

HERA
MED



HERAMED LIMITED

ABN 65 626 295 314

**ANNUAL REPORT FOR THE YEAR ENDED
31 DECEMBER 2023**



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CONTENTS

Corporate Directory..... 1

Executive Chairman Review..... 2

Directors’ Report..... 4

Auditor’s Independence Declaration..... 22

Consolidated Statement of Profit or Loss and Other Comprehensive Income..... 23

Consolidated Statement of Financial Position..... 24

Consolidated Statement of Changes in Equity..... 25

Consolidated Statement of Cash Flows..... 26

Notes to the consolidated financial statements..... 27

Directors’ Declaration..... 55

Independent Auditor’s Report..... 56

Additional ASX Information..... 60

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CORPORATE DIRECTORY

Directors

Dr Ronald Weinberger	Executive Chairman
Mr David Hinton	Non-Executive Director
Mr Tim Chapman	Non-Executive Director

Company Secretary

Mr Jonathan Hart

Registered Office

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

Auditors (Australia)

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Share Registry

Xcend Pty Ltd
Level 1, 139 Macquarie Street
Sydney NSW 2000
Phone: +61 2 7208 8033
Email: support@xcend.co
Web: www.xcend.co

ASX Code

HMD – Fully paid ordinary shares
HMDO - Options

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EXECUTIVE CHAIRMAN REVIEW

Dear fellow shareholders,

Highlights for the year ended 31 December 2023:

- **A partner agreement with Australia's largest e-health provider, Telstra Health;**
- **Clinical trial launched at Gold Coast Hospital for up to 90 pregnancies for six to nine months;**
- **MOU signed with US-based FemBridge, to develop a scalable, comprehensive maternity care solution;**
- **MOU signed with US-based Wingwomen, a tech-enabled FemHealth company that champions virtual and in-person care for Gynaecology, to undertake a 90-day evaluation;**
- **Strategic collaboration and commercial agreement signed with SA-based GPEX; to undertake a pilot to understand how HeraCARE can benefit pregnant mothers and the health industry; and**
- **Accumulated total users on the platform reached 3,051 and there were 72,604 accumulated total measurements as at 31 December 2023**

During the year to 31 December 2023, we achieved many initiatives and made progress on executing our commercialisation strategy. Since I was appointed as Executive Chairman in July 2023, I have ensured our focus is exclusively on progressing the commercialisation strategy and capitalising on our significant opportunity to lead the digital transformation of maternity care.

There were several new and important initiatives during the period, and I take this opportunity to highlight a few of them.

Firstly, in November 2023, HeraMED signed a partner agreement with Australia's largest e-health provider, Telstra Health allowing HeraCARE to join Telstra Health's Smart Marketplace of approved partners. Telstra Health is Australia's largest provider of digital solutions and services to healthcare providers and governments across the care continuum and has over a decade of experience implementing and scaling virtual care solutions. HeraCARE represents the first maternity solution to join Telstra Health's Smart Marketplace. I am delighted that HeraMED reached this agreement as it represents an exciting milestone for our business to be partnering with such a prestigious global digital health provider.

One of the most exciting partnerships for HeraMED is at the Gold Coast University Hospital (GCUH), where during the period, a Clinical trial was launched for up to 90 pregnancies for six to nine months; with an objective to evaluate clinical usability, patient satisfaction, value for money and economic analysis. GCUH prides itself on its leadership in digital transformation under their 'Digital 2024 (D24) strategic plan' and we continue to work together on the development of innovative products and IP for use in a hospital and health service setting.

More recently, in January 2024, a strategic collaboration and commercial agreement was signed with GPEX. GPEX is a national organisation headquartered in South Australia that aims to shape the future of health in Australia by delivering programs and services that promote excellence and equity, meeting the health and medical workforce needs of the communities which they serve.

Pleasingly, the number of accumulated users on the platform continues to grow and reached 3,051 as at 31 December 2023. Furthermore, HeraMED continues to accumulate a significant repository of data which is proving to be increasingly valuable to a range of health providers. In turn this data will lead to accelerated patient data and the identification of early clinical intervention opportunities and reduction of mortality and morbidity. It will also accelerate our "data as an asset" approach and the use of our proprietary AI to assist in analysis and in the future, become integrated into our product.



Outlook for 2024

Already in 2024, we have made pleasing progress across several initiatives across our key target markets of Australia and USA. We are delighted with the momentum building in USA as our collaboration with Fembridge gathers pace and several agreements are already in progress.

Our focus is firmly on the HeraCARE platform as well as a clearer and more targeted sales and marketing strategy. We have a heightened focus on streamlining the business to ensure efficiencies can be achieved in all areas of the business and will update shareholders with further details in due course.

Sincerely,

Ron Weinberger

Dr Ron Weinberger
Executive Chairman

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DIRECTORS' REPORT

The Directors present their report, together with the financial statements of HeraMED Limited ("the Company", "HeraMED" or "HMD") and its wholly-owned subsidiaries, Hera Med Ltd ("HeraMED Israel") and HeraMED US Inc. ("HeraMED USA"), altogether ("the Group") for the financial year ended 31 December 2023.

Directors

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Name	Status	Appointed	Resigned
Dr Ronald Weinberger	Executive Chairman	21 Aug 2018	n/a
Mr David Hinton	Non-Executive Director	21 Aug 2018	n/a
Mr Tim Chapman	Non-Executive Director	11 March 2024	n/a
Mr Doron Birger	Non-Executive Director	5 Oct 2018	11 March 2024
Ms Emily Slade	Non-Executive Director	13 Sep 2022	17 Jan 2024
Mr David Groberman	Executive Director & CEO	25 Sep 2018	8 Nov 2023
Mr Tal Slonim	Non-Executive Director	27 Sep 2018	20 Apr 2023

Principal Activities

The principal continuing activities of the Group during the year was focused on the commercialization and deployment of our HeraCARE pregnancy monitoring solution. We are committed to continuously optimizing our technology. Our R&D team is working on improving the performance and reliability of HeraCARE, as well as expanding our abilities to better meet the needs of our customers.

Dividends

There were no dividends paid or recommended during the financial year ended 31 December 2023 (2022: nil).

Operating and Financial Review

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

HeraMED Limited recorded revenues of \$402,897 for the year ended 31 December 2023 (2022: \$218,915). The Group incurred a loss before finance expenses of \$4,432,391 (2022: \$3,180,882) and a total loss for the year ended 31 December 2023 of \$4,502,770 (2022: \$4,880,663). The net assets of the Group have decreased by \$2,394,895, from \$2,861,594 at 31 December 2022 to \$466,699 at 31 December 2023. As at 31 December 2023, the Group's cash and cash equivalents were \$723,294 compared to \$2,616,639 at 31 December 2022. During the year ended 31 December 2023, the Group raised a total of A\$3,145,000M (before transaction costs). A further A\$415,000 was received in February 2024. The Company also undertook a non-renounceable pro-rata entitlement issue of 1 new Share for every 5 existing Shares held by eligible shareholders at an issue price of A\$0.02 per share to raise up to approximately A\$1,285,057 (before transaction costs) (**Rights Issue**). The Company received valid acceptances (including shortfall applications) from eligible shareholders for A\$224,713 under the Rights Issue. The Company anticipates placing the shortfall of the Rights Issue (A\$1,060,344) over the coming weeks (which will include the participation of Dr Ron Weinberger for A\$500,000).

Highlights during the year

- Several new initiatives announced during the period including a partner agreement with Australia's largest e-health provider, Telstra Health;
- Clinical trial launched at Gold Coast Hospital for up to 90 pregnancies for six to nine months;
- MOU signed with US-based FemBridge, to develop a scalable, comprehensive maternity care solution;
- MOU signed with US-based Wingwomen, a tech-enabled FemHealth company that champions virtual and in-person care for Gynaecology, to undertake a 90-day evaluation;
- Strategic collaboration and commercial agreement signed with SA-based GPEx; to undertake a pilot to understand how HeraCARE can benefit pregnant mothers and the health industry;
- Accumulated total users on the platform was 3,051 and there were 72,604 accumulated total measurements as at 31 December 2023.

The number of accumulated users on the platform continues to grow and reached 3,051 as at 31 December 2023. Furthermore, HeraMED continues to accumulate a significant repository of data which is proving to be increasingly valuable to a range of health providers. In turn this data will lead to accelerated patient data and the identification of early clinical intervention opportunities and reduction of mortality and morbidity. It will also accelerate our “data as an asset” approach and the use of our proprietary AI to assist in analysis and in the future, become integrated into our product.

In November 2023, HeraMED signed a partner agreement with Australia’s largest e-health provider, Telstra Health allowing HeraCARE to join Telstra Health’s Smart Marketplace of approved partners. Telstra Health is Australia’s largest provider of digital solutions and services to healthcare providers and governments across the care continuum and has over a decade of experience implementing and scaling virtual care solutions. HeraCARE represents the first maternity solution to join Telstra Health’s Smart Marketplace.

This agreement represents an exciting milestone for HeraMED to be partnering with such a prestigious global digital health provider.

One of the most exciting partnerships for HeraMED is at the Gold Coast University Hospital (GCUH), where during the period, a Clinical trial was launched for up to 90 pregnancies for six to nine months; with an objective to evaluate clinical usability, patient satisfaction, value for money and economic analysis.

GCUH prides itself on its leadership in digital transformation under their ‘Digital 2024 (D24) strategic plan’ and we continue to work together on the development of innovative products and IP for use in a hospital and health service setting.

In January 2024, a strategic collaboration and commercial agreement was signed with GPEx. GPEx is a national organisation headquartered in South Australia that aims to shape the future of health in Australia by delivering programs and services that promote excellence and equity, meeting the health and medical workforce needs of the communities which they serve.

GPEx has been delivering innovative solutions for primary care since 2002, including high-quality education and training, and workforce planning and capacity-building. They also run South Australia’s state-wide GP Obstetric Shared Care Program, which contributes to 17% of births in the state.

In January 2024, a binding two-year agreement was signed with PHI Research, led by Associate Professor Paul Porter, joined by Dr Kym Jones; the leading clinical team and private obstetrician that led each of HeraCARE’s clinical trials as well as the rollout of HeraCARE within the public hospital at JHC. Paul and Kym will make up a newly formed medical advisory team, supporting HeraMED as HeraCARE experts and Key Opinion Leaders.

FemBridge, a leading innovator in maternal healthcare solutions, based in Winfield (West Virginia) has signed a Memorandum of Understanding with HeraMED to collaborate on the development of a scalable, seamless, and comprehensive maternity care solution.

To date FemBridge has been engaged by HeraMED as an out-sourced business development function. The binding agreement; anticipated to be completed by 1 February 2024; will expand the partnership with FemBridge, to provide health professionals, sales executives, and other services. The FemBridge team will continue to work closely with HeraMED management and allow increased sales reach and expertise for HeraMED.

FemBridge and HeraMED will collaborate to integrate HeraCARE into a comprehensive service offering and source grants and payment options best suited to the offer. FemBridge has already reached a commercial agreement with the North Carolina Hospital Association to provide a maternity solution which will be powered by HeraCARE and represents a significant opportunity for HeraMED. This partnership will provide HeraMED with increased access to C-suite decision makers and government health experts, an improved understanding of the complex healthcare environment, provider and insurer needs and reimbursement.

Wingwomen Inc is a tech-enabled FemHealth company that champions virtual and in-person care for Gynaecology, family planning, health coaching, and doula support. The multidisciplinary team comprises Gynaecologists, Nurse Practitioners, Midwives, Doulas, Health Coaches, and Peer Group Facilitators across locations in Massachusetts, and a presence in California, Florida, Georgia, and Louisiana.

Through an evaluation period of 90 days, Wingwomen will oversee up to 12 pregnant women of colour who are at risk for, or diagnosed with, Gestational Diabetes, Preeclampsia, and Gestational Hypertension, and provide them with HeraCARE and technology to monitor their blood pressure, fetal heart rate (FHR), weight and mood within the 3rd and 4th trimesters.

During 2023, e-Lövu reached commercial agreements with a total of six clinics who in turn onboarded 221 pregnant mothers to the HeraCARE platform. There has been an acceleration in sign-ups during the year reflecting the pleasing traction they are observing, with 197 pregnant mothers added to the platform in the second half of the year. Discussions continue in relation to the finalisation of a formal commercial agreement.

Managing the risks associated with our strategy

In developing, refining and executing on our strategy the Company constantly assesses the key risks to our business and puts in place controls and strategies to mitigate these risks in an appropriate manner. The Company is aware of the macro-economic risks impacting the environment that we operate, as well as the risk factors that pertain to medical device companies and other factors impacting HeraMED. Where the risk relates to factors within the control of management, we make further comments. These risk factors are not exhaustive and other risks may impact the value of the investment that shareholders in the Company.

Business risks

Limited Cash

The Company will have to raise more money to finance technology development, commercialisation and deployment of its products and other longer-term objectives. Such fundraising may dilute Shareholders, may be on terms unfavourable to the Company or may not be available at all.

Early-Stage Business

The Company's business operations are at an early stage, and the commercialisation of HeraCARE has not yet been proven at scale. 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.

Competition

There can be no assurance that the Company will be able to match or compete with the efforts or funding of competitors that release competing products to market. HeraMED is focussed on maintaining and developing strong relationships with health care providers, being able to innovate and respond to changing market needs.

Cybersecurity

The Company's products, services and systems may be used in critical company, customer or third-party operations, or involve the storage, processing and transmission of sensitive data, including valuable intellectual property, other proprietary or confidential data, regulated data, and personal information of employees, customers and others. Successful breaches, employee malfeasance, or human or technological error could result in, for example, unauthorized access to, disclosure, modification, misuse, loss, or destruction of the Company, customer, or other third party data or systems; theft of sensitive, regulated, or confidential data including personal information and intellectual property; the loss of access to critical data or systems through ransomware, destructive attacks or other means; and business delays, service or system disruptions or denials of service. HeraMED has in place various protections in order to take all reasonable steps to protect its data from unauthorized access, loss or modification.

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.

Operations in Israel

Some of the operations are located in Israel, a country that is in armed conflict with neighbouring countries. Should this conflict continue for an extended period of time and/or escalate, there remains a significant risk to personnel and that could adversely impact operations.

Regulatory Approvals and Restrictions

The regulatory requirements for HeraBEAT and HeraCARE and any other developed products will depend on the local policies of the ministry of health or similar government agency in the jurisdictions in which it intends to operate (for example TGA in Australia, FDA in the US, CFDA in the PRC, ANVISA in Brazil, etc.) and may be different from country to country. In some countries, HeraMED's products may be subject to continuing regulation including 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. Meeting such regulatory compliance may prove expensive and may reduce HeraMED's profitability. 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. There is also the risk that company IP is challenged or not adequately protected.

Liability and Lawsuits

Medical device companies can be 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. There are no such claims against the Company.

Other Risks

This list of risk factors above is not an exhaustive list of the risks faced by HeraMED or by investors in the Company. The risk factors described in this Section as well as risk factors not specifically referred to above may in the future materially affect the financial performance of the Company and the value of its Shares.

Significant changes in the state of affairs

There were the following significant changes to the Company or the state of its affairs during the year:

- Resignation of Chief Executive Officer, Mr David Groberman
- Resignation of Chief Operating Officer Mr Tal Slonim
- Appointment of Dr Ron Weinberger as Executive Chairman
- Appointment of a new Chief Financial Officer, Mr Ido Toronchik and
- Placement of shares raising ~A\$3.42M (before transaction costs).

Subsequent Events

On 16 January 2024, the Company announced it had entered into a strategic collaboration agreement with GPeX (SA), an organisation that delivers innovative solutions for primary care. Including education and training, GP shared care programs, workforce solutions and clinical trials. This is a paid pilot at commercial rates for the set-up, customisation, maternity care plans, low level integration training, HeraBEAT and ongoing support.

On 17 January 2024, Ms Emily Slade resigned as non-executive director of the Company.

On 18 January 2024, the Company announced a non-renounceable entitlement offer of one new ordinary HMD share for every five ordinary HMD shares held by eligible shareholders at a share price of A\$0.02 per share to raise up to approximately A\$1.28 million (before offer and transaction costs) (**Rights Issue**). The Company received valid acceptances (including shortfall applications) from eligible shareholders for A\$224,713 under the Rights Issue. The Company anticipates placing the shortfall of the Rights Issue (A\$1,060,344) over the coming weeks (which will include the participation of Dr Ron Weinberger for A\$500,000).

On 22 January 2024, the Company announced it had entered into a binding two-year strategic collaboration agreement with two leading private Obstetricians at Joondalup Health Campus, Western Australia.

On 23 February 2024, the Company held a General Meeting where shareholders approved the issue of 20,750,000 Tranche 2 Placement Shares at A\$0.02 per share to raise A\$415,000 (before transaction costs) amongst other resolutions. The Shares were issued on 1 March 2024.

On 28 February 2024, the Company announced that Broward Health has signed a two-year agreement for adoption of the HeraCARE platform, beginning with 700 HeraCARE licenses and 200 bundles of hardware (including HeraBEAT devices), representing the largest deployment in USA to date. Broward Health will pay HeraMED US\$99,600 up front for 200 bundles (each bundle to include a HeraBEAT, Blood Pressure Cuff, Bluetooth Scale and a co-branded Diaper bag). Broward Health will also pay US\$100,400 in advance in each of the next two years, for up to 700 active licenses. There is an option for Broward Health to purchase another 200 bundles for US\$99,600 at any point during the two years and if Broward Health exercises this option, then the total consideration would be approximately US\$400,000 over the two years.

On 11 March 2024, Mr Doron Birger resigned as non-executive director of the Company. On the same day, Mr Tim Chapman was appointed as non-executive director.

There were no other material events after the reporting period other than the above.

Information on Directors

Ron Weinberger	Executive Chairman
Qualifications	PhD (Medical Biochemistry), BSc (Hons) Molecular Pharmacology
Experience	Dr Weinberger is an experienced technology and business development executive, with a demonstrated history of building significant value at multiple levels in the medical device industry. Dr Weinberger is the former Executive Director and CEO of Nanosonics (ASX: NAN). During his time at Nanosonics, he co-developed their platform technology, launched their breakthrough product Trophon globally and created a North American sales team to work alongside GE Healthcare. He also developed the distribution strategy for Europe having partnered with Toshiba Medical Systems (now Canon Medical Systems) and Miele Professional. Dr Weinberger is Managing Director and CEO of EMVision Medical Devices Ltd.
Interest in Shares and Options	801,000 Ordinary Shares 7,500,000 unlisted options expiring 31 December 2025 exercisable at A\$0.0975
Directorships held in other listed entities	EMVision Medical Devices Ltd (ASX: EMV) Cleanspace Holdings Ltd (ASX: CSX) – 15 April 2021 to 31 January 2022
David Hinton	Non-Executive Director
Qualifications	B.Bus, FCA, GAICD, FGIA, ICSA
Experience	Mr Hinton has an extensive career in the information and technology sectors and is currently Chief Financial Officer and Company Secretary of Empired Limited, an IT and software services provider and prior to that Amcom Telecommunications Ltd. He holds a Bachelor of Business Degree and is a Fellow of Chartered Accountants Australia and New Zealand, and of the Governance Institute of Australia and a Graduate of the Australian Institute of Company Directors. Mr Hinton is also a Non-Executive Director of Valo Therapeutics Oy and of the not-for-profit Auspire - The Australia Day Council of Western Australia and a General Committee member of Royal Perth Yacht Club Inc. He is also the Independent Audit Committee member of the Australian Institute of Marine Science.
Interest in Shares and Options	430,000 Ordinary Shares
Directorships held in other listed entities	Nil
Doron Birger	Non-Executive Director
Qualifications	BA(Econ), MA(Econ)
Experience	Mr Birger was Chairman and director of Given Imaging (NASDAQ/TASE: GIVN), CEO of Elron electronic industries (Nasdaq/TASE: ELRN) and was Chairman or board member, during different periods, in a variety of publicly traded companies (including Elbit Systems, Elbit Ltd, NetVision, Icecure, Medigus, HBL Hadasit, Insuline, MCS and Starling). Mr Birger resigned on 11 March 2024.

Interest in Shares and Options	Nil
Directorships held in other listed entities	Chairman of Matricelf - traded on the TASE Chairman of Intelicanna - traded on the TASE Director in Citrin Global - traded on NASDAQ (OTC) Director in Kadimastem – traded on the TASE Director in Icecure – traded on NASDAQ and the TASE Director in Pluristem - traded on NASDAQ and the TASE
Tim Chapman	Non-Executive Director (appointed 11 March 2024)
Qualifications	BCom
Experience	Mr Chapman has over 20 years' experience in financial services, having advised on a myriad of corporate transactions and capital raisings for public and private companies through IPOs, private placements, reverse takeovers as well as many mergers and acquisitions.
Interest in Shares and Options	277,778 Ordinary Shares 2,525,000 Listed Options 3,666,666 Unlisted Options expiring 20 July 2026 exercisable at A\$0.12 4,500,000 Unlisted Options expiring 11 March 2027 exercisable at A\$0.045
Directorships held in other listed entities	Nil
Emily Slade	Non-Executive Director (resigned 17 January 2024)
Qualifications	BA, LLB
Experience	Ms Slade has broad experience across Legal and Business Affairs, Intellectual Property and Strategy, in a range of sectors including healthcare, logistics and technology. Ms Slade has worked in a range of organisations from start-ups to SMEs as well as large public companies such as Ansell Limited. Ms Slade was most recently Head of Legal and Business Affairs at Rendr, a fulfilment technology company providing on demand delivery solutions and was previously Head of Legal at Deliveroo AU and formerly Legal Counsel Asia Pacific at Ansell Limited. Ms Slade currently sits on various charity and NFP community boards and conducts many voluntary, philanthropic and public activities. Ms Slade resigned on 17 January 2024.
Interest in Shares and Options	Nil
Directorships held in other listed entities	Nil
David Groberman	Chief Executive Officer
Qualifications	BSc <i>cum laude</i>
Experience	Mr Groberman is a mechanical and bio-medical engineer with over 17 years of experience in developing multi-disciplinary medical technologies across a wide spectrum of the industry. Mr Groberman resigned on 8 November 2023.
Interest in Shares and Options	9,709,170 Ordinary shares held at time of resignation.
Directorships held in other listed entities	Nil
Tal Slonim	Non-Executive Director
Qualifications	BSc <i>cum laude</i> , MBA
Experience	Mr Slonim is a qualified engineer and operations manager with over 22 years of experience. Mr Slonim resigned on 20 April 2023.
Interest in Shares and Options	9,709,170 Ordinary shares held at time of resignation.
Directorships held in other listed entities	Nil

Information on Company Secretary

Jonathan Hart	Company Secretary
Qualifications	LLB, BCom
Experience	Mr Hart holds a Bachelor of Laws and Commerce and has provided corporate advisory services and held several board positions on various ASX listed companies over the years. His experience includes initial public offerings on ASX (AIM and JSE), reverse takeovers, due diligence investigations, general corporate and commercial drafting, public and private mergers and acquisitions, general corporate advice in relation to capital raisings, Corporations Act 2001 and ASX compliance.

Information on Other Key Management Personnel

Ido Toronchik	Chief Financial Officer – appointed 8 November 2023
Qualifications	BA (Economics and Accounting), CPA
Experience	Mr Toronchik is a Partner at Shimony & Co, an Israeli company since 2022. He manages the CFO services and outsourced accounting departments at Shimony and serves as the Finance Manager of Shimony's start up and high-tech clients. Mr Toronchik has extensive experience and knowledge in business accompaniment and finance departments management in companies and is an expert in the Venture Capital field, grants, accounting standards, budget and cash flow management and support in IPOs/merger processes.
Interest in Shares and options	Nil
Directorships held in other listed entities	Nil

Sivan Sadan	Chief Financial Officer until 8 November 2023
Qualifications	BA (Economics and Management), MBA (Finance) from Tel Aviv University.
Experience	Mrs Sadan has over 25 years of experience in financial management, investment banking and venture capital. In January of 2006, Mrs Sadan founded Or Capital Ltd, a boutique financial advisory firm specialising in capital raising, M&A and general financial guidance. Mrs Sadan has previously held key positions as part of the management team at Tamir Fishman & Co., acting as Managing Director, Head of Corporate Finance, CO-CEO of Tamir Fishman Underwriting and partner at Tamir Fishman Ventures. Mrs Sadan served as an external director on the board of Poalim IBI, a leading underwriting company in Israel, held partially by Bank Hapoalim (one of the largest commercial banks in Israel).
Interest in Shares and options	486,928 Ordinary Shares (including shares held by Or Capital Ltd) 200,000 unlisted options expiring 15 August 2024 exercisable at A\$0.165 574,000 unlisted options expiring 15 August 2024 exercisable at \$0.01 1,200,000 unlisted options expiring 2 June 2025 exercisable at A\$0.20
Directorships held in other listed entities	Nil

Meetings of Directors

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director. During the financial year, 10 board meetings were held.

	DIRECTORS' MEETINGS	
	Held	Attended
Ron Weinberger	10	10
David Groberman (i)	8	7
Tal Slonim (ii)	4	4
David Hinton	10	9
Doron Birger	10	10
Emily Slade (iii)	10	7

(i) resigned 8 November 2023

(ii) resigned 20 April 2023

(iii) resigned 17 January 2024

Options

At the date of this report, the number of Options on issue are as follows:

Security Code	Expiry Date	Grant Date	Exercise Price	Number of Options
HMDAK (i)	15 August 2024	15 August 2019	A\$0.165	1,133,334
HMDAL (ii)	15 August 2024	15 August 2019	\$0.01	574,000
HMDAS (iii)	2 June 2025	2 June 2021	A\$0.20	7,440,000
HMDO (iv)	29 April 2024	Various	A\$0.22	44,589,584
HMDO (v)	29 April 2024	28 April 2022	A\$0.22	1,000,000
HMDAX (vi)	9 August 2027	9 August 2022	A\$0.15	250,000
HMDAY (vii)	27 Jan 2027	27 Jan 2023	A\$0.15	350,000
HMDAW (viii)	28 July 2027	2 Aug 2022	A\$0.1358	850,000
HMDAZ (ix)	20 July 2026	20 July 2023	A\$0.12	18,428,587
HMDAZ (x)	20 July 2026	19 Sept 2023	A\$0.12	12,000,000
HMDAAA (xi)	31 Dec 2025	19 Sept 2023	A\$0.0975	7,500,000

(i) Unlisted Options subject to the terms of the Company's 2019 Employee Incentive Plan and vesting over three years on a quarterly basis (i.e., 8.33% a quarter) starting from 15 August 2019.

(ii) Unlisted Options granted to the CFO of the Company subject to the terms of the Company's 2019 Employee Incentive Plan and issued pursuant to the CFO Agreement dated 1 July 2018 as disclosed in section 7.8 of the supplementary prospectus dated 23 November 2018 and which have now vested.

(iii) Unlisted Options granted to management, employees and service providers in Israel and USA under an Employee Incentive Scheme and vesting over 3 years on a quarterly basis starting 2 June 2021.

(iv) Listed Options (previously unlisted) granted pursuant to:

- The issue of 22,833,176 Options to convertible note holders.
- The issue of 7,500,000 Options in 3 tranches to corporate advisors, Ratdog Pty Ltd for corporate advisory services.
- The issue of 14,256,410 Options pursuant to a placement in August 2022.

(v) Listed Options (previously unlisted) granted to Corporate Advisors PAC Partners Securities Pty Ltd for services provided in relation to the convertible notes' conversion.

(vi) Unlisted Options subject to the terms of the Company's 2019 Employee Incentive Plan and vesting over three years on a quarterly basis (i.e., 8.33% a quarter) starting from 9 August 2022.

(vii) Unlisted Options to Mr Keith Koby President North America, subject to the following terms:

350,000 Options were granted as a signature bonus, fully vested upon grant. 750,000 Options to be granted 12 months after the Commencement Date, to be vested thereafter over 24 months on a quarterly basis (i.e., in eight equal quarterly instalments), pending on continuation of the Services, with full and immediate acceleration in case of termination of this Agreement by the Company, not for Cause, after the grant of these Options. Additional Options yet to be granted for Proceeds from Qualified Transactions (fully vested upon grant):

- 100,000 Options for each Qualified Transaction with Proceeds exceeding US\$250,000. A **Qualified Transaction** is defined as a commercial transaction with a third party which has been introduced in the USA.
- An additional 100,000 Options (200,000 Options in the aggregate) if the same Qualified Transaction has Proceeds exceeding US\$500,000.
- An additional 100,000 Options (300,000 Options in the aggregate) if the same Qualified Transaction has Proceeds exceeding US\$1,000,000.
- An additional 100,000 Options (400,000 Options in the aggregate) if the same Qualified Transaction has Proceeds exceeding US\$2,000,000.

The Additional Options will be granted on an incremental annual basis, according to Company's audited financial statements, which shall be the sole, decisive and final source of information for this purpose. Consultant shall be entitled to Additional Options for every end of calendar year at which Services were provided, even if this Agreement was terminated prior to the completion of the audited financial statements for that year.

(viii) Unlisted Options granted to the Director of Strategic Partnerships, Australia and New Zealand. These Options shall be vested and become exercisable as follows:

- For a commercial contract (including pilot) executed between the Company and a Third Party as a direct result of Optionee's efforts, resulting in proceeds actually received by the Company during Optionee's engagement with the Company, of at least AU\$100,000 - 100,000 Options shall vest and become exercisable.
- For a commercial contract executed between the Company and a Third Party as a direct result of Optionee's efforts and resulting in proceeds actually received by the Company during Optionee's engagement with the Company, of at least AU\$500,000 - 200,000 Options shall vest and become exercisable.
- For a commercial contract executed between the Company and a Third Party as a direct result of Optionee's efforts and resulting in proceeds actually received by the Company during Optionee's engagement with the Company, of at least AU\$2,000,000 to the Company - 250,000 Options shall vest and become exercisable.
- For a monetary grant of at least AU\$500,000 actually received by the Company from a Third-Party governmental authority during Optionee's engagement with the Company and as a direct result of Optionee's efforts - 200,000 Options shall vest and become exercisable.

Additional terms: (i) the Board will have the final authority and discretion to determine if any vesting conditions have been achieved, and Options will only vest upon the Company's notification to Optionee that the Board has determined that a vesting milestone has been achieved; (ii) Options will only vest if the relevant vesting milestone was achieved during Optionee's period of continuous engagement with the Company; and (iii) the total number of Options which may vest under any circumstances is capped by the total number of Options granted

(ix) Unlisted free attaching Options issued pursuant to the Placement in July 2023.

(x) Unlisted Options issued to Clarity Capital Pty Ltd for acting as lead manager to the Placement in July 2023.

(xi) Unlisted Options issued to Dr Ron Weinberger under his terms of engagement as Executive Chairman. These Options shall be vested and become exercisable by 20 July 2026 as follows:

- A minimum of A\$5m capital raise is completed after 3 July 2023 – 1,500,000 Options shall vest and become exercisable.
- The Company first achieves a VWAP of at least A\$0.20 during a period of 30 consecutive trading days – 1,500,000 Options shall vest and become exercisable.
- The Company first achieves a VWAP of at least A\$0.35 during a period of 30 consecutive trading days – 1,500,000 Options shall vest and become exercisable.
- 5,000 active users at one time of the HeraCARE platform – 1,500,000 Options shall vest and become exercisable.
- 20,000 active users at one time of the HeraCARE platform – 1,500,000 Options shall vest and become exercisable.

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Indemnification and insurance of directors and officers

During the year, HeraMED Limited paid a premium to insure directors and officers of the Group. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of the insurance policies is not disclosed as such disclosure is prohibited under the terms of the policy.

The Company has agreed, to the extent permitted by law, to indemnify each Director and Company Secretary of the Company against any and all reasonable liabilities incurred in respect of or arising out of any act in the course of their role as an officer of the Company.

Environmental Regulations

HeraMED products are compliant with ROHS and WEEE EU directives:

- Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (ROHS)
- Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE).

Likely Developments and Expected Results of Operations

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. The Company's future developments, prospects and business strategies are to continue to develop and commercialise these technologies and develop new technologies.

Any likely developments are disclosed in the Chairman review as well as within the financial statements at note 26.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, BDO Audit (WA) Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from their report on the financial report. No payment has been made to indemnify BDO Audit (WA) Pty Ltd during or since the financial year.

Non-audit services

During the year, BDO Audit (WA) Pty Ltd, the Company's auditor provided non-audit services of \$6,878 in relation to tax compliance. In addition, BDO Israel provided non-audit services of \$7,457 in relation to tax compliance.

Full details of their remuneration can be found within the financial statements at note 7.

In the event that non-audit services are provided by BDO Audit (WA) Pty Ltd, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise the auditor independence requirements of the *Corporations Act 2001*. These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Corporate Governance

The directors support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. The Company's Corporate Governance Statement and its compliance with ASX guidelines can be found on the Company's website at www.hera-med.com. The policies and compliance as stated were in place for the whole year and are current as at the date of this report.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2023 has been received and can be found on page 22 of the financial report.

Remuneration Report (Audited)

This remuneration report, which forms part of the directors' report, for the year ended 31 December 2023 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (Cth), as amended (Act) and its regulations. This information has been audited as required by section 308(3C) of the Act. Unless otherwise stated, all figures in the Remuneration Report are in the Company's presentation currency, the US Dollar ("\$").

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
4. Non-executive director fee arrangements
5. Details of remuneration
6. Additional disclosures relating to equity instruments
7. Loans to key management personnel (KMP) and their related parties
8. Other transactions and balances with KMP and their related parties
9. Voting of Shareholders at last year's annual general meeting

1. Introduction

Key Management Personnel (KMP) have authority and responsibility for planning, directing and controlling the major activities of the Group. KMP comprises the directors of the Company and identifies key management personnel. Compensation levels for KMP are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board may seek independent advice on the appropriateness of compensation packages, given trends in comparable companies both locally and internationally and the objectives of the Group's compensation strategy.

Key management personnel covered in this report are as follows:

Name	Status	Appointed
Directors		
Ron Weinberger (i)	Executive Chairman	21 August 2018
David Groberman (ii)	Executive Director & CEO	25 September 2018
Tal Slonim (iii)	Non-Executive Director	27 September 2018
David Hinton	Non-Executive Director	21 August 2018
Doron Birger	Non-Executive Director	5 October 2018
Emily Slade (iv)	Non-Executive Director	13 September 2022
Other key management personnel		
Ido Toronchik	Chief Financial Officer	8 November 2023
Sivan Sadan (v)	Chief Financial Officer	1 July 2018

(i) Effective 3 July 2023, Dr Weinberger took on the role of Executive Chairman.

(ii) Resigned 8 November 2023.

(iii) Non-Executive Director from 31 January 2023; resigned 20 April 2023.

(iv) Resigned 17 January 2024.

(v) Transitioned to Executive Vice President on 1 October 2023.

2. Remuneration governance

The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of a separate remuneration committee. Accordingly, all matters are considered by the full Board of Directors, in accordance with a Remuneration Committee Charter.

During the financial year, the Company did not engage any remuneration consultants.

3. Executive remuneration arrangements

The key terms and conditions of the appointment of Dr Ron Weinberger as Executive Chairman are as follows:

- A base salary of A\$250,000 per annum exclusive of statutory superannuation.
- The appointment may be terminated by either party providing 3 months' written notice and the appointment may be terminated immediately if Dr Weinberger commits a serious breach or is prohibited by law from being or acting as a director.

The key terms and conditions of the appointment of Mr David Groberman were as follows:

- A monthly salary of ~\$14,585 (49,000 NIS), car allowance ~\$1,637 (5,500 NIS) and entitlement to social benefits (including severance payments (8.33%), pension payments (7.5%) and advanced study fund (7.5%)).
- Mr Groberman resigned on 8 November 2023.

The key terms and conditions of the appointment of Mr Tal Slonim were as follows:

- A monthly salary of ~\$3,846 (12,920 NIS) and entitlement to social benefits and include severance payments (8.33%), pension payments (7.5%) and advanced study fund (7.5%).
- The appointment may be terminated by either party providing 90 days' notice and the appointment may be terminated immediately if Mr Slonim commits a serious breach or is prohibited by law from being or acting as a director.
- Mr Slonim was a Non-Executive Director effective 31 January 2023 and resigned on 20 April 2023. Pursuant to his employment agreement, a termination benefit of ~\$54,030 (199,371 NIS) was paid during the year ended 31 December 2023.

Effective 8 November 2023, Mr Ido Toronchik's services as CFO are provided through Shimony Finance ("Shimony") pursuant to a service agreement ("Agreement"). Mr Toronchik is a partner at Shimony.

Mrs Sivan Sadan's services as CFO were provided until June 2021 through Or Capital Pty Ltd ("Or Capital") pursuant to a service agreement ("CFO Agreement"). Effective June 2021, Mrs Sadan is employed as an employee of HeraMED Ltd at a monthly salary of ~\$11,906 (40,000 NIS) and entitled to social benefits (including severance payments (8.33%), pension payments (7.5%) and advanced study fund (7.5%)). Other terms include 90 days' written notice of termination. On 1 October 2023, Mrs Sadan transitioned to Executive Vice President, Business Development.

The above is paid in NIS and the exchange rate used in this section is the average exchange rate 1 US\$=3.69 NIS

4. Non-executive director fee arrangements

The Board policy is to remunerate non-executive directors at a level to comparable companies for time, commitment, and responsibilities. Non-executive directors may receive performance related compensation. Directors' fees cover all main Board activities and membership of any committee. The Board has no established retirement or redundancy schemes in relation to non-executive directors.

The maximum aggregate amount of fees that can be paid to non-executive directors is presently limited to an aggregate of A\$300,000 (approximately \$204,390) per annum and any increase is subject to approval by shareholders. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, directors are encouraged to hold shares in the Company.

Total fees for non-executive directors for the financial year were \$175,164 (2022: \$142,462) and covered main Board activities only. Non-executive directors may receive additional remuneration for other services provided to the Group. All non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

5. Details of Remuneration

The Key Management Personnel of HeraMED Limited includes the current and former directors of the Company and Key Management Personnel of HeraMED Limited during the year ended 31 December 2023.

31 Dec 2023	Short term salary, fees & commissions \$	Superannuation & social benefits (1) \$	Other \$	Share-based payments (2) \$	Total \$	Performance based remuneration
Directors:						
R. Weinberger	153,786	7,785	-	4,808	166,379	2.89%
D. Groberman (3)	149,442	30,530	33,333	-	213,305	-
T. Slonim (4)	13,347	2,904	54,030	-	70,281	-
D. Hinton	30,759	3,306	-	-	34,065	-
D. Birger	33,091	-	-	-	33,091	-
E. Slade (5)	34,065	3,662	-	-	37,727	-
Other KMP:						
I. Toronchik (6)	107,429	-	-	-	107,429	-
S. Sadan (7)	98,453	22,166	6,787	22,110	149,516	14.79%
Total	620,372	70,353	87,363	26,918	811,793	3.32%

(1) Mr Groberman, Mr Slonim and Mrs Sadan are entitled to benefits as described in section 3 above. In the case of Mr Hinton and Dr Weinberger and Ms Slade, statutory superannuation of 10.5% up to 30 June 2023 and 11% as from 1 July 2023.

(2) Refer to Section 6 below for further information on share-based payments granted to key management during the year.

(3) Resigned 8 November 2023. Amount in 'Other' represents pay out of statutory annual leave.

(4) Resigned 20 April 2023. Amount in 'Other' represents termination benefits paid on resignation.

(5) Resigned 17 January 2024.

(6) Appointed CFO on 8 November 2023. Amount disclosed represents fees paid to Shimony & Co for bookkeeping, accounting and CFO services for FY2023. Mr Toronchik is a partner at Shimony & Co.

(7) Transitioned to Executive Vice President, Business Development on 1 October 2023. Amount in 'Other' represents vacation accrual.

31 Dec 2022	Short term salary, fees & commissions \$	Superannuation & social benefits (1) \$	Non-monetary benefits \$	Share-based payments (2) \$	Total \$	Performance based remuneration
Directors:						
R. Weinberger	55,552	5,694	-	-	61,246	-
D. Groberman	195,703	45,167	-	-	240,870	-
T. Slonim	46,222	7,581	-	-	53,803	-
D. Hinton	30,862	3,163	-	-	34,025	-
D. Birger	34,659	-	-	-	34,659	-
E. Slade (3)	11,342	1,191	-	-	12,533	-
Other KMP:						
S. Sadan	143,924	31,277	-	58,719	233,920	25.1%
Total	518,264	94,073	-	58,719	671,056	-

(1) Mr Groberman, Mr Slonim and Mrs Sadan are entitled to benefits as described in section 3 above. In the case of Mr Hinton and Dr Weinberger and Ms Slade, statutory superannuation of 10% up to 30 June 2022 and 10.5% as from 1 July 2022.

(2) Refer to Section 6 below for further information on share-based payments granted to key management during the year.

(3) Appointed 13 September 2022.

6. Additional disclosures relating to equity instruments

KMP Shareholdings

215,000 shares were acquired by KMP during the 2023 financial year (2022: nil).

Fully paid ordinary shares of HeraMED Limited

31 Dec 2023	Balance at start of the year	Shares acquired during the year	Other changes during the year	Balance at end of the year
Directors:				
R. Weinberger (i)	586,000	215,000	-	801,000
D. Groberman (ii)	9,709,170	-	(9,709,170)	-
T. Slonim (iii)	9,709,170	-	(9,709,170)	-
D. Hinton	358,333	-	-	358,333
D. Birger	-	-	-	-
E. Slade (iv)	-	-	-	-
I. Toronchik (v)	-	-	-	-
S. Sadan (vi)	486,928	-	-	486,928
Total	20,849,601	215,000	(19,418,340)	1,646,261

(i) Shares acquired represent on-market trade.

(ii) Resigned 8 November 2023.

(iii) Resigned 20 April 2023.

(iv) Resigned 17 January 2024.

(v) Appointed CFO on 8 November 2023.

(vi) Total shares include shares held by Or Capital (an entity associated with Ms Sivan Sadan). Ms Sadan transitioned to Executive Vice President, Business Development on 1 October 2023.

KMP Options Holdings

Options of HeraMED Limited

31 Dec 2023	Balance at the start of the year	Granted as remuneration	Exercised during the year	Options issued during the year	Other changes during the year (i)	Balance at the end of the year	Vested and exercisable	Unvested
Directors:								
R. Weinberger	-	7,500,000	-	-	-	7,500,000	-	7,500,000
D. Groberman (i)	-	-	-	-	-	-	-	-
T. Slonim (ii)	-	-	-	-	-	-	-	-
D. Hinton	-	-	-	-	-	-	-	-
D. Birger	-	-	-	-	-	-	-	-
E. Slade (iii)	-	-	-	-	-	-	-	-
Other KMP:								
I. Toronchik (iv)	-	-	-	-	-	-	-	-
S. Sadan (v)	1,974,000	-	-	-	-	1,974,000	1,774,000	200,000
Total	1,974,000	7,500,000	-	-	-	9,474,000	1,774,000	7,700,000

(i) Resigned 8 November 2023.

(ii) Resigned 20 April 2023.

(iii) Resigned 17 January 2024.

(iv) Appointed CFO on 8 November 2023.

(v) Transitioned to Executive Vice President, Business Development on 1 October 2023.

Options do not carry any voting or dividend rights, and can only be exercised once the vesting conditions have been met, until their expiry date.

Terms and conditions of share-based payment arrangements

The terms and conditions of each grant of options affecting remuneration of Sivan Sadan in the current reporting are as follows:

Option Code	Number granted	Grant date	Vesting start date	Expiry date	Exercise price	Value per option at grant date (i)	Vested %	Vested during 2023
Employee Options HMDESOP01	200,000	15 Aug 2019	15 Aug 2019	15 Aug 2024	A\$0.165	\$0.0694	100%	Vested
Employee Options HMDESOP02	574,000	15 Aug 2019	1 July 2018	15 Aug 2024	\$0.01	\$0.1502	100%	Vested
Employee Options HMDESOP04	1,200,000	2 Jun 2021	2 Jun 2021	2 Jun 2025	A\$0.20	\$0.116	50%	400,000

(i) The value per option at grant date has been determined using a Black Scholes option pricing model.

The vesting conditions of the Employee Options are as follows:

- HMDESOP01 – 200,000 options: Unlisted Options expiring 15 August 2024 exercisable at A\$0.165 subject to the terms of the Company's 2019 Employee Incentive Plan and vesting over three years on a quarterly basis (i.e., 8.33% a quarter) starting from 15 August 2019.
- HMDESOP02 – 574,000 options: Unlisted Options expiring 15 August 2024 exercisable at \$0.01 subject to the terms of the Company's 2019 Employee Incentive Plan and issued pursuant to the CFO Agreement dated 1 July 2018 as disclosed in section 7.8 of the Supplementary Prospectus dated 23 November 2018 and vesting over three years on a quarterly basis (i.e., 8.33% a quarter) starting from 1 July 2018.
- HMDESOP04 – 1,200,000 options: Unlisted Options expiring 2 June 2025 exercisable at A\$0.20 subject to the terms of the Company's 2019 Employee Incentive Plan and vesting over three years on a quarterly basis (i.e., 8.33% a quarter) starting from 2 June 2021.

31 Dec 2023	Fair value of options granted during the year	Value of options vested during the year	Value of options lapsed during the year	Value of options included in remuneration report for the year	Remuneration consisting of options for the year
	\$	\$	\$	\$	%
S. Sadan	-	22,110	-	22,110	14.79%

7. Loans from key management personnel (KMP) and their related parties

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.

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. During 2023, the interest rate was 2.90% (2022: 2.42%). According to the above terms, half of the loan amount was repaid upon the consummation of the IPO. As of 31 December 2023, the amount of \$177,859 was owed by HeraMED Israel to Meytar (2022: \$178,152). The Meytar loan is denominated in Israeli Shekels and an amount of \$4,963 representing interest was accrued during the year ended 31 December 2023.

During November 2022, Meytar extended the repayment date of the loan. Under the new terms of the extension, the repayment date became the earlier of the consummation by the Company of an equity investment in the aggregate amount of at least A\$10,000,000 or 31 December 2023. On 2 November 2023, the parties agreed to extend the repayment date to 29 February 2024. The Company is currently negotiating new terms with Meytar to further extend the repayment date.

8. Other transactions and balances with KMP and their related parties

Transactions with related parties are entered into on terms equivalent to those that prevail in arm’s length transactions. The Company issued 7,500,000 unlisted options to Dr Ron Weinberger under the terms of his appointment as Executive Chairman. Refer to the Directors’ Report for more information.

There were no other transactions with members of the Group’s key management personnel and/or their related parties during the year.

9. Voting of shareholders at last year’s annual general meeting

The 2022 annual general meeting was held on 30 May 2023. The Company received 93.50% “Yes” votes cast on its Remuneration Report for the 2022 financial year. The Company did not receive any specific feedback at the 2022 Annual General Meeting regarding its remuneration practices.

This is the end of the audited remuneration report

This directors’ report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors

Ron Weinberger

Dr Ron Weinberger

Executive Chairman

Sydney, 28 March 2024



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

As lead auditor of HeraMED Limited for the year ended 31 December 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Jackson Wheeler
Director

BDO Audit (WA) Pty Ltd

Perth

28 March 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023

	Note	2023 \$	2022 \$
Revenues	3a	402,897	218,915
Cost of sales		(160,960)	(78,282)
Gross profit		241,937	140,633
Research and development expenses	4	(1,405,708)	(758,079)
General and administrative expenses	4	(1,678,323)	(1,244,378)
Selling and marketing expenses	4	(1,125,228)	(497,843)
Depreciation and amortisation expenses	4	(441,071)	(358,412)
Share-based payments	19	(23,998)	(462,803)
Loss before finance expenses		(4,432,391)	(3,180,882)
Finance income	4	19,258	38,131
Finance costs – convertible notes		-	(1,415,873)
Finance expenses	4	(89,637)	(322,039)
Loss before income tax		(4,502,770)	(4,880,663)
Income tax expense	5	-	-
Loss for the year		(4,502,770)	(4,880,663)
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences		(31,741)	126,834
Total comprehensive loss for the year attributable to owners of the Company		(4,534,511)	(4,753,829)
Loss per share attributable to owners of the Company			
Basic/diluted loss per share	8	(0.017)	(0.023)

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 31 December 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	9a	723,294	2,616,639
Trade receivables		142,145	9,521
Other receivables	10	201,615	245,427
Inventory	11	246,746	171,393
TOTAL CURRENT ASSETS		1,313,800	3,042,980
NON-CURRENT ASSETS			
Plant and equipment	12	52,133	75,412
Intangible assets	13	648,428	1,038,234
TOTAL NON-CURRENT ASSETS		700,561	1,113,646
TOTAL ASSETS		2,014,361	4,156,626
CURRENT LIABILITIES			
Trade and other payables	14	518,519	499,654
Deferred revenue		299,684	61,046
Borrowings	15	177,859	178,152
Other financial liability	16	31,515	51,298
TOTAL CURRENT LIABILITIES		1,027,577	790,150
NON-CURRENT LIABILITIES			
Other financial liability	16	520,085	504,882
TOTAL NON-CURRENT LIABILITIES		520,085	504,882
TOTAL LIABILITIES		1,547,662	1,295,032
NET ASSETS		466,699	2,861,594
SHAREHOLDERS' EQUITY			
Issued capital	17	24,110,264	22,158,860
Share-based payment reserve	18	5,171,528	4,983,316
Predecessor Accounting reserve	18	(133,879)	(133,879)
Foreign exchange reserve	18	60,909	92,650
Accumulated losses		(28,742,123)	(24,239,353)
SHAREHOLDERS' EQUITY		466,699	2,861,594

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 31 December 2023

	Issued capital	Share-based payment reserve	Predecessor Accounting reserve	Foreign exchange reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2022	16,481,265	2,939,503	(133,879)	(34,184)	(19,358,690)	(105,985)
Loss for the year	-	-	-	-	(4,880,663)	(4,880,663)
Other comprehensive loss	-	-	-	126,834	-	126,834
Total comprehensive loss for the year	-	-	-	126,834	(4,880,663)	(4,753,829)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of shares (note 17)	5,979,148	-	-	-	-	5,979,148
Capital raising costs (note 17)	(301,553)	-	-	-	-	(301,553)
Share based payments (note 19)	-	2,043,813	-	-	-	2,043,813
Balance at 31 December 2022	22,158,860	4,983,316	(133,879)	92,650	(24,239,353)	2,861,594
Balance at 1 January 2023	22,158,860	4,983,316	(133,879)	92,650	(24,239,353)	2,861,594
Loss for the year	-	-	-	-	(4,502,770)	(4,502,770)
Other comprehensive income	-	-	-	(31,741)	-	(31,741)
Total comprehensive income/(loss) for the year	-	-	-	(31,741)	(4,502,770)	(4,534,511)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of shares (note 17)	2,314,888	-	-	-	-	2,314,888
Capital raising costs (note 17)	(363,484)	-	-	-	-	(363,484)
Share based payments (note 19)	-	188,212	-	-	-	188,212
Balance at 31 December 2023	24,110,264	5,171,528	(133,879)	60,909	(28,742,123)	466,699

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the year ended 31 December 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		519,758	271,228
Payments to suppliers and employees		(4,326,267)	(2,846,725)
Interest received		14,659	17,029
Finance costs paid		(4,614)	(1,845)
Net cash (used in) operating activities	9b	(3,796,464)	(2,560,313)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment	12	(1,394)	(4,649)
Payments for capitalised development expenses	13	-	(686,132)
Net cash (used in) investing activities		(1,394)	(690,781)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from equity instruments of the Company		2,121,156	2,641,669
Repayment of lease liabilities		(101,170)	(102,902)
Net cash provided by financing activities		2,019,986	2,538,767
Net (decrease) in cash and cash equivalents		(1,777,872)	(712,327)
Cash and cash equivalents at the beginning of the financial year		2,616,639	3,559,018
Impact of movement in foreign exchange rates		(115,473)	(230,052)
Cash and cash equivalents at the end of the financial year	9a	723,294	2,616,639

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements for the year ended 31 December 2023

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES

These consolidated financial statements cover HeraMED Limited (Company) and its wholly owned subsidiaries as a consolidated entity (also referred to as Group). HeraMED Limited is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity. The Company's wholly owned subsidiaries are Hera Med Ltd (HeraMED Israel) and HeraMED US Inc (HeraMED USA).

The financial statements were authorised for issue by the board of directors on 28 March 2024.

The following is a summary of the material accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation of the financial report

a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

b) Basis of Measurement and Reporting Conventions

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Unless stated otherwise, all figures in this report are in the Company's presentation currency, the US Dollar ("\$"). The amounts presented in the financial statements have been rounded off to the nearest dollar unless stated otherwise.

c) Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the ordinary course of business. HeraMED Limited recorded revenues of \$402,897 for the year ended 31 December 2023 (2022: \$218,915). The Group incurred a loss for the year ended 31 December 2023 of \$4,502,770 (2022: \$4,880,663) and net cash outflows from operating activities of \$3,796,464 (2022: \$2,560,313). The net assets of the Group have decreased by \$2,394,895 from \$2,861,594 at 31 December 2022 to \$466,699 at 31 December 2023.

Whilst the Group is expected to be cash-flow negative in the foreseeable future as a result of investments in ramping up sales and development of new products, the ability of the Group to continue as a going concern is dependent on securing additional funding through equity or debt or a combination of both 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 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 ongoing operations of the Group for the following reasons:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- the Group has recently been successful in raising funds and is confident in its ability to raise further capital if and when required;
- the level of expenditure can be managed;
- borrowings currently due can be extended; and
- the directors of HeraMED have reason to believe that in addition to the cash currently available, additional funds from receipts are expected through the sale of the Group's products and services.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements or raise additional capital through equity raisings and that 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 as outlined above and believe there will be sufficient funds for the Group to meet its obligations and liabilities for at least twelve (12) months from the date of this report.

d) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its wholly-owned subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investments retained
- Recognises any surplus or deficit in profit and loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

e) Income Tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred income tax expense reflects movements in the deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

f) Leases**The Group as a lessee**

At inception of a contract, the Group assesses if the contract contains characteristics of a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e., leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on the index of the rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise its options;
- lease payments under extension profits, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and initial direct costs. The subsequent measurement of the right-of-use asset is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

g) Financial Instruments**Initial recognition and measurement**

Financial instruments, incorporating financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Derivative instruments

The Group does not trade or hold derivatives.

Financial guarantees

The Group has no material financial guarantees other than:

- A cash deposit of ~\$12,577 (45,614 NIS at an exchange rate of 1 US\$=3.627 NIS) in regards to the office lease in Israel.
- A cash deposit of ~\$16,850 (61,113 NIS at an exchange rate of 1 US\$=3.627 NIS) held by the Company's bankers in Israel to secure credit card payments.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. An impairment exists if one or more events that have occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

h) Impairment of non-financial assets

At the end of each reporting period, the Directors assess whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits.

If any such indication exists, an impairment test is carried out on the asset by comparing the asset's recoverable amount, being the higher of its fair value less costs to sell and its value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets which are not being amortised and goodwill.

i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks with original maturity of three months or less.

j) Trade receivables

Trade receivables, which generally have 0-60 day terms, are recognised and carried at original invoice amount. Collectability of trade receivables is reviewed on an ongoing basis using an expected credit loss for assessing impairment. An impairment provision will be recognised when there is objective evidence that HeraMED will not be able to collect the receivable. Bad debts will be written off when identified.

k) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the average principle and includes expenditure incurred in acquiring the inventories and the costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

l) 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 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).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 are recognised according to two main models:

Per pregnancy model:

1. In cases where the HeraBEAT devices are leased, there is a single performance obligation which is met once the pregnancy is archived.
2. In cases where the 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 per user per month multiplied by the number of licenses. Where the performance obligation is yet to be delivered as at balance date, the amounts are included in deferred revenue.

m) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

n) Depreciation

Depreciation is a systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount is the cost of the asset, less its residual value.

An asset is depreciated from the date it is ready for use, meaning the date it reaches the location and condition required for it to operate in the manner intended by management.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of the fixed asset item, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets.

The estimated useful lives for the current and comparative periods are as follows:

- Computers and equipment – 3 years
- Furniture and office equipment – 7-15 years

Depreciation of intangible assets is based on a straight-line method over the estimated useful life of the intangible assets, estimated by the company at 6 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

o) Goods and Services Tax (GST)/ Value Added Tax (VAT)

Revenues, expenses, and assets are recognised net of the amount of GST/VAT, except where the amount of GST/VAT incurred is not recoverable.

Receivable and payables are stated inclusive of the amount of GST/VAT receivable or payable. The net amount of the GST/VAT recoverable from, or payable to, the tax authorities is included with other receivables and payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST/VAT component of investing and financing activities, which are disclosed as operating cash flows.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**p) Employee Benefits****Post-employment benefits**

The liability for severance pay is in accordance with its obligations under Israeli employment law (Section 14 of the Severance Compensation Act, 1963). All Israel based employees are included under Section 14, and are entitled only to monthly deposits, at a rate of 8.33% of their monthly salary, made in the employee's name with insurance companies or pension funds. Under Israeli employment law, payments in accordance with Section 14 release the employer from any future severance payments. The funds are made available to the employee at the time the employer-employee relationship is terminated, regardless of the cause of termination. The severance pay liabilities and deposits under Section 14 are not reflected in the statements of financial position as the severance pay risks have been irrevocably transferred to the insurance companies or pension funds.

Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided or upon the actual absence of the employee when the benefit is not accumulated.

The employee benefits are classified, for measurement purposes, as short-term benefits or as other long-term benefits depending on when the Group expects the benefits to be wholly settled.

q) Equity-settled compensation

The Group measures the share-based expense and the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes option valuation model which takes into account the terms and conditions upon which the instruments are granted.

r) Trade and other payables

Liabilities for trade creditors and other amounts carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

s) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

t) Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits. The Share-based payment reserve records the cost of share-based payments.

u) Foreign currency transactions and balances**Functional and presentation currency**

The functional currency of each entity within the Group is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in US dollars which is the subsidiary's functional currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Exchange differences arising on the translation of monetary items are recognised in the profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise, the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed of.

v) Segment Information**Identification of reportable segments**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The Group's sole operating segment is consistent with the presentation of these consolidated financial statements.

w) Share-Based Payments

Share-based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using the Black-Scholes pricing model. For share-based payments with non-market vesting conditions, the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

x) Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to member of the parent entity, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year (if any).

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**y) Intangible assets**

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available, and
- the expenditure attributable to the product during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the criteria as set out above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates and judgements*Share based payments*

The Group initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them, as well as an assessment of the probability of achieving non-market-based vesting conditions.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 19.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on the fair value less cost of disposal. The Company reviews intangible assets for impairment once a year or more frequently if events or changes in circumstances indicate that there is impairment. An impairment loss is recognised if the recoverable amount of the cash-generating unit to which goodwill has been allocated is lower than the carrying value of the cash-generating unit.

The Directors make estimates and judgements in preparing the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events based and are based on current trends and economic data, obtained both externally and within the Group.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)*Liability for Israel Innovation Authority grants*

The Company measured its liability on governmental grants received, each period, based on discounted cash flows derived from the Group's future anticipated revenues. The grant is repayable upon the Group commencing product commercialisation and generating revenue from the sale of the product, with repayments being based on 3%-4.5% of each dollar of revenue. As required by AASB 9 *Financial Instruments*, the liability has been recognised at fair value on initial recognition and subject to management's estimate of the discount rate and the timing and quantity of future revenues.

At the end of each reporting period, the Company evaluates, based on its best estimate of future sales, whether it is expected that the liability recognised, in whole or in part, will not be repaid (since the Company will not be required to pay royalties). If it is not expected that the liability will be settled by the Group, the appropriate amount of the liability is derecognised and recorded in profit or loss as a revaluation of research and development expenses. If the estimate of future sales indicates that there is no such reasonable assurance, the appropriate amount of the liability that reflects expected future royalty payments is recognised with a corresponding adjustment to financial expenses or income.

Development costs

Costs relating to the development of HeraBEAT are capitalised in accordance with AASB 138 *Intangible Assets*. Capitalised costs include all direct costs associated with the development of the asset. The development asset is amortised over a 6-year period from the capitalisation date which is determined by the useful life of the asset, ability to use or sell the asset, generation of future benefits and the ability to measure the costs reliably and whether the costs, including payroll costs are directly attributable to relevant projects.

Net investment in a foreign operation

Net investment in a foreign operation is the amount of the Company's interest in the net assets of that operation. Monetary items and/or intercompany loans, receivable from, or payable to, a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future are treated as part of the Company's net investment in that foreign operation.

Exchange rate differences arising on a monetary item that forms part of the Company's net investment in a foreign operation are recognised in the statement of profit or loss in separate financial statements, but are recognised in other comprehensive income in the consolidated financial statements.

NOTE 2: ADOPTION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS**New and amended Australian Accounting Standards that are effective for the current year**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2023.

The adoption of the new and revised Standards and Interpretations has had no significant impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

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

	2023	2022
	\$	\$
NOTE 3a: REVENUE		
Major products/service lines		
Revenue from sale of goods	3,845	14,070
Revenue from software	399,052	204,845
	<u>402,897</u>	<u>218,915</u>
Revenue recognition		
At a point in time	3,845	14,070
Over time	399,052	204,845
	<u>402,897</u>	<u>218,915</u>

Geographical information

The Group's revenue from external customers by geographical location are detailed below:

	2023	2022
	\$	\$
United States of America	199,830	68,320
Australia	186,192	128,095
Israel	16,875	22,500
	<u>402,897</u>	<u>218,915</u>

Information about major customers

Included in revenues are revenues of approximately \$359,351 (2022: \$182,345) which arose from sales to the Group's largest customers. No other single customer contributed 10 per cent or more to the Group's revenue in either 2023 or 2022.

NOTE 4: EXPENSES

Loss before income tax from continuing operations includes the following specific expenses:

Research and development expenses

	2023	2022
	\$	\$
- Payroll and related expenses	666,171	551,279
- Patents	-	9,049
- Professional services	704,369	145,961
- Other expenses	35,168	51,790
Total research and development expenses	<u>1,405,708</u>	<u>758,079</u>

General and administrative expenses:

- Payroll and related expenses	513,682	412,574
- Non executive directors' remuneration	180,911	144,462
- Professional services	722,823	476,933
- Compliance expenses	71,825	44,795
- Insurances	58,320	66,899
- Rent expenses	32,720	24,188
- Other expenses	98,042	74,527
Total general and administrative expenses	<u>1,678,323</u>	<u>1,244,378</u>

Selling and marketing expenses:

- Payroll and related expenses	342,989	232,082
- Professional services	714,393	195,770
- Other expenses	67,846	69,991
Total selling and marketing expenses	<u>1,125,228</u>	<u>497,843</u>

Depreciation and amortisation expenses:

- Depreciation of plant and equipment (note 12)	51,265	15,634
- Amortisation of intangibles assets (note 13)	389,806	342,778
Total depreciation and amortisation expenses	<u>441,071</u>	<u>358,412</u>

Finance expenses/(income):

- Interest expenses and banks fees	8,331	6,916
- Foreign exchange losses	81,306	254,560
- Costs relating to issue of convertible notes	-	60,563
- Revaluation of IIA loan and interest income	(19,258)	(38,131)
Total finance expense	<u>70,379</u>	<u>283,908</u>

NOTE 5: INCOME TAX

The financial statements for the year ended 31 December 2023 comprise the results of HeraMED Limited, HeraMED Israel and HeraMED USA. The legal parent is incorporated and domiciled in Australia where the applicable tax rate is 25% (2022: 26%). The applicable tax rate in Israel is 23% (2022: 23%) and 21% in USA (2022: 21%).

	2023	2022
	\$	\$
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-

(b) The income tax expense for the year can be reconciled to the accounting loss as follows:

	2023	2022
	\$	\$
Loss for the year before tax	(4,502,770)	(4,880,663)
Prima facie income tax (benefit) at domestic tax rate	(1,125,692)	(1,220,166)
Effect of different tax rate of group entities operating in a different jurisdiction	104,713	218,979
Effect of expenses that are not deductible in determining taxable income	73,938	422,710
Effect of unused tax losses not recognised as deferred tax assets	947,041	578,477
	-	-

Tax losses

Unused tax losses for which no deferred tax asset has been recognised will be subject to the Company or its subsidiaries as the case maybe satisfying the requirements imposed by regulatory taxation authorities. The benefits of deferred tax assets will only be recognised if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- The conditions for deductibility imposed by tax legislation continue to be complied with; and
- No changes in tax legislation adversely affect the Company in realising the benefit.

NOTE 6: RELATED PARTY TRANSACTIONS

a) Key Management Personnel Compensation

The remuneration of directors and other members of key management personnel during the year was as follows:

	2023	2022
	\$	\$
Short-term salary and fees	714,522	518,264
Social and other benefits	70,353	94,073
Share based payments	26,918	58,719
	811,793	671,056

NOTE 6: RELATED PARTY TRANSACTIONS (cont'd)
b) Loans from key management personnel (KMP) and their related parties

Details of loans made to the Group by directors and key management or their related parties are set out below:

2023	Balance at the start of the year \$	Interest payable for the year and foreign exchange rate revaluation \$	Repayments made during the year \$	Converted to equity during the year \$	Balance at the end of the year \$
<i>Meytar (Digital) Engineering Ltd</i>	178,152	(293)	-	-	177,859

2022	Balance at the start of the year \$	Interest payable for the year and foreign exchange rate revaluation \$	Repayments made during the year \$	Converted to equity during the year \$	Balance at the end of the year \$
<i>Meytar (Digital) Engineering Ltd</i>	196,818	(18,666)	-	-	178,152

Meytar (Digital) Engineering Ltd (Meytar) is a company controlled by Messrs Groberman and Slonim (former directors of the HeraMED Limited). The loan bears interest which for the year was an average of 2.9%. Interest expense during the year was \$4,963 (2022: \$4,468).

On 2 November 2023, the Company and Meytar extended the repayment date from 31 December 2023 to 29 February 2024. The Company is currently negotiating new terms with Meytar to further extend the repayment date.

NOTE 7: AUDITOR'S REMUNERATION

During the year, the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2023 \$	2022 \$
Auditor remuneration		
- Auditing and reviewing the financial reports (BDO) – Australia	35,630	34,152
- Auditing and reviewing the financial reports (BDO) – Israel	54,458	57,857
- Auditing and reviewing the financial reports (BDO) – USA	8,214	8,726
	<u>98,302</u>	<u>100,735</u>
Non-audit remuneration		
- Taxation services (BDO) - Australia	6,878	7,516
- Taxation services (BDO) - Israel	7,457	444
	<u>14,335</u>	<u>7,960</u>

NOTE 8: LOSS PER SHARE

	2023	2022
	\$	\$
Loss per share (EPS)		
a) Loss used in calculation of basic EPS and diluted EPS	(4,502,770)	(4,880,663)
b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted EPS	260,462,332	214,103,669

The potential fully paid ordinary shares are anti-dilutive and therefore are excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.

NOTE 9a: CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash at bank	723,294	2,616,639
Total cash and cash equivalents in the statement of cash flows	723,294	2,616,639

The Group's exposure to the risks associated with cash are disclosed in note 21.

NOTE 9b: RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2023	2022
	\$	\$
Loss for the year	(4,502,770)	(4,880,663)
Non-cash flows in loss after income tax		
Adjustments for:		
Share based payments expense	23,998	462,803
Depreciation and amortisation	441,071	358,412
Change in Israel Innovation Authority grants	(4,580)	(27,746)
Interest and foreign exchange revaluation of borrowings	(293)	(18,666)
Fair value revaluation - convertible notes	-	1,415,873
Other finance costs and exchange differences	179,364	415,036
Changes in assets and liabilities		
(Increase) in trade and other receivables	(88,812)	(12,781)
(Increase) in inventory	(101,945)	(140,309)
Increase/(decrease) in deferred revenue, trade and other payables	257,503	(132,272)
Cash flow (used in) operating activities	3,796,464	(2,560,313)

Non-cash investing and financing activities

During the reporting period, 12,000,000 options were issued to Clarity Capital Pty Ltd for acting as lead manager for a Placement. An amount of \$164,214 (A\$254,400) representing the fair value of the options granted was recognised under share issue costs. Refer to note 19 for more information.

There were no other non-cash investing and financing activities during the year apart from those mentioned above.

NOTE 10: OTHER RECEIVABLES

	2023	2022
	\$	\$
CURRENT		
Advances to suppliers	267	81,530
Prepaid expenses	90,369	83,712
Deposits	29,426	22,424
Other receivables	81,553	57,761
	201,615	245,427

All amounts are short-term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value. The Group's exposure to the risks associated with trade and other receivables are disclosed in note 21.

NOTE 11: INVENTORY

	2023	2022
	\$	\$
Inventory at cost	246,746	171,393

NOTE 12: PLANT AND EQUIPMENT

	2023	2022
	\$	\$
Cost	164,459	136,473
Accumulated depreciation	(112,326)	(61,061)
Net carrying amount	52,133	75,412

	Computer equipment and software \$	Office furniture and equipment \$	Total \$
Cost			
Balance at 1 January 2022	58,733	15,826	74,559
Additions	61,872	42	61,914
Balance at 31 December 2022	120,605	15,868	136,473
Additions	27,986	-	27,986
Balance at 31 December 2023	148,591	15,868	164,459

	Computer equipment and software \$	Office furniture and equipment \$	Total \$
Accumulated depreciation			
Balance at 1 January 2022	(37,735)	(7,835)	(45,570)
Depreciation expense	(14,440)	(1,051)	(15,491)
Balance at 31 December 2022	(52,175)	(8,886)	(61,061)
Depreciation expense	(50,264)	(1,001)	(51,265)
Balance at 31 December 2023	(102,439)	(9,887)	(112,326)

NOTE 13: INTANGIBLE ASSETS

	2023	2022
	\$	\$
Cost (1)	2,339,382	2,339,382
Accumulated amortisation	(1,690,954)	(1,301,148)
Net carrying amount	648,428	1,038,234

Cost

Balance at 1 January 2022

Additions

Balance at 31 December 2022

Additions

Balance at 31 December 2023

Development costs

\$

1,628,722

710,660

2,339,382

-

2,339,382

Development costs

\$

(958,370)

(342,778)

(1,301,148)

(389,806)

(1,690,954)

Accumulated amortisation

Balance at 1 January 2022

Amortisation expense

Balance at 31 December 2022

Amortisation expense

Balance at 31 December 2023

(1) The Company capitalised development costs that are attributable to the HeraBEAT product as it meets the criteria as described in Note 1(y).

(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 reporting year. The Company has concluded that the carrying value of the intangibles at 31 December 2023 is recoverable.

NOTE 14: TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
CURRENT		
Trade payables	248,074	152,646
Employees' salaries and related liabilities	156,190	231,500
Accrued expenses	114,255	115,508
	518,519	499,654

All amounts are short-term. The carrying values of trade payables and other payables are considered to approximate fair value. The Group's exposure to the risks associated with trade and other payables are disclosed in note 21.

NOTE 15: BORROWINGS

	2023	2022
	\$	\$
Loan from related party (i)	177,859	178,152

(i) This represents a loan from Meytar (Digital) Engineering Ltd ("Meytar"), a company controlled by Messrs David Groberman and Tal Slonim (former directors of HeraMED Limited). The loan bears interest at 2.90% (2022: 2.45%) per annum and is unsecured. The loan was to be repaid at the earlier of the date HeraMED Israel pays dividends or 21 December 2022. In November 2023, Meytar extended the repayment date of the loan. Refer to Note 6(b) for more information.

NOTE 16: OTHER FINANCIAL LIABILITIES

	2023	2022
	\$	\$
CURRENT		
Liability for Israel Innovation Authority Grants	31,515	51,298
NON-CURRENT		
Liability for Israel Innovation Authority Grants	520,085	504,882

HeraMED Israel received funding from the Israeli Innovation Authority ("IIA") for its participation in research and development costs of HeraMED Israel, based on budgets approved by the IIA, subject to the fulfillment of specified milestones. HeraMED Israel is required to pay royalties to the IIA on proceeds from sale of products in the research and development of which the IIA participates by way of grants. According to the funding terms, royalties between 3% and 4.5% are payable on sales of developed products funded, up to 100% of the grant received by HeraMED Israel, linked to the US dollar and bearing libor interest rates. In the case of failure of a financed project, HeraMED Israel is not obligated to pay any such royalties to the IIA nor repay any grant monies received for that project.

HeraMED Israel received grants, prior to 1 January 2020, amounting to \$1,015,306 related to two different products. There were no additional grants received in the 2023 or 2022 financial years.

As at 31 December 2023, the WACC rate used by HeraMED Israel for the liability was 20% (2022: 20%).

The liability balance recognised by HeraMED Israel is based on the grant amount of \$809,866 and on HMD's future revenue estimates which are performed at the end of each reporting period.

NOTE 17: ISSUED CAPITAL

	2023	2022
	\$	\$
(a) Share Capital		
321,264,191 (31 December 2022: 242,657,048) fully paid ordinary shares	24,110,264	22,158,860

(b) Movement in Ordinary Capital

	31 Dec 2023		31 Dec 2022	
<i>Fully paid ordinary shares</i>	No.	\$	No.	\$
Balance at the beginning of the year	242,657,048	22,158,860	188,229,652	16,481,265
Issue of shares (i)	36,857,143	1,747,421	-	-
Issue of shares (ii)	41,750,000	567,467	-	-
Issue of shares (iii)	-	-	622,215	87,010
Issue of shares (iv)	-	-	91,666	10,575
Issue of shares (v)	-	-	111,109	16,031
Issue of shares (vi)	-	-	22,833,176	3,152,749
Placement (vii)	-	-	26,104,258	2,326,096
Placement (viii)	-	-	4,664,972	386,687
Share issue costs	-	(363,484)	-	(301,553)
Balance at the end of the year	321,264,191	24,110,264	242,657,048	22,158,860

(i) Issue of shares on 20 July 2023 at A\$0.07 per share pursuant to a Placement.

(ii) Issue of shares on 22 December 2023 at A\$0.02 per share pursuant to a Placement.

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

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

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

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

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

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

(c) 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 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 invested with major financial institutions.

NOTE 18: RESERVES
a) Share Based Payment Reserve

94,115,505 (2022: 55,836,918) options on issue

	2023	2022
	\$	\$
19	5,171,528	4,983,316

b) Movement in Share Based Payment Reserve
Opening balance at 1 January 2023

Options to employees, consultants and former CFO

Issue of Koby Options (refer to note 19)

Issue of Broker Options (refer to note 19)

Issue of Weinberger Options (refer to note 19)

Options to Anoushka Gungadin *

Closing balance at 31 December 2023

2023
\$
4,983,316
(4,673)
18,633
164,214
4,808
5,230
5,171,528

* Mrs Gungadin was appointed on 26 July 2022 as Director of Strategic Partnerships Australia and New Zealand.

c) Foreign Exchange Reserve

Closing balance

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

	2023	2022
	\$	\$
Closing balance	60,909	92,650

d) Predecessor Accounting Reserve

Closing balance

The reserve arises from the capital reorganisation and records the net liabilities of HeraMED Limited as at the acquisition date of 10 December 2019.

	2023	2022
	\$	\$
Closing balance	(133,879)	(133,879)

NOTE 19: SHARE BASED PAYMENTS

During the year ended 31 December 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 the Black-Scholes pricing model.
- The issue of 12,000,000 Options exercisable at A\$0.12 on or before 20 July 2026 to corporate advisors, Clarity Capital Pty Ltd for acting as lead manager to the Placement (“**Broker Options**”). The fair value of the options has been determined using the Black-Scholes pricing model as the fair value of the service provided could not be reliably determined.
- The issue of 7,500,000 Options exercisable at A\$0.0975 on or before 31 December 2025 to Dr Ron Weinberger (“**Weinberger Options**”) under the terms of his engagement as Executive Chairman. The fair value of the options has been determined using the Black-Scholes pricing model. The Weinberger Options shall vest and become exercisable as follows:
 - A minimum of A\$5m raise is completed post the next capital raise the Company completes – 1,500,000 Options shall vest and become exercisable.
 - The Company first achieves a VWAP of at least A\$0.20 during a period of 30 consecutive trading days – 1,500,000 Options shall vest and become exercisable.
 - The Company first achieves a VWAP of at least A\$0.35 during a period of 30 consecutive trading days – 1,500,000 Options shall vest and become exercisable.
 - 5,000 active users at one time of the HeraCARE platform – 1,500,000 Options shall vest and become exercisable.
 - 20,000 active users at one time of the HeraCARE platform – 1,500,000 Options shall vest and become exercisable.

Fair value

The Black-Scholes pricing model was used to determine the fair value of the options issued. The Black-Scholes inputs and valuations were as follows:

	Koby Options	Broker Options	Weinberger Options
Number of options	350,000	12,000,000	7,500,000
Grant date	27 Jan 2023	19 Sept 2023	19 Sept 2023
Exercise price	A\$0.15	A\$0.12	A\$0.0975
Expected volatility	85%	75%	72%
Implied option life (years)	4.0	3.0	2.0
Expected dividend yield	nil	nil	nil
Risk free rate	3.76%	3.91%	3.94%
Valuation per option (A\$)	0.0750	0.0212	0.0199
Exchange rate	1.4089	1.5492	1.5492
Valuation per option (US\$)	0.05324	0.0137	0.0128
Total valuation (US\$)	18,633	164,214	96,243

NOTE 19: SHARE BASED PAYMENTS (cont'd)**Share Based Payments Expense**

Share based payment expense and expenses recognised in equity at 31 December 2023 is comprised as follows:

	2023	2022
	\$	\$
Share option plans	13,960	214,158
Issue of Ratdog Options	-	246,482
Issue of Anoushka Options	5,230	2,163
Issue of Weinberger Options	4,808	-
Total recognised in profit or loss	23,998	462,803
Issue of Advisory Options	-	116,792
Issue of 12,000,000 Broker Options	164,214	-
Total recognised in equity	164,214	116,792
Issue of Convertible Notes Options recognised as finance expense	-	1,439,688
Share option plans – capitalised under Intangible assets	-	24,530
Total share-based payments expense recognised in reserves	188,212	2,043,813

NOTE 20: OPERATING SEGMENTS**Segment Information****Identification of reportable segments**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The Group's sole operating segment is consistent with the presentation of these consolidated financial statements.

NOTE 21: FINANCIAL INSTRUMENTS**(a) Capital management**

The Group's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the nature of the business, the Group monitors capital on the basis of current business operations and cash flow requirements. There were no changes in the Group's approach to capital management during the year.

NOTE 21: FINANCIAL INSTRUMENTS (cont'd)**(b) Categories of financial instruments**

Financial assets	2023	2022
	\$	\$
Cash and cash equivalents	723,294	2,616,639
Other receivables	253,389	171,235
	976,683	2,787,874
Financial liabilities		
Trade and other payables	818,203	560,700
Borrowings	177,859	178,152
Other financial liabilities	551,600	556,180
	1,547,662	1,295,032

The fair value of the above financial instruments approximates their carrying values.

(c) Financial risk management policies

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of those risks is presented throughout these financial statements.

The board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of those risks on the Group where such impacts may be material. The board receives financial reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

(d) Market risk

Market risk for the Group arises from the use of interest-bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate (see (e) below).

(e) Interest rate risk management

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Movement in Profit \$	Movement in Equity \$
Year ended 31 December 2023		
+/-1% in interest rates	7,233	7,233
Year ended 31 December 2022		
+/-1% in interest rates	26,166	26,166

NOTE 21: FINANCIAL INSTRUMENTS (cont'd)**(f) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(g) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecasts and actual cash flows.

The following are the contractual maturities of financial liabilities as of 31 December:

31 December 2023	Interest rate	Less than 6 months	6-12 months	1-5 years	Over 5 years	Total contractual cash flows	Carrying amount
		\$	\$	\$	\$	\$	\$
Trade and other payables	-	518,519	-	-	-	518,519	518,519
Borrowings	2.90%	88,930	88,929	-	-	177,859	177,859
Other financial liabilities	-	-	31,515	520,085	-	551,600	551,600
		607,449	120,444	520,085	-	1,247,978	1,247,978

31 December 2022	Interest rate	Less than 6 months	6-12 months	1-5 years	Over 5 years	Total contractual cash flows	Carrying amount
		\$	\$	\$	\$	\$	\$
Trade and other payables	-	499,654	-	-	-	499,654	499,654
Borrowings	2.45%	-	178,152	-	-	178,152	178,152
Other financial liabilities	-	-	51,298	504,882	-	556,180	556,180
		499,654	229,450	504,882	-	1,233,986	1,233,986

NOTE 21: FINANCIAL INSTRUMENTS (cont'd)**(h) Net fair value of financial assets and liabilities*****Fair value estimation***

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Due to the short-term nature of the receivables and payables, the carrying value approximates fair value.

A summary of significant unobservable inputs (Level 3 inputs) used in measuring other financial liability are as follows:

Other financial liability	2023	2022
Principal amount	\$809,866	\$809,866
Discount rate	20%	20%
Fair value	\$551,600	\$556,180

The Company performed a sensitivity analysis of the financial liability which are classified as level 3 financial instruments. The Company recalculated the fair value of the financial liability by applying a +/- 5% changes to the discount rate used. As of 31 December 2023, a 5% increase in the discount rate would decrease the fair value of the financial liability to \$503,428; a 5% decrease in the discount rate would increase the fair value of the financial liability to \$607,206.

(i) Foreign currency risk

The currency risk is that risk that the value of financial instruments will fluctuate due to change in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar (the functional currency of the subsidiary company and the presentation currency of the Group), the New Israeli Shekel, the Australian Dollar (functional currency of the parent company).

NOTE 22: PARENT ENTITY FINANCIAL INFORMATION

The following information of the legal parent HeraMED Limited has been prepared in accordance with Australian Accounting Standards and the accounting policies as outlined in Note 1.

(a) Financial Position of HeraMED Limited

	2023	2022
	\$	\$
ASSETS		
Current assets	664,981	702,516
Non-current assets	40,921	49,626
TOTAL ASSETS	705,902	752,142
LIABILITIES		
Current liabilities	223,976	44,818
Non-current liabilities	-	-
TOTAL LIABILITIES	223,976	44,818
NET ASSETS	481,926	707,324
SHAREHOLDERS' EQUITY		
Issued capital	19,337,479	17,386,075
Reserves	3,359,833	3,161,214
Accumulated losses	(23,179,238)	(19,839,965)
SHAREHOLDERS' EQUITY	481,926	707,324

(b) Statement of profit or loss and other comprehensive income

Loss for the year	(3,339,273)	(5,094,713)
Other comprehensive income	-	-
Total comprehensive loss	(3,339,273)	(5,094,713)

(c) Guarantees entered into by HeraMED Limited for the debts of its subsidiaries

There are no guarantees entered into by HeraMED Limited.

(d) Contingent liabilities of HeraMED Limited

There were no contingent liabilities as at 31 December 2023 (2022: nil) other than those mentioned at note 25.

(e) Commitments by HeraMED Limited

There were no commitments as at 31 December 2023 (2022: nil).

NOTE 23: CONTROLLED ENTITIES

The ultimate legal parent entity of the Group is HeraMED Limited, incorporated and domiciled in Australia. The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies described in Note 1.

Controlled entities	Country of Incorporation	Percentage Owned	
		2023	2022
Hera Med Ltd	Israel	100%	100%
HeraMED US Inc.	U.S.A	100%	100%

The proportion of ownership interest is equal to the proportion of voting power held.

NOTE 24: 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.

NOTE 25: COMMITMENTS

The Group has no known commitments as at 31 December 2023.

NOTE 26: EVENTS AFTER THE REPORTING PERIOD

On 16 January 2024, the Company announced it had entered into a strategic collaboration agreement with GPeX (SA), an organisation that delivers innovative solutions for primary care. Including education and training, GP shared care programs, workforce solutions and clinical trials. This is a paid pilot at commercial rates for the set-up, customisation, maternity care plans, low level integration training, HeraBEAT and ongoing support.

On 17 January 2024, Ms Emily Slade resigned as non-executive director of the Company.

On 18 January 2024, the Company announced a non-renounceable entitlement offer of one new ordinary HMD share for every five ordinary HMD shares held by eligible shareholders at a share price of A\$0.02 per share to raise up to approximately A\$1.28 million (before offer and transaction costs) (**Rights Issue**). Subsequently, on 28 February 2024, the Company issued 11,235,627 fully paid ordinary shares at A\$0.02 per share pursuant to the Rights Issue to raise A\$224,713 (before transaction costs). The Company anticipates placing the shortfall of the Rights Issue (A\$1,060,344) over the coming weeks which includes the participation of Dr Ron Weinberger for A\$500,000.

On 22 January 2024, the Company announced it had entered into a binding two-year strategic collaboration agreement with two leading private Obstetricians at Joondalup Health Campus, Western Australia.

On 23 February 2024, the Company held a General Meeting where shareholders approved the issue of 20,750,000 Tranche 2 Placement Shares at A\$0.02 per share to raise A\$415,000 (before transaction costs) amongst other resolutions. The Shares were issued on 1 March 2024.

On 28 February 2024, the Company announced that Broward Health has signed a two-year agreement for adoption of the HeraCARE platform, beginning with 700 HeraCARE licenses and 200 bundles of hardware (including HeraBEAT devices), representing the largest deployment in USA to date. Broward Health will pay HeraMED US\$99,600 up front for 200 bundles (each bundle to include a HeraBEAT, Blood Pressure Cuff, Bluetooth Scale and a co-branded Diaper bag). Broward Health will also pay US\$100,400 in advance in each of the next two years, for up to 700 active licenses. There is an option for Broward Health to purchase another 200 bundles for US\$99,600 at any point during the two years and if Broward Health exercises this option, then the total consideration would be approximately US\$400,000 over the two years.



NOTE 26: EVENTS AFTER THE REPORTING PERIOD (cont'd)

On 11 March 2024, Mr Doron Birger resigned as non-executive director of the Company. On the same day, Mr Tim Chapman was appointed as non-executive director.

There were no other material events after the reporting period other than the above.

NOTE 27: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 28 March 2024.

The directors are unaware of any other significant event or circumstance that has arisen since 31 December 2023 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years other than those disclosed above.

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DIRECTORS' DECLARATION

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements;
- (c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group; and
- (d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Ron Weinberger

Dr Ron Weinberger
Executive Chairman
Sydney, 28 March 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of HeraMED Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of HeraMED Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 year then ended, and notes to the financial report, including a summary of material accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1c) 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>HeraMED Limited has generated material revenue during the year related to the provision of pregnancy monitoring services under key contracts with customers through the delivery of their HeraCARE software platform and HeraBEAT monitoring devices.</p> <p>We have identified revenue recognition as a key audit matter due to the judgement involved in determining the performance obligations within contracts with customers and the most appropriate methodology to measuring the satisfaction of these performance obligations.</p> <p>Refer to Note 1 for the Group’s accounting policy and disclosures relating to revenue recognition.</p>	<p>Our audit procedures in this area included, but were not limited to:</p> <ul style="list-style-type: none"> • Reading contracts or agreements for a sample of key contracts to obtain an understanding of the terms and conditions; • Reviewing the revenue recognition policy applied by the Group and comparing to the requirements of the applicable accounting standards’; • Enquiring with management as to the appropriateness of procedures in place to ensure proper cut-off for revenue has been achieved and that deferred revenue had been appropriately recorded at year end; • Testing a sample of transactions and contracts to supporting documentation and comparing revenue recognition to the Group’s accounting policy and the requirements of the applicable accounting standards’; and • Reviewing accounting policies and disclosures including significant estimates and judgements included within note 1 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 21 of the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of HeraMED Limited, for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten version of the BDO logo, with the letters 'BDO' in a cursive, black ink style.

A handwritten signature in black ink, appearing to read 'Jh', with a horizontal line drawn above it.

Jackson Wheeler

Director

Perth, 28 March 2024

ADDITIONAL ASX INFORMATION

The shareholder information set out below was applicable as at 17 March 2024.

As at 17 March 2024, there were 1,245 holders of fully paid ordinary shares.

VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands, each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representation more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held.

There are no voting rights attached to any of the options and deferred securities that the Company currently has on issue. Upon exercise of the options, the shares issued will have the same voting rights as existing ordinary shares.

ANNUAL GENERAL MEETING

The Annual General Meeting is scheduled to be held at the end of May 2024.

TWENTY (20) LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities are listed below:

Fully Paid Ordinary Shares

Holder Name	Holding	% IC
Citicorp Nominees Pty Limited	21,622,855	6.12
Altor Capital Management Pty Ltd <Altor Alpha Fund A/C>	13,307,242	3.77
HSBC Custody Nominees (Australia) Limited	12,920,129	3.66
Ripperday Pty Ltd	10,457,496	2.96
Altshuler Shaham Trusts Ltd <Tal Slonim A/C>	9,709,170	2.75
Altshuler Shaham Trusts Ltd <David Groberman A/C>	9,709,170	2.75
Freeman Road Pty Ltd <The Avenue A/C>	9,466,690	2.68
Ratdog Pty Ltd	8,200,000	2.32
S & S Browne Assets Pty Ltd <S & S Browne Investment A/C>	7,596,616	2.15
Tamorer Pty Ltd <Wylie Family A/C>	5,409,091	1.53
Sobol Capital Pty Ltd <BOC A/C>	4,725,429	1.34
Bryntirion Capital	4,565,844	1.29
North of the River Investments Pty Ltd	4,498,000	1.27
Charlton WA Pty Ltd <Tinamara Super Fund A/C>	4,250,000	1.20
Netwealth Investments Limited <Wrap Services A/C>	4,221,398	1.20
Loktor Holdings Pty Ltd <Taybird A/C>	4,163,089	1.18
Scintilla Strategic Investments Limited	4,000,000	1.13
Dr Matthew Farrugia	3,866,711	1.09
Dr Aditya Agarwal	3,567,520	1.01
Always Holdings Pty Ltd <The Buhagiar S/F A/C>	3,497,163	0.99
Total	149,753,613	42.39%

SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders disclosed to the Company as substantial shareholders as at 17 March 2024 are:

Name	No of Shares Held	% of Issued Capital
Citicorp Nominees Pty Ltd	21,622,855	6.12

DISTRIBUTION OF SHAREHOLDERS

Fully Paid Ordinary Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	25	3,205	0.00
1,001 - 5,000	224	730,979	0.21
5,001 - 10,000	186	1,520,503	0.43
10,001 - 100,000	486	20,617,444	5.84
100,001 - 9,999,999,999	324	330,377,687	95.53
Totals	1,245	353,249,818	100.00

Unmarketable Parcels – 625 Holders with a total of 5,796,475 shares, based on the last trading price of \$0.019 on 15 March 2024.

RESTRICTED SECURITIES

As at 17 March 2024, the Company did not have any restricted securities on issue.

LISTED OPTIONS EXPIRING 28 APRIL 2024 @ A\$0.22 – 105 HOLDERS

Holder Name	Holding	% IC
Ratdog Pty Ltd	7,500,000	16.45
F & T Spagnolo Pty Ltd <Fred Spagnolo Family A/C>	2,610,682	5.75
Tamorer Pty Ltd <Wylie Family A/C>	2,242,424	4.92
Inverness Capital Pty Ltd <Match Partner Investment A/C>	2,200,000	4.83
Netwealth Investments Limited <Wrap Services A/C>	2,117,773	4.65
J P Morgan Nominees Australia Pty Limited	1,813,636	3.98
Epic Capital Pty Ltd	1,670,455	3.66
HSBC Custody Nominees (Australia) Limited	1,666,667	3.66
Freeman Road Pty Ltd <The Avenue Trust>	1,282,051	2.81
Anthony Alan David Berrick <Ellis David Reed Berrick A/C>	1,000,000	2.19
Anthony Alan David Berrick <Lewin L R Berrick A/C>	1,000,000	2.19
Altor Capital Management Pty Ltd <Altor Alpha Fund A/C>	915,495	2.01
Mr Stephen Anthony Stanicic	900,996	1.98
Badak Puth Capital Pty Ltd <Gajah Investment A/C>	825,000	1.81
PAC Partners Securities Pty Ltd	819,000	1.80
EDNA Securities Pty Ltd <Warren Gelfand PSF A/C>	783,205	1.72
Mr Arjunan Sundaramoorthy	720,000	1.58
Generation Wise Pty Ltd <The Generation 1 A/C>	715,909	1.57
PAC Partners Pty Ltd	700,000	1.54
North of the River Investments Pty Ltd	687,529	1.51
Total	32,170,822	70.57%

SUBSTANTIAL LISTED OPTION HOLDERS

The names of the substantial listed option holders disclosed to the Company as at 17 March 2024 are:

Name	No of Options Held	%
Ratdog Pty Ltd	7,500,000	16.45
F & T Spagnolo Pty Ltd <Fred Spagnolo Family A/C>	2,610,682	5.73

DISTRIBUTION OF LISTED OPTIONS**Listed Options**

Holding Ranges	Holders	Total Units	%
1 - 1,000	0	0	0.00
1,001 - 5,000	0	0	0.00
5,001 - 10,000	0	0	0.00
10,001 - 100,000	44	2,482,395	5.45
100,001 - 9,999,999,999	61	43,107,189	94.55
Totals	105	45,589,584	100

UNQUOTED SECURITIES

As at 17 March 2024, the following unquoted securities were on issue:

Unlisted Options Expiring 9 August 2027 @ A\$0.15 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Ms Michal Vasiliver	250,000	100.00

Unlisted Options Expiring 27 January 2027 @ A\$0.15 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Keith Koby	350,000	100.00

Unlisted Options Expiring 28 July 2027 @ A\$0.1358 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Anoushka Gungadin	850,000	100.00

Unlisted Options Expiring 15 August 2024 @ A\$0.165 – 3 Holders

Holders with more than 20%

Holder Name	Holding	% IC
Altshuler Shaham Trusts Ltd	733,334	64.70

Unlisted Options Expiring 15 August 2024 @ US\$0.01 – 1 Holder*Holders with more than 20%*

Holder Name	Holding	% IC
Sivan Sadan	574,000	100

Unlisted Options Expiring 2 June 2025 @ A\$0.20 – 12 Holders*Holders with more than 20% - NIL***Unlisted Options Expiring 20 August 2026 @ A\$0.12 – 79 Holders***Holders with more than 20% - NIL***Unlisted Options Expiring 23 January 2027 @ US\$0.023 – 1 Holder***Holders with more than 20%*

Holder Name	Holding	% IC
Keith Koby	750,000	100

Unlisted Options Expiring 11 March 2027 @ A\$0.045 – 4 Holders*Holders with more than 20%*

Holder Name	Holding	% IC
Slam Consulting Pty Ltd	4,500,000	30
Loxton Resources Pty Ltd	4,500,000	30
Inverness Capital Pty Ltd <Match Partners Invest A/C>	4,500,000	30

There is also the issue of 7,500,000 unlisted Options exercisable at A\$0.0975 on or before 31 December 2025 to Dr Ron Weinberger following his terms of engagement as Executive Chairman. There are various milestones which have to be met for the Options to vest and become exercisable

ON-MARKET BUY BACK

There is currently no on-market buyback program.

ASX LISTING RULE 4.10.19

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing of the Company's securities to quotation in a way consistent with its business objectives.