

## ASX APPENDIX 4D HALF-YEAR FINANCIAL REPORT TO 30 JUNE 2023

### 1. DETAILS OF REPORTING PERIOD

|                               |                                 |
|-------------------------------|---------------------------------|
| Name of Entity                | HeraMED Limited (“the Company”) |
| ABN                           | 65 626 295 314                  |
| <b>Reporting Period</b>       | <b>30 June 2023</b>             |
| Previous Corresponding Period | 30 June 2022                    |
| Presentation Currency         | US Dollars (“\$”)               |

### 2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

|  | <b>30 June 2023</b><br>\$ | <b>30 June 2022</b><br>\$ | <b>Increase/<br/>(Decrease)</b><br>% | <b>Amount<br/>Change</b><br>\$ |
|--|---------------------------|---------------------------|--------------------------------------|--------------------------------|
| Revenues from ordinary activities  | 201,363                   | 139,995                   | 43.84%                               | 61,368                         |
| Profit/(loss) after tax from ordinary activities attributable to members | (2,188,509)               | (3,156,508)               | (30.67%)                             | 967,999                        |
| Profit/(loss) after tax attributable to members                          | (2,188,509)               | (3,156,508)               | (30.67%)                             | 967,999                        |

|  | <b>Amount Per<br/>Security</b> | <b>Franked Amount<br/>Per Security</b> |
|--|--------------------------------|--|
| Final Dividend                           | Nil                            | Nil                                    |
| Interim Dividend                         | Nil                            | Nil                                    |
| Previous Corresponding Period            | Nil                            | Nil                                    |
| Record Date for Determining Entitlements | Not Applicable                 |  |

#### Commentary on results:

For further information, refer to the review of activities contained in the directors’ report, which forms part of the attached half-year financial report.

### 3. NET TANGIBLE ASSETS PER SHARE

|  | <b>30 June 2023</b><br>\$ | <b>30 June 2022</b><br>\$ |
|--|---------------------------|---------------------------|
| Net tangible asset backing per ordinary security | (0.04) cents              | 0.45 cents                |

#### 4. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

##### Control gained over entities

|  |     |
|--|-----|
| Name of entity (or group of entities)  | N/A |
| Date control gained  | N/A |
| Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)  | N/A |
| Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material) | N/A |

##### Loss of control over entities

|  |     |
|--|-----|
| Name of entity (or group of entities)  | N/A |
| Date control lost  | N/A |
| Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)  | N/A |
| Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material) | N/A |

#### 5. DIVIDEND DETAILS

No dividend has been paid or recommended to be paid for the half-year ended 30 June 2023.

#### 6. DETAILS OF DIVIDEND REINVESTMENT PLANS

Not Applicable

#### 7. DETAILS OF ASSOCIATE AND JOINT VENTURE ENTITIES

Not Applicable

#### 8. FOREIGN ENTITIES

Not Applicable

#### 9. AUDIT

This report has been based on accounts that have been subject to an audit review. There are no items of dispute with the auditor and the audit review is not subject to qualification.

David Groberman

Mr David Groberman  
Chief Executive Officer

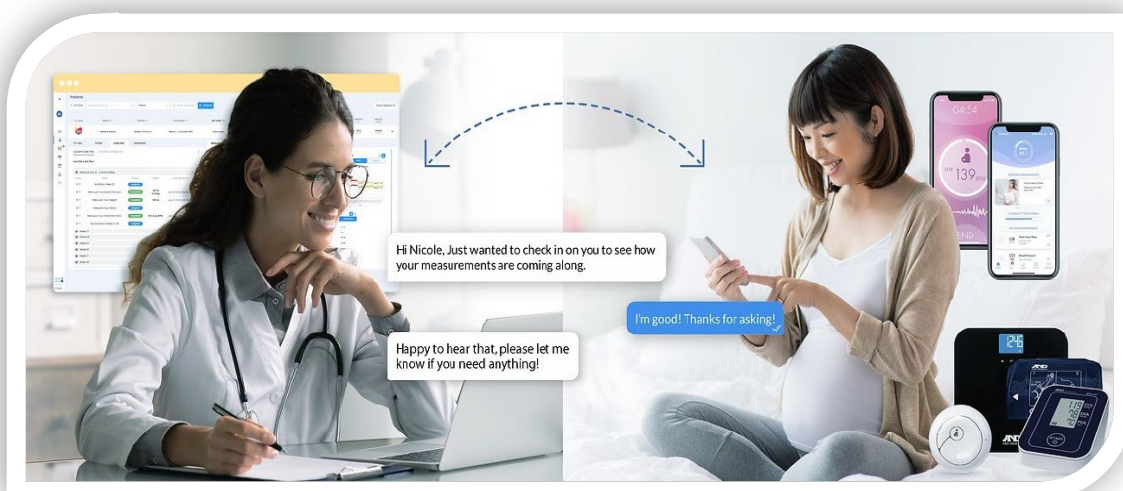
17 August 2023



# HERAMED LIMITED

ABN 65 626 295 314

## Half year report for the half-year ended 30 June 2023



## Corporate Directory

### Board of Directors

Dr Ron Weinberger  
Mr David Groberman  
Mr David Hinton  
Mr Doron Birger  
Ms Emily Slade

Executive Chairman  
Executive Director & Chief Executive Officer  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director

### Company Secretary

Mr Jonathan Hart

### Registered Office

Suite 4, Level 16  
55 Clarence Street  
Sydney, NSW 2000  
Tel: +61 (2) 7251 1888

### Group Auditors (Australia)

BDO Audit (WA) Pty Ltd  
Level 9, Mia Yellagonga Tower  
5 Spring Street  
Perth WA 6000

### Legal Advisers

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

### Share Registry

Automic Registry Services  
Level 5, 191 St Georges Terrace  
Perth WA 6000  
Phone: 1300 288 664 (within Australia); +61 2 9698 5414 (outside Australia)  
Fax: +61 8 9321 2337  
Email: [hello@automic.com.au](mailto:hello@automic.com.au)  
Web: [www.automic.com.au](http://www.automic.com.au)

### Stock Exchange

Australian Securities Exchange  
Level 40, Central Park  
152- 158 St Georges Terrace  
Perth WA 6000

### ASX Code

HMD – Shares  
HMDO – Options

# Half year report for the half-year ended 30 June 2023

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## Directors' report

The directors of HeraMED Limited ("HeraMED" or "the Company") (ASX: HMD) submit herewith the half-year report of HeraMED Limited and its wholly-owned subsidiaries, Hera Med Ltd ("HeraMED Israel") and HeraMED US Inc. ("HeraMED USA"), altogether "the Group" for the half-year ended 30 June 2023. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

### Directors

The names of directors of the Company during or since the end of the half-year are:

|                    |  |
|--------------------|--|
| Dr Ron Weinberger  | Executive Chairman                           |
| Mr David Groberman | Executive Director & Chief Executive Officer |
| Mr David Hinton    | Non-Executive Director                       |
| Mr Doron Birger    | Non-Executive Director                       |
| Ms Emily Slade     | Non-Executive Director                       |

The above-named directors have been in office during and since the end of the half-year except for:

- Mr Tal Slonim – appointed 27 September 2018 and resigned 20 April 2023

## Operating and financial review

Unless otherwise stated, all figures in this report as in the Company's presentation currency US\$ ("\$").

### Operating results

The Group recorded revenues of \$201,363 for the half-year ended 30 June 2023 (30 June 2022: \$139,995) and a gross profit margin of \$160,053 (30 June 2022: \$80,825). The consolidated loss of the Group for the half-year ended 30 June 2023 after providing for income tax, amounted to \$2,188,509 (30 June 2022: \$3,156,508 including a one-off finance expense of \$1,415,873 relating to convertible notes). Net assets of the Group as of 30 June 2023 amounted to \$753,325 (31 Dec 2022: net liabilities of \$2,861,594). As at 30 June 2023, the Group had cash and cash equivalents of \$824,691 (31 Dec 2022: \$2,616,639).

### Review of operations

HeraMED Limited, a medical technology company leading the digital transformation of maternity care with its proprietary remote monitoring maternity care platform, is pleased to provide an update on its progress for the half-year ended 30 June 2023.

### Highlights:

- Gold Coast Hospital and Health Service to trial the use of the HeraCARE Platform for their Women Newborn and Children Services.
- Strategic partnership signed with US employee rewards platform Fond and first customer; Snap Inc went live with the HeraCARE program offered to its 7,000 employees and their families.
- Appointment of Keith Koby as President, North America, responsible for growing HeraMED's presence, optimizing the go-to-market strategy and establishing the sales and distribution model.
- Director of Strategic Partnerships Australia & New Zealand, Anoushka Gungadin to transition to a full-time role to capitalise on the significant opportunities.

### **Australia - Commercial Deployment**

In March 2023, the Gold Coast Hospital and Health Service signed a Memorandum of Understanding to trial the use of the HeraCARE platform. A controlled trial of the platform is expected to be undertaken for up to 90 pregnancies for a period of six to nine months, with an objective to evaluate clinical usability, patient satisfaction, value for money and economic analysis.

Melbourne Mothers, a private practice that provides Obstetrics and Gynaecology services such as antenatal care, childbirth, postnatal care, and high-risk pregnancies, entered into the first private practice clinic commercial agreement in November 2022. HeraCARE has been successfully integrated into their care model, training has been completed and recruitment of newly pregnant mothers is underway with a target of 250 mothers to take part in the initial stage of the commercial launch.

Joondalup Obstetrics and Gynaecology Group (JOGG) was the second private practice that signed an agreement to deploy HeraCARE in May 2023. The target is to deploy HeraCARE for 120 pregnancies annually.

### **USA - Commercial Deployment**

In June 2023, a strategic enterprise agreement was signed with Fond; a global SaaS platform that consolidates employee rewards and recognition processes into an easy-to-use solution. Fond enables employees and managers to recognize each other, redeem rewards, and access exclusive corporate discounts for their corporate members.

While the Strategic Partnership will enable access to the HeraMED solution across all Fond's clients, one of their first customers is Snap Inc, a California-based, global social media company with over 7,000 employees. At the same time, an agreement was also signed with Entrustia Health (part of Refresh Health) to provide the Obstetrics and Gynaecology medical support. US employers typically offer a wide range of employee benefits including health insurance, to reinforce company culture, improve retention and employee engagement and the agreement with Fond is the first agreement in the employer segment which represents an important sales channel.

### **General**

In January 2023, the Company appointed Keith Koby as President, North America, responsible for growing HeraMED's presence, optimizing the go-to-market strategy and establishing the sales and distribution model; Keith Koby, formerly Senior Vice President, North America at Nanosonics, one of Australia's most successful medical technology companies, representing HeraMED's most senior appointment to date. Keith brings over 30 years of leadership, excellence and relevant experience in the medical technology and devices market.

Anoushka Gungadin was initially appointed as Director of Strategic Partnerships, Australia and New Zealand, in June 2022, in a part time capacity. On 20 April 2023, the Company announced that Anoushka would be transitioning to full-time to capitalise on the significant opportunity in Australia.

### **Post reporting period highlights:**

- **Appointment of Dr Ron Weinberger as Executive Chairman in July 2023, to drive commercialisation strategy focusing on sales and marketing.**
- **US-based industry experts Ron Bacsikai and Tiffany McKeever, appointed to strengthen USA commercialisation.**
- **Successfully raised AU\$2.58 million in July 2023, in a private placement to sophisticated and professional investors; proceeds to be used to accelerate commercialisation opportunities.**

On 3 July 2023, HeraMED announced that Dr Ron Weinberger was taking on the role of Executive Chairman to drive the commercialisation strategy, focusing on sales and marketing. With an eminent track record in transforming businesses from research and development stage to commercialisation success stories, combined with a deep understanding of HeraMED's technology following five years as Non-Executive Chairman, Ron is ideally placed to provide strategic leadership and guidance for the global commercialisation of HeraCARE.

HeraMED further strengthened the team in the USA with the appointment of Ron Bacskai as an Executive Consultant. Ron Bacskai was previously CEO and President, North America at Nanosonics and worked closely with both Dr Ron Weinberger and Keith Koby where they worked together on the hugely successful commercialisation of Nanosonic's technology in North America. In addition, Tiffany McKeever has been appointed as a consultant to support the commercialisation of HeraCARE in the USA. Tiffany has had a successful and very relevant career in commercialising health technologies, and it is expected that she will add significant value in supporting HeraMED's team.

### **Capital Raising**

Post 30 June 2023, HeraMED successfully raised A\$2.58 million (before transaction costs) in a private placement to sophisticated and professional investors.

Other than the above, there has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected the operations of the Group or the results of those operations.

### **Auditor's independence declaration**

The auditor's independence declaration is included on page 6 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the directors



Mr David Groberman  
**Chief Executive Officer**  
17 August 2023  
Tel Aviv, Israel



## DECLARATION OF INDEPENDENCE BY JACKSON WHEELER TO THE DIRECTORS OF HERAMED LIMITED

As lead auditor for the review of HeraMED Limited for the half-year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of HeraMED Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'JW', is written over a horizontal line.

**Jackson Wheeler**

**Director**

**BDO Audit (WA) Pty Ltd**

Perth

17 August 2023

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of HeraMED Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of HeraMED Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating to going concern

We draw attention to Note 3 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

### **Responsibility of the directors for the financial report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit (WA) Pty Ltd**

BDO

A handwritten signature in black ink, appearing to read 'Jh', is written over a horizontal line.

**Jackson Wheeler**

**Director**

Perth

17 August 2023

## Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 '*Interim Financial Reporting*', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mr David Groberman  
**Chief Executive Officer**  
17 August 2023  
Tel Aviv, Israel

## Consolidated statement of profit or loss and other comprehensive income for the half-year ended 30 June 2023

|   | Note | Half-year ended    |                    |
|---|------|--------------------|--------------------|
|   |      | 30 Jun 2023        | 30 Jun 2022        |
|   |      | \$                 | \$                 |
| Revenue   |      | 201,363            | 139,995            |
| Cost of sales   |      | (41,310)           | (59,170)           |
| <b>Gross profit</b>   |      | <b>160,053</b>     | <b>80,825</b>      |
| Research and development expenses                                     |      | (709,405)          | (246,543)          |
| General and administrative expenses                                   |      | (771,411)          | (599,533)          |
| Sales and marketing expenses  |      | (560,514)          | (244,272)          |
| Depreciation and amortisation expenses                                |      | (207,703)          | (160,793)          |
| Share-based payment expenses  | 6    | (91,280)           | (313,720)          |
| Other losses  |      | (33,584)           | (240,407)          |
| <b>Loss before finance expenses</b>                                   |      | <b>(2,213,844)</b> | <b>(1,724,443)</b> |
| Finance income  |      | 28,766             | 48,194             |
| Finance expenses – convertible notes                                  |      | -                  | (1,415,873)        |
| Finance expenses  |      | (3,431)            | (64,386)           |
| <b>Loss before income tax expenses</b>                                |      | <b>(2,188,509)</b> | <b>(3,156,508)</b> |
| Income tax expense  |      | -                  | -                  |
| <b>Loss for the period</b>  |      | <b>(2,188,509)</b> | <b>(3,156,508)</b> |
| <b>Other comprehensive (loss)/income</b>                              |      |                    |                    |
| <i>Items that may be reclassified subsequently to profit or loss:</i> |      |                    |                    |
| Foreign currency translation differences, net of tax                  |      | (11,041)           | 230,196            |
| <b>Other comprehensive income/(loss) for the period</b>               |      | <b>(11,041)</b>    | <b>230,196</b>     |
| <b>Total comprehensive loss for the period</b>                        |      | <b>(2,199,550)</b> | <b>(2,926,312)</b> |
| <b>Loss attributable to:</b>  |      |                    |                    |
| Owners of HeraMED Limited   |      | (2,188,509)        | (3,156,508)        |
| <b>Total comprehensive loss attributable to:</b>                      |      |                    |                    |
| Owners of HeraMED Limited   |      | (2,199,550)        | (2,926,312)        |
| <b>Loss per share:</b>  |      |                    |                    |
| Basic and diluted (cents per share)                                   | 9    | (0.90)             | (1.61)             |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated statement of financial position as at 30 June 2023

|                                      |      | 30 Jun 2023      | 31 Dec 2022*     |
|--------------------------------------|------|------------------|------------------|
|                                      | Note | \$               | \$               |
| <b>Current Assets</b>                |      |                  |                  |
| Cash and cash equivalents            |      | 824,691          | 2,616,639        |
| Trade receivables                    |      | 275,954          | 218,260          |
| Other receivables                    |      | 153,693          | 245,427          |
| Inventory                            |      | 228,290          | 171,393          |
| <b>Total Current Assets</b>          |      | <b>1,482,628</b> | <b>3,251,719</b> |
| <b>Non-Current Assets</b>            |      |                  |                  |
| Plant and equipment                  |      | 98,901           | 75,412           |
| Intangible assets                    | 4    | 844,932          | 1,038,234        |
| <b>Total Non-Current Assets</b>      |      | <b>943,833</b>   | <b>1,113,646</b> |
| <b>Total Assets</b>                  |      | <b>2,426,461</b> | <b>4,365,365</b> |
| <b>Current Liabilities</b>           |      |                  |                  |
| Trade and other payables             |      | 442,663          | 499,654          |
| Deferred revenue                     |      | 520,095          | 269,785          |
| Borrowings                           |      | 171,893          | 178,152          |
| Other financial liability            |      | 26,817           | 51,298           |
| <b>Total Current Liabilities</b>     |      | <b>1,161,468</b> | <b>998,889</b>   |
| <b>Non-Current Liabilities</b>       |      |                  |                  |
| Other financial liability            |      | 511,668          | 504,882          |
| <b>Total Non-Current Liabilities</b> |      | <b>511,668</b>   | <b>504,882</b>   |
| <b>Total Liabilities</b>             |      | <b>1,673,136</b> | <b>1,503,771</b> |
| <b>Net Assets</b>                    |      | <b>753,325</b>   | <b>2,861,594</b> |
| <b>Shareholders' Equity</b>          |      |                  |                  |
| Issued capital                       | 5    | 22,158,860       | 22,158,860       |
| Share-based payment reserve          | 6a   | 5,074,597        | 4,983,316        |
| Predecessor Accounting reserve       | 6b   | (133,879)        | (133,879)        |
| Foreign exchange reserve             | 6c   | 81,609           | 92,650           |
| Accumulated losses                   |      | (26,427,862)     | (24,239,353)     |
| <b>Shareholders' Equity</b>          |      | <b>753,325</b>   | <b>2,861,594</b> |

\* Reclassified: refer to note 1(c) for details on the reclassification.

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated statement of changes in equity as at 30 June 2023

|  | Issued<br>capital | Share-based<br>payment<br>reserve | Predecessor<br>Accounting<br>reserve | Foreign<br>exchange<br>reserve | Accumulated<br>losses | Total              |
|--|-------------------|-----------------------------------|--------------------------------------|--------------------------------|-----------------------|--------------------|
|  | \$                | \$                                | \$                                   | \$                             | \$                    | \$                 |
| <b>Balance at 1 January 2022</b>                 | <b>16,481,265</b> | <b>2,939,503</b>                  | <b>(133,879)</b>                     | <b>(34,184)</b>                | <b>(19,358,690)</b>   | <b>(105,985)</b>   |
| Loss for the period                              | -                 | -                                 | -                                    | -                              | (3,156,508)           | (3,156,508)        |
| Other comprehensive income                       | -                 | -                                 | -                                    | 230,196                        | -                     | 230,196            |
| <b>Total comprehensive income for the period</b> | <b>-</b>          | <b>-</b>                          | <b>-</b>                             | <b>230,196</b>                 | <b>(3,156,208)</b>    | <b>(2,926,312)</b> |
| Share issued                                     | 3,266,365         | -                                 | -                                    | -                              | -                     | 3,266,365          |
| Share-based payments                             | -                 | 1,742,210                         | -                                    | -                              | -                     | 1,742,210          |
| Share issue costs                                | (8,982)           | -                                 | -                                    | -                              | -                     | (8,982)            |
| <b>Balance at 30 June 2022</b>                   | <b>19,738,648</b> | <b>4,681,713</b>                  | <b>(133,879)</b>                     | <b>196,012</b>                 | <b>(22,515,198)</b>   | <b>1,967,296</b>   |
| <b>Balance at 1 January 2023</b>                 | <b>22,158,860</b> | <b>4,983,316</b>                  | <b>(133,879)</b>                     | <b>92,650</b>                  | <b>(24,239,353)</b>   | <b>2,861,594</b>   |
| Loss for the period                              | -                 | -                                 | -                                    | -                              | (2,188,509)           | (2,188,509)        |
| Other comprehensive loss                         | -                 | -                                 | -                                    | (11,041)                       | -                     | (11,041)           |
| <b>Total comprehensive loss for the period</b>   | <b>-</b>          | <b>-</b>                          | <b>-</b>                             | <b>(11,041)</b>                | <b>(2,188,509)</b>    | <b>(2,199,550)</b> |
| Share-based payments                             | -                 | 91,281                            | -                                    | -                              | -                     | 91,281             |
| <b>Balance at 30 June 2023</b>                   | <b>22,158,860</b> | <b>5,074,597</b>                  | <b>(133,879)</b>                     | <b>81,609</b>                  | <b>(26,427,862)</b>   | <b>753,325</b>     |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Consolidated statement of cash flows for the half-year ended 30 June 2023

|   | Note | Half-year ended    |                    |
|---|------|--------------------|--------------------|
|   |      | 30 Jun 2023        | 30 Jun 2022        |
|   |      | \$                 | \$                 |
| <b>Cash flows from operating activities</b>               |      |                    |                    |
| Receipts from customers                                   |      | 406,843            | 104,065            |
| Payments to suppliers and employees                       |      | (2,126,179)        | (1,749,943)        |
| Interest received   |      | 10,039             | 138                |
| <b>Net cash (used in) operating activities</b>            |      | <b>(1,709,297)</b> | <b>(1,645,740)</b> |
| <b>Cash flows from investing activities</b>               |      |                    |                    |
| Payments for plant and equipment                          |      | (1,001)            | (27,768)           |
| Payments for capitalised development costs                | 4    | -                  | (500,990)          |
| <b>Net cash (used in) investing activities</b>            |      | <b>(1,001)</b>     | <b>(528,758)</b>   |
| <b>Cash flows from financing activities</b>               |      |                    |                    |
| Net proceeds from equity instruments of the Company       | 5    | -                  | 104,634            |
| <b>Net cash provided by financing activities</b>          |      | <b>-</b>           | <b>104,634</b>     |
| <b>Net (decrease) in cash and cash equivalents</b>        |      | <b>(1,710,298)</b> | <b>(2,069,864)</b> |
| Cash and cash equivalents at the beginning of the period  |      | 2,616,639          | 3,559,018          |
| Impact of movement in foreign exchange rates              |      | (81,650)           | 370,334            |
| <b>Cash and cash equivalents at the end of the period</b> |      | <b>824,691</b>     | <b>1,859,488</b>   |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



## Condensed notes to the consolidated financial statements for the half-year ended 30 June 2023

### 1. General information

HeraMED Limited is a listed public company, trading on the Australian Securities Exchange, limited by shares, incorporated and domiciled in Australia.

These consolidated financial statements cover HeraMED Limited ("the Company") and its wholly-owned subsidiaries as a consolidated entity ("the Group"). The Company's wholly-owned subsidiaries are Hera Med Ltd ("HeraMED Israel") and HeraMED US Inc ("HeraMED USA"). For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The Group's registered office and principal place of business is disclosed in the Corporate Directory.

This half-year financial report was authorised for issue by the directors on 17 August 2023.

#### a) Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The half-year report does not include full disclosure of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report. It is recommended that this half-year report be read in conjunction with any public announcements made by HeraMED Limited (ASX: HMD) up to the date of this report in accordance with the continuous disclosure requirements arising under the ASX Listing Rules.

#### b) Basis of measurement and reporting conventions including capital reorganisation

The half-year report has been prepared on an accruals basis and is based on historical cost, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The half-year report is presented in United States dollars (\$) and all values are rounded to the nearest dollar unless otherwise stated.

#### c) Comparative amounts

When current period balances have been classified differently within current period disclosures when compared to prior periods, comparative disclosures have been reclassified to ensure consistency of presentation between periods. Other than the reclassification of some items of trade receivables and deferred revenue, there has been no changes to comparative figures. The reclassification resulted in an increase to trade receivables and deferred revenue by \$208,739, which has a nil impact on the net assets of the comparative period.

### 2. Application of new and revised Australian Accounting Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### 3. Significant accounting policies

#### **Revenue recognition**

Revenue is recognised based on the five-step model outlined in *AASB 15 Revenue from Contracts with Customers*.

The Company derives its revenue from:

- the sale of goods; and
- software licenses per month or per pregnancy.

#### **Revenue from sale of goods**

Revenue from sale of goods in the ordinary course of business is measured at the fair value of the consideration received or receivable. When the credit period is short and constitutes the accepted credit in the industry, the future consideration is not discounted.

Revenue is recognised when the performance obligation is satisfied, i.e., when control of the goods has transferred, being when the goods are shipped to the customer EXW (Ex Works). A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### **Revenue from software licenses per month or per pregnancy**

Revenue derived from the software is recognised according to several models:

##### ***Per pregnancy model:***

- In cases where HeraBEAT devices are leased, there is a single performance obligation which is met once the pregnancy is archived.
- In cases where HeraBEAT devices are sold, there are two (2) separate performance obligations; one performance obligation is met at the delivery of the HeraBEAT device to the client and the second performance obligation is met once the pregnancy is archived.

##### ***Per User Per Month model:***

The Company provides software licenses per user per month to the customer over time and the progress of the transfer of the service is measured in the same manner, that is, passage of time. The performance obligation in this case is met over time and therefore, the Company allocates the user per month multiplied by the number of licenses.

##### ***Third Party Hardware:***

In addition to the above, the Company offers the option to buy third party hardware devices such as blood pressure cuffs and scales. The performance obligation in this case is met once the products are delivered to the client.

All other accounting policies adopted are consistent with the accounting policies adopted in HMD's last annual financial statements for the year ended 31 December 2022.

#### **Going concern**

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a loss for the half-year ended 30 June 2023 of \$2,188,509 (30 June 2022: \$3,156,508), net cash outflows used in operating activities was \$1,709,297 (30 June 2022: \$1,645,740). As at 30 June 2023, the Group had cash and cash equivalents of \$824,691 (31 Dec 2022: \$2,616,639).

Whilst the Company is expected to be cash-flow negative for the foreseeable future as a result of continued expenditures, the ability of the Group to continue as a going concern is dependent on securing additional funding through equity to continue to fund its operational and technology development activities. These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors believe that there are sufficient funds available to continue to meet the Group's working capital requirements as at the date of this report and that sufficient funds will be available to finance the operations of the Group for the following reasons:

- the Group successfully raised A\$2.58 million (before transaction costs) subsequent to the half year ended 30 June 2023;
- the level of expenditure can be managed; and
- the directors of HeraMED have reason to believe that in addition to the cash flow currently available, additional funds from receipts are expected through the sale of the Group's products and services.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern and meet its debts as and when they become due and payable.

The directors plan to continue the Group's operations on the basis outlined above and believe there will be sufficient funds for the Group to meet its obligations and liabilities for at least twelve months from the date of this report.

#### **Critical accounting judgements, estimates and assumptions**

Critical accounting judgements, estimates and assumptions are consistent with the ones adopted in HMD's last annual financial statements for the year ended 31 December 2022.

## 4. Intangible assets

|                          | 30 Jun 2023 | 31 Dec 2022 |
|--------------------------|-------------|-------------|
|                          | \$          | \$          |
| Cost (1)                 | 2,339,382   | 2,339,382   |
| Accumulated amortisation | (1,494,450) | (1,301,148) |
| Net carrying amount      | 844,932     | 1,038,234   |

|                             | Development costs | Total     |
|-----------------------------|-------------------|-----------|
|                             | \$                | \$        |
| <b>Cost</b>                 |                   |           |
| Balance at 1 January 2022   | 1,628,722         | 1,628,722 |
| Additions                   | 710,660           | 710,660   |
| Balance at 31 December 2022 | 2,339,382         | 2,339,382 |
| Additions                   | -                 | -         |
| Balance at 30 June 2023     | 2,339,382         | 2,339,382 |

|                                 | Development costs | Total       |
|---------------------------------|-------------------|-------------|
|                                 | \$                | \$          |
| <b>Accumulated amortisation</b> |                   |             |
| Balance at 1 January 2022       | (958,370)         | (958,370)   |
| Amortisation expense            | (342,778)         | (342,778)   |
| Balance at 31 December 2022     | (1,301,148)       | (1,301,148) |
| Amortisation expense            | (193,302)         | (193,302)   |
| Balance at 30 June 2023         | (1,494,450)       | (1,494,450) |

(1) The Company capitalised development costs that are attributable to the HeraBEAT product and to HeraCARE.

(2) The Company has assessed the relevant impairment indicators for development costs and does not expect impairment to the Company's intangibles in the current half-year. The Company has concluded that the carrying value of the intangibles at 30 June 2023 is recoverable.

**5. Issued capital****(a) Share capital**

242,657,048 (31 Dec 2022: 242,657,048) fully paid ordinary shares.

| 30 Jun 2023 | 31 Dec 2022 |
|-------------|-------------|
| \$          | \$          |
| 22,158,860  | 22,158,860  |

There were no movements in the issued capital of the Company in the current reporting period.

|   | 30 Jun 2023        |                   | 31 Dec 2022        |                   |
|---|--------------------|-------------------|--------------------|-------------------|
| <i>Fully paid ordinary shares</i>       | No.                | \$                | No.                | \$                |
| Balance at the beginning of the period  | 242,657,048        | 22,158,860        | 188,229,652        | 16,481,265        |
| Issue of shares (i)                     | -                  | -                 | 622,215            | 87,010            |
| Issue of shares (ii)                    | -                  | -                 | 91,666             | 10,575            |
| Issue of shares (iii)                   | -                  | -                 | 111,109            | 16,031            |
| Issue of shares (iv)                    | -                  | -                 | 22,833,176         | 3,152,749         |
| Placement (v)                           | -                  | -                 | 26,104,258         | 2,326,096         |
| Placement (vi)                          | -                  | -                 | 4,664,972          | 386,687           |
| Share issue costs                       | -                  | -                 | -                  | (301,553)         |
| <b>Balance at the end of the period</b> | <b>242,657,048</b> | <b>22,158,860</b> | <b>242,657,048</b> | <b>22,158,860</b> |

(i) Issue of shares on 28 January 2022 following exercise of 622,215 unlisted options at A\$0.20 per option.

(ii) Issue of shares on 28 January 2022 following exercise of 91,666 unlisted options at A\$0.165 per option.

(iii) Issue of shares on 21 February 2022 following exercise of 111,109 unlisted options at A\$0.20 per option.

(iv) Issue of shares on 29 April 2022 at A\$0.195 following the conversion of 2,392,047 convertible notes.

(v) Issue of shares on 31 August 2022 at A\$0.13 per share pursuant to a Placement.

(vi) Issue of shares on 25 October 2022 at A\$0.13 per share pursuant to a Placement.

**(b) Capital management**

Due to the nature of the Group's activities, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet research and development programs, sales and marketing plans and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are deposited with major financial institutions.

## 6. Reserves

|  | 30 Jun 2023 | 31 Dec 2022 |
|--|-------------|-------------|
|  | \$          | \$          |
| <b>a) Share-based payment reserve</b>                      |             |             |
| 56,186,918 (31 December 2022: 55,836,918) options on issue | 5,074,597   | 4,983,316   |

|   | 30 Jun 2023 |
|---|-------------|
|   | \$          |
| <b><i>Movement in share-based payment reserve</i></b> |             |
| <b>Opening balance at 1 January 2023</b>              | 4,983,316   |
| Issue of 350,000 Koby Options (refer to note 7)       | 18,633      |
| Options to employees, consultants and CFO             | 72,648      |
| <b>Closing balance at 30 June 2023</b>                | 5,074,597   |

|                                    | 30 Jun 2023 | 31 Dec 2022 |
|------------------------------------|-------------|-------------|
|                                    | \$          | \$          |
| <b>b) Foreign exchange reserve</b> |             |             |
| Closing balance                    | 81,609      | 92,650      |

The foreign currency translation reserve records exchange differences arising on translation from functional currency to presentation currency.

|  | 30 Jun 2023 | 31 Dec 2022 |
|--|-------------|-------------|
|  | \$          | \$          |
| <b>c) Predecessor accounting reserve</b> |             |             |
| Closing balance                          | (133,879)   | (133,879)   |

The reserve arises from the capital reorganisation and records the net liabilities of HeraMED Limited as at the acquisition date of 10 December 2018.

## 7. Share-based payments

During the half-year ended 30 June 2023, the Company recorded the following share-based payments:

- The issue of 350,000 Options exercisable at A\$0.15 on or before 27 January 2027 to Mr Keith Koby (“**Koby Options**”) pursuant to an employee incentive scheme. Mr Koby was appointed Vice President, North America on 24 January 2023. The fair value of the options has been determined using Black-Scholes model.

### Fair Value

The inputs to the pricing models and valuations for options issued in the current reporting period are as follows:

|                             | Koby Options |
|-----------------------------|--------------|
| Number of options           | 350,000      |
| Grant date                  | 27 Jan 2023  |
| Exercise price              | A\$0.15      |
| Expected volatility         | 85%          |
| Implied option life (years) | 4.0          |
| Expected dividend yield     | nil          |
| Risk free rate              | 3.76%        |
| Valuation per option (A\$)  | 0.0750       |
| Exchange rate               | 1.40890      |
| Valuation per option (US\$) | 0.05324      |
| Total valuation (US\$)      | 18,633       |

### Options on issue

Options may be issued to external consultants or non-related parties without shareholders’ approval, where the annual 15% capacity pursuant to ASX Listing Rule 7.1 has not been exceeded. Options cannot be offered to a director or an associate of a director except where approval is given by shareholders at a general meeting.

Each option converts into one ordinary share of HeraMED Limited on exercise. The options carry neither the right to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following options were on issue at the reporting date:

| Number of Options | Grant Date      | Exercise Price | Expiry Date     |
|-------------------|-----------------|----------------|-----------------|
| 1,133,334         | 15 August 2019  | A\$0.165       | 15 August 2024  |
| 574,000           | 15 August 2019  | US\$0.01       | 15 August 2024  |
| 7,440,000         | 2 June 2021     | A\$0.20        | 2 June 2025     |
| 1,000,000         | 28 April 2022   | A\$0.22        | 29 April 2024   |
| 44,589,584        | Various         | A\$0.22        | 29 April 2024   |
| 250,000           | 9 August 2022   | A\$0.15        | 9 August 2027   |
| 850,000           | 2 August 2022   | A\$0.1358      | 28 July 2027    |
| 350,000           | 27 January 2023 | A\$0.15        | 27 January 2027 |

There has been no alteration to the terms and conditions of the above options arrangements since the grant date.

**8. Dividends**

The Company did not pay or propose any dividends in the half-year to 30 June 2023.

**9. Loss per share**

|                                  | <b>30 Jun 2023</b> | <b>30 Jun 2022</b> |
|----------------------------------|--------------------|--------------------|
|                                  | US cents per share | US cents per share |
| Basic and diluted loss per share | (0.90)             | (1.61)             |

**9.1 Basic and diluted loss per share**

The loss and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

|   | <b>30 Jun 2023</b> | <b>30 Jun 2022</b> |
|---|--------------------|--------------------|
|   | \$                 | \$                 |
| Loss for the year attributable to the owners of the Company | (2,188,509)        | (3,156,508)        |

|   | <b>30 Jun 2023</b> | <b>30 Jun 2022</b> |
|---|--------------------|--------------------|
|   | No.                | No.                |
| Weighted average number of ordinary shares for the purposes of basic and diluted loss per share | 242,657,048        | 195,782,632        |

**10. Commitments**

The Group has no known commitments as at 30 June 2023.

**11. Contingencies**

The Company is a party to a number of agreements with Mayo Clinic. Subject to Mayo Clinic's achieving milestones with such agreements, the Company is to issue securities and/or pay royalties.

The Group has no other known contingencies as at 30 June 2023.

**12. Related party transactions**

There were no transactions with related parties during the half-year other than those that were on the same basis as stated in the 31 December 2022 annual report.

**13. Events occurring after the reporting period**

On 3 July 2023, HeraMED announced the appointment of Dr Ron Weinberger as Executive Chairman. Dr Weinberger was the Non-Executive Chairman of the Company from 21 August 2018.

On 12 July 2023, HeraMED successfully raised A\$2.58 million (before transaction costs) via a private placement to sophisticated and professional investors.

Other than the above, there has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected the operations of the Group or the results of those operations.