

QUARTERLY ACTIVITIES & CASHFLOW REPORT - 3Q FY24 HIGHLIGHTS

- Record number of accumulated registered mums on the HeraMED platform reaching in excess of 3,800 as at 30 September 2024, including 710 active mums (previous highest was 560 active mums as at 15 June 2024).
- 200+ new active mums onboarded to HeraCARE since platform go-live at US-based Broward Health;
- Implementation of 4- point strategic plan well underway, with cost reduction benefits beginning to emerge further enhancing the Company's long-term sustainability;
- 5-year strategic partnership with INSIGHT Health Research Institute, a renowned research and innovation centre at University of Technology Sydney (UTS);
- LOI executed with Founda Health as a precursor to strategic partnership to seamlessly integrate the HeraCARE solution with EHR (Electronic Health Records) within hospital system through the Founda platform;
- HeraBEAT TGA regulatory review and reclassification process underway, with reclassification pathway meeting between HeraMED and TGA to take place in early-November; and
- Post 30 September 2024, HMD completed \$3.1 million two-tranche Placement to sophisticated and professional investors to support and accelerate commercial deployments, pilots and integration of HeraCARE into large health systems, private clinics and a number of platforms in the US, Europe and Australia.

HeraMED Limited (ASX:HMD) ('HeraMED' or the 'Company'), a medical data and technology company leading the digital transformation of maternity care, is pleased to provide its Appendix 4C cashflow statement for the September 2024 quarter (Q3 FY24) along with the review of operations.

Anoushka Gungadin, MD & CEO of HeraMED, said, "Over the past six months, our commitment to the first two pillars of our four-point plan has yielded significant progress. In the September 2024 quarter, benefits have begun to emerge from our customer first commercialisation focus. The successful launch and implementation of HeraCARE at Broward Health in Florida has been a particular highlight. We are pleased with the operating momentum we are experiencing, including a record number of active mums registered at the end of the September quarter. As implementation continues with our product ecosystem and care plan expansion, we anticipate continuing growth in the adoption of the HeraCARE solution."

"We've focussed our efforts on commercialisation, product development and establishing further strategic partnerships, aimed at strengthening a solid foundation for sustainable growth. As we move forward, these areas will continue to remain our primary focus and support progress across various customer verticals, jurisdictions as well as expanding into include remote/rural settings. Additionally in the September quarter, I was pleased to progress our grant strategy with 3 grants applied for, 2 in Australia and 1 in Europe.

Looking forward, with our capital position and runway now strengthened through the recently completed capital raise, we will begin work to strengthen our leadership structure through strategic board and advisory board appointments, in line with the skills and expertise required for our scale up. Additionally, we'll be amplifying our brand visibility through targeted thought leadership initiatives and industry engagements. This balanced approach will not only solidify our abilities, market position but also enhance our reach to drive our mission to revolutionise maternity and pregnancy care."

Cameron Jones, CFO & Company Secretary of HeraMED, said *"Pleasingly cost reductions across the business have begun to materialise in October 2024 with the expiration of notice periods and the termination of legacy contracts contributing to a lower and more focused cash burn moving forward. Together with the recently announced capital raise the business is well positioned to move forward and plan with certainty. In addition, the financial and administrative restructure and transition to Australia has been successfully completed."*

HeraCARE Platform

HeraMED continues to build momentum on HeraCARE with a record number of active and accumulated users ('mums'). The number of accumulated registered mums on the HeraMED platform reached a record 3,800 as at 30 September 2024, including 710 active mums (previous record was 560 active mums as at 15 June 2024).

Recent growth can be primarily attributed to successful launch of HeraCARE at Broward Health in Florida. Since going live in June 2024, in excess of 200 pregnant mothers were successfully onboarded in the first 100 days. The number of accumulated HeraCARE platform mums is expected to continue growing as a number of previously announced agreements and partnerships are implemented across calendar 2024.

Over time, accumulated HeraMED platform data is expected to provide early clinical intervention opportunities, accelerating HeraMED's "data as an asset" approach and the use/integration of proprietary AI tools and analysis.

Key Customer Updates

United States

Broward

The launch of the HeraCARE platform in the Broward Health network has been a significant success in this quarter, with over 200 pregnant mothers successfully onboarded on to the HeraCARE platform in the first 100 days. The implementation has also resulted in significant enhancements to the HeraCARE platform based on learnings from initial implementation. These enhancements have included better defining care plans to support patients with specific conditions including chronic hypertension, gestational diabetes, mental health (both ante-natal and postpartum), financial hardship as well as low-risk pregnancies.

Lovu

Lovu has continued to support its user base with over 15 clinics onboarded across California, Texas and Ohio. Lovu is currently undergoing its own capital raise in order to support an expansion of clinics onto HeraCARE through its services model.

New customers and Channel Partners

As part of its continued commercial strategy into the US, HeraMED is continuing to have commercial discussions with a number of other channel partners that specialise within specific customer verticals within the US and will update shareholders when those discussions complete. To complement HeraMED's channel partner strategy on the back of the successful launch at Broward direct discussions continue with other large east coast US health systems.

Europe

Founda Health

On 23 September, HeraMED entered into a LOI with Founda Health B.V. as a precursor to a strategic partnership. Founda's powerful interoperability platform eliminates the friction of data availability between diverse healthcare providers by enabling them to exchange data through healthcare standards. Through this potential partnership, HeraMED will utilise Founda's platform to seamlessly integrate its HeraCARE solution with EHR (Electronic Health Records) within hospital systems, further enhancing HeraCARE's attractiveness to healthcare providers.

Founda and HeraMED will collaborate to identify a hospital in Europe / US for an initial deployment of the HeraCARE platform. Since announcing the LOI HeraMED has been completing the integration into Founda's platform, which is close to finished. Once completed HeraCARE demonstrations and sales training for Founda sales teams will be undertaken prior to an anticipated launch in the current quarter.

New customers and Channel Partners

Confidential in nature, HeraCARE/HeraBEAT has been assessed in a clinical trial with a leading university and research hospital in the Netherlands. The trial has been completed, the report is in its final phase of internal review before being submitted for peer-review and publication. Once in receipt of the final report a further update to shareholders will be made.

Separately in Europe, there is a number of advancing commercial discussions with potential new partners looking to become local channel partners offering HeraCARE & HeraBEAT in new markets and verticals. Upon completion of signed agreements HeraMED looks forward to updating shareholders on these new commercial opportunities.

Furthermore, progress has also been made under the Company's grant strategy with an initial submission in September 2024.

Australia

Gold Coast

Gold Coast University Hospital has completed its clinical trial for 90 high risk pregnancies. The objective of the trial was to evaluate clinical usability, patient satisfaction, value for money and economic analysis of the HeraCARE platform. The trial has already delivered mutual and meaningful benefits whilst allowing HeraMED to gain significant insights into the practical application of the Company's solution in a real-world public hospital setting (a key vertical for HMD). The Company is currently waiting for the formal final report which is being reviewed and finalised by the GC clinical team.

Telstra Health

In November 2023, HeraMED announced its partnership with Telstra Health's MedicalDirector platform servicing GP and healthcare professionals. HeraCARE is the first remote maternity solution to join the Telstra Health digital ecosystem. In June 24, Telstra Health announced the soft launch of HeraCARE within its ecosystem. 4 GP Clinics were initially recruited as part of the soft launch designed to test GP workflows as well as optimise care and commercial models once integration of HeraCARE into MedicalDirector was completed. This integration is now nearing completion, which will make HeraCARE available to GPs through their MedicalDirector dashboard. Part of the next phase includes market testing and research on the 'packaging' of the solution for GPs within the current landscape.

PHI

Through Simply Women and JOGG, PHI had an active quarter onboarding more than 285 mums onto HeraCARE. Our CEO Anoushka visited these clinics and got firsthand insights in how HeraCARE is being used. Feedback from PHI is the use of HeraCARE by the clinics has allowed them to optimise face to face visit providing greater efficiencies to see more pregnant mothers, give time back to themselves or attend urgent cases. A case study is now to be developed on the success of HeraCARE within Simply Women and JOGG assessing productivity within the clinics and improved care outcomes for mothers.

Research Collaboration Partnerships Progress

Partnership with UTS INSIGHT Health Research Institute

UTS and HeraMED entered into a 5 year strategic partnership to look at the models of care for the wellbeing of mothers and babies, in July 2024. INSIGHT is the renowned research and innovation centre at UTS Research Institute for Innovative Solutions for Well-being and Health, working across traditional research boundaries to deliver sustainable, scalable solutions to entrenched health problems, and has a focused research program on Women and Children's Health. The teams at UTS and HeraMED have spent the last few months identifying grant opportunities and have started the submission process for research grants.

Grant Strategy

We launched and started to implement our comprehensive grant strategy framework. Our newly implemented strategy emphasises collaborative partnerships, strategic alignment with funders' priorities, and systematic evaluation of opportunities.

Establishing the right partnerships is a key step in executing this strategy, such as our partnership with University of Technology Sydney. Another step is to establish a robust approach to identifying and securing sustainable funding for our initiatives. We are actively engaging with partners to develop grant applications that reflect our shared commitment to improving maternity and pregnancy outcomes. We have been working on 3 grant applications in Australia and Europe including antenatal care, mental health and innovation in the September quarter.

HeraBEAT and TGA

HeraMED also provided an update during the quarter with respect to the Therapeutic Goods Administration's ("TGA") position, following their two-year post market review¹, on home-use foetal dopplers which included the Company's HeraBEAT device. The purpose of this review was to determine whether the potential risk of using these devices outside of a clinical environment outweighed the potential consumer benefit. The TGA review confirmed that the lack of specialised training to use these devices could result in false reassurance of the health of a baby². As a result, the TGA made the decision to cancel all home-use foetal dopplers supplied in Australia.

As part of this decision to cancel all consumer at home foetal dopplers by the TGA, HeraBEAT is now required to reclassify to a higher class of regulatory classification with its existing Class IIa approval now also cancelled. The decision to reclassify the HeraBEAT is wholeheartedly supported by HeraMED and HeraMED is now actively working on this reclassification in consultation with the TGA. Since this review began, HeraMED has been in constant engagement with the TGA and will now meet again on November 7th, which has been slightly pushed out from the original October timeline, to finalise the reclassification pathway for reapproval.

¹ <https://www.tga.gov.au/how-we-regulate/supply-therapeutic-good/supply-medical-device/medical-device-post-market-reviews/post-market-review-home-use-foetal-dopplers>

Financial Update

As at 30 September 2024, the Company had a cash balance of \$0.28 million. In July 2024 HeraMED received US\$200,000 (~A\$300,000) from Broward Health for the first year of its current 2 year agreement. During the September 2024 quarter there no other cash receipts from customers.

September 2024 quarter key expense components included staff costs (\$520k), research and development costs (\$165k), administration and corporate costs (\$428k), advertising and marketing (\$248k). There were a number of one-off payments as part of the restructure as well as accrued payables incurred prior to the restructure that were settled during the quarter.

Post 30 September 2024, HMD received commitments for \$3.1 million in a two-tranche Placement to sophisticated and professional investors to support and accelerate commercial deployments, pilots and integration of HeraCARE into large health systems, private clinics and a number of platforms in the US, Europe and Australia. Tranche 1 is expected to settle today, with Tranche 2 to be subject to shareholder approval at an upcoming EGM.

In accordance to Listing Rule 4.7C, payments made to related parties and their associates included in items 6.1 of the Appendix 4C was A\$193k and included Non-Executive Director fees and salary and superannuation for the CEO and Managing Director.

ENDS

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

HeraMED Limited

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About HeraMED Limited (ASX:HMD)

HeraMED is an innovative medical data and technology company leading the digital transformation of maternity care by revolutionising the prenatal and postpartum experience with its hybrid maternity care platform. HeraMED offers a proprietary platform that utilises hardware and software to reshape the Doctor/Patient relationship using its clinically validated in-home foetal and maternal heart rate monitor, HeraBEAT, cloud computing, artificial intelligence, and big data.

The Company's proprietary offering, HeraCARE, has been engineered to offer a fully integrated maternal health ecosystem designed to deliver better care at a lower cost, ensure expectant mothers are engaged, informed and well-supported, allow healthcare professionals to provide the highest quality care and enable early detection and prevention of potential risks.

Appendix 4C

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

Name of entity

HERAMED LIMITED

ABN

65 626 295 314

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$AUD'000	Year to date (9 months) \$AUD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	299	313
1.2 Payments for		
(a) research and development	(165)	(536)
(b) product manufacturing and operating costs	-	(54)
(c) advertising and marketing	(248)	(870)
(d) leased assets	(6)	(65)
(e) staff costs	(520)	(1,775)
(f) administration and corporate costs	(428)	(1,092)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	6
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	118
1.8 Other – GST/VAT refunds	35	170
1.9 Net cash from / (used in) operating activities	(1,032)	(3,787)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,390
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(11)	(237)
3.5	Proceeds from borrowings	-	260
3.6	Repayment of borrowings	(64)	(400)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(5)	-
3.10	Net cash from / (used in) financing activities	(80)	3,013

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,405	1,061
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,032)	(3,787)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(80)	3,013

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

4.5	Effect of movement in exchange rates on cash held	(13)	(7)
4.6	Cash and cash equivalents at end of period	280	280

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$AUD'000	Previous quarter \$AUD'000
5.1	Bank balances	280	1,405
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	280	1,405

6.	Payments to related parties of the entity and their associates	Current quarter \$AUD'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	193
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$AUD'000	Amount drawn at quarter end \$AUD'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-

7.5	Unused financing facilities available at quarter end	-
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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	Estimated cash available for future operating activities	\$AUD'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	1,032
8.2	Cash and cash equivalents at quarter end (Item 4.6)	280
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	280
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	0.27

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

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

As previously communicated, the Group has taken significant steps to reduce its operating expenditure. These cost-reduction efforts are ongoing as operating outflows reduced in the quarter ended 30 September 2024, compared to the quarter ended 30 June 2024, and the reduction in the operating cost base is expected to continue to be realised in the quarter ending 31 December 2024.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Refer to Placement announcement dated 23 October 2024.

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

For the reasons outlined above, the Group expects to be able to continue its operations and to meet its business objectives.

Compliance statement

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

Date: 29 October 2024

The Board

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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