the offering of HeraCARE to JHC's maternity care patients.
- Total estimated HeraCARE license fees for the initial 12-month period of A\$220,000.

HeraMED began working collaboratively with JHC in 2020 through a clinical trial that delivered both clinical and functional validation of the HeraBEAT device, which is the backbone of the HeraCARE solution. The accuracy of the HeraBEAT device was found to be excellent when compared to rival competing products. The Foetal Heart Rate (FHR) was detected on 100% of observations by clinicians, and importantly, 100% of occasions by expectant mothers when using the device unassisted. The HeraCARE remote monitoring solution was particularly attractive to JHC as it provides an option for expectant mothers to elect for telehealth appointments, reducing the need for patients to attend antenatal appointments in person so frequently.

HeraMED's second paid pilot is underway with Obstetrix Medical Group, an affiliate of Mednax who is one of the largest providers of women's and children's physician services in the U.S.

Mednax, Inc. is a national medical group comprised of the nation's leading providers of physician services practicing under the Pediatrix® brand. Pediatrix-affiliated clinicians are committed to providing coordinated, compassionate and clinically excellent services to women, babies and children across the continuum of care, both in hospital settings and office-based practices. Specialties include obstetrics, maternal-foetal medicine and neonatology complemented by 18 pediatric subspecialties, as well as a newly expanded area of primary and urgent care clinics. The group's high-quality, evidence-based care is bolstered by investments in research, education, quality-improvement and safety initiatives. The company was founded in 1979 as a single affiliated neonatology practice and today provides its highly focused and often critical care services through more than 4,700 affiliated physicians and other clinicians in 38 states and Puerto Rico.

During the March quarter, HeraMED announced promising results from the San Jose and Atlanta pilot trial including excellent satisfaction scores, reduction of office visits and earlier detection of hypertensive pathology in select patients. Santosh Pandipati, M.D, a Pediatrix-affiliated maternal-fetal medicine specialist and clinical lead for the Virtual OB Program commented on the trial stating:

"HeraCARE is what makes Pediatrix's Virtual OB Program possible. This program is all about patient empowerment and improved patient experience of the pregnancy journey. Pregnancy is fundamentally a physiologic process, not a disease process. We need to leverage emerging technologies to better monitor a usually healthy process, but still safely identify developing pathology."

According to Dr. Pandipati, expectant mums want to take more ownership of their pregnancies and giving them the tools and program infrastructure to do this safely is a first step.

"One of the key reasons we chose to pilot with HeraCARE is the connection mothers could have with their babies 24/7 by using the revolutionary HeraBEAT fetal heart rate doppler with AI-driven algorithms for highly accurate and precision acquisition of the fetal heart rate (FHR). The HeraBEAT is FDA-cleared for home use, is very easy to use right out of the box and is beloved by our patients."

HeraMED CEO and Co-Founder Mr. David Groberman:

"HeraMED is delighted to have achieved continued momentum with our commercial strategy and service offering over the quarter, highlighted by our important commercial agreement executed over the first three months of the year. The agreement between HeraMED and JHC validates the commerciality of HeraMED's service offerings to hospitals and broader commercial strategy.

Furthermore, we are pleased with the progress of our second paid pilot program in collaboration with Obstetrix Medical Group, an affiliate of Mednax whereby we continue display our superior technology and patient monitoring capabilities.

HeraMED continues to disrupt the industry through its superior technology which enables a large-scale adoption of telehealth and remote monitoring in pregnancy. With foundations laid and momentum building, we look forward to reporting developments to shareholders as they arise in the coming quarter."

Other Partnerships

Sheba Medical Group (Sheba)

HMD continues to engage with Sheba on multiple levels. With respect to the clinical trial which started in February 2021, HMD understands the data has been collated and preparation of the report is underway. HMD will update shareholders once the final report and results are received and advise what the next steps are with Sheba Medical Group.

Separately during the quarter Sheba Global, the business established by Sheba Medical Group to offer digital health services outside of Israel, established a field hospital in the Ukraine to support those affected by the

ongoing conflict with Russia. This field hospital is being supported by a number of remote digital technologies including HeraCARE. HMD was honoured to support Sheba Global and Sheba Beyond in its efforts to support those affected by the conflict with leading care enabled through cutting edge technologies such as HeraCARE. Next steps with respect to HMD's commercial relationship with Sheba Global will also progress post the release of the clinical trials results completed by Sheba Medical Group.

Mayo Clinic

Through 2021 the Mayo Clinic completed a clinical trial of HeraCARE similar to that undertaken by JHC. Once the clinical trials results and associated report are received HMD will update shareholders. The Company eagerly awaits these results given the Mayo Clinic position as the global leader in medical research.

Spanish Tender

HMD continues to wait for a decision on the Spanish government tender to provide remote maternity care for the Catalanian region. Shareholders will be advised when a decision on the tender has been made however feedback continues to be positive as the process continues.

Pipeline

HMD continues to progress further commercialisation opportunities in Australia, US, Israel and Europe. Once commercial terms in each of these potential opportunities are finalised and a timeline to undertaking a paid pilot of a precursor to a commercial deployment of HeraCARE shareholders will be updated.

Financial overview

The cash balance as at 31 March 2022 was US\$2.845 million. Net cash of US\$834K was used in operating activities compared with US\$841K for the quarter ending 31 Dec 2021.

Advertising and marketing expenses totaled \$49K, research & development expenses totaled US\$71K and administration and corporate costs totaled US\$205K in Q1 FY22. Staff costs increased from US\$466K in Q4 FY21 to US\$580K in Q1 FY22.

The company continues to invest in business development as well as sales and marketing initiatives, to capitalise on the growing pipeline of commercial opportunities.

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\$105K comprised director fees paid to executive and non-executive directors.

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

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About HeraMED Limited (ASX:HMD)

HeraMED is an innovative medical data and technology company leading the digital transformation of maternity care by revolutionising the prenatal and postpartum 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 and big data.

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")

31 March 2022

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (3 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	93	93
1.2 Payments for		
(a) research and development	(71)	(71)
(b) product manufacturing and operating costs	(47)	(47)
(c) advertising and marketing	(49)	(49)
(d) leased assets	(27)	(27)
(e) staff costs	(580)	(580)
(f) administration and corporate costs	(205)	(205)
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	52	52
1.9 Net cash from / (used in) operating activities	(834)	(834)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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

2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	115	115
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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	115	115

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,560	3,560
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(834)	(834)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	115	115
4.5	Effect of movement in exchange rates on cash held	4	4

4.6	Cash and cash equivalents at end of period	2,845	2,845
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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	2,845	3,560
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)	2,845	3,560

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$USD'000
105
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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.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
-	-
-	-
-	-
-	-

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)	(834)

8.2	Cash and cash equivalents at quarter end (Item 4.6)	2,845
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	2,845
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	3.4

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

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?

N/A

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

N/A

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2022

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.