

## HeraMED completes transformational 3<sup>rd</sup> quarter of 2019

- **Mayo Clinic and HeraMED joined forces to co-develop HeraCARE based on OB Nest - development ongoing with soft launch expected 2020**
- **HeraCARE was integrated into Hapvida medical records - first successful commercial integration of platform**
- **HeraCARE is now operational across multiple Hapvida sites - demonstrating potential to scale with large organisations**
- **German market entry - substantial distribution agreement signed with Duttenhofer group and first PO to support the soft launch received.**
- **HeraMED remains with US\$1.751 (~A\$2.569m) cash at bank as at 30 September 2019**

Medical technology company, **HeraMED Limited (ASX:HMD)** (“HeraMED” or the “Company”) is pleased to provide an update on its progress for the three month period ending 30 September 2019 (Q3 CY2019).

The Company continued to progress during the period. Most notably, HeraMED achieved a number of key milestones relating to the development and testing of its digital pregnancy monitoring platform, HeraCARE.

### **HeraCARE integration into Electronic Medical Records (EMR) for the first time:**

Following a four-month process, HeraMED achieved a pivotal milestone when it integrated its HeraCARE PRO software solution into Hapvida Saude’s IT systems. This development marked the first commercial integration of the solution into a major medical organisation, providing considerable validation.

Hapvida is one of Brazil’s largest healthcare providers and hospital owners. It services approximately 6.5m customers through circa 100 hospitals and 1,000 clinics across 11 states.

The integration phase included rigorous technical testing from Hapvida’s team of physicians and medical professionals. It also included multiple scenario tests to gauge the efficiency and resilience of HeraMED’s solutions.

Following a successful integration, the customised HeraCARE platform now supports immediate data upload from HeraBEAT via the cloud to Hapvida’s infrastructure. This enables Hapvida’s team of medical professionals to view data analytics in real time, across multiple locations in its network of hospitals and clinics.

Both parties will aim to utilise the solutions for additional purposes including the intrapartum phase of pregnancy (period spanning childbirth from the onset of labour).

### **The Mayo Clinic and HeraMED joined forces to develop HeraCARE:**

Following ongoing discussions with research partner and shareholder the Mayo Clinic, HeraMED advised that the two parties had joined forces to co-develop a new platform based on the Mayo Clinic’s successful OB Nest Project and HeraMED’s HeraCARE platform.

OB Nest is a service model that offers a tailored approach to in-home monitoring. Patients leverage technology to access expertise from medical organisations and physicians, which in turn leads to a better level of care.

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As part of the development, the Mayo Clinic and HeraMED are now further developing the HeraCARE platform to assist expecting mothers and healthcare professionals to better management pregnancy care.

The platform will focus on personalised, continuous home monitoring and utilise decades of research and development undertaken by the Mayo Clinic to allow for a better level of care. Both parties are also developing the 'Hera' app, which will leverage machine learning based algorithms to diversify pregnancy solutions, potential enabling better care at a lower cost.

Development of the platform is in its final stages. HeraMED is confident that it will initiate pilots and commercial launches via clinical partners in selected US states and European countries during 2020.

#### **German expansion through leading wellbeing and electronic products distributor:**

HeraMED entered into an agreement with leading wellbeing and electronics distributor, Duttenhoffer to distribute the Company's smart foetal heart rate monitor HeraBEAT in Germany, Austria and Switzerland. The agreement also came with a purchase order for ~€30,000.

Duttenhofer is a leading European distributor of wellbeing, electronics and digital imaging products. The organisation employs over 300 staff and boasts annual revenues of ~€250m. Duttenhoffer represents some of the world's largest brands including Siemens, Braun, Sharp, Zeiss, Sony, Samsung amongst others.

The group has a strong network of retail stores and banner groups across Europe including MediaMarkt, Europe's number one consumer electronics retailer. Duttenhofer also has strong connections to medical service providers which will allow HeraMED to approach medical institutions and Health Maintenance Organisations (HMOs) in its network. HeraMED will aim to leverage these connections to drive brand awareness and potential product uptake. This will also include the potential rollout and trial of HeraCARE in the region.

#### **Israel Innovation Authority (IIA) government grant to fund development and integration of HeraCARE:**

HeraMED advised that it successfully passed the first stage of the approvals process required to receive a grant from the Israel Innovation Authority. The grant is being issued as a collaboration between the Israeli government and the Mayo Clinic to promote collaboration between Israeli companies and the Mayo Clinic. The Company received strong support from the Mayo Clinic during the first phase of the application.

HeraMED applied for the grant to fund the ongoing development and integration of its HeraCARE platform. Should the Company be successful, it will receive funding for up to 50% of the project costs for a period of 24 months. Funds deployed will be utilised for R&D, production modification, regulatory approvals and establishing beta programs. It is estimated that a decision around the funding will be made by the end of Q1 2020.

#### **Outlook:**

HeraMED expects to deliver on a number of growth objectives across the remainder of 2019. These include:

- Progressing HeraCARE PRO trial with Hapvida Saude in Brazil
- Ongoing development initiatives and roll out of HeraCARE with the Mayo Clinic
- Exploring opportunities and partnerships for both HeraCARE and HeraBEAT in the EU and USA
- Progressing required regulatory approvals for HeraCARE and HeraBEAT in relevant markets

#### **Financial overview:**

- Cash outflows for the quarter were US\$180,000 less than projected at the end of the June quarter
- Whilst there were no cash receipts during the quarter, the Company managed to secure several PO's and expects to deliver the products during the fourth quarter
- HeraMED remains with US\$1.751m (~A\$2.569m) cash at bank.

The Company expects to improve its revenue profile during the last quarter of 2019 as sales from Germany, Turkey and additional distribution agreements materialise.

**Management commentary:**

**Cofounder and CEO Mr David Groberman said:** “The Company managed to accomplish several important strategic achievements and milestones this period by which I am very encouraged. Namely an enhancement of the cooperation with Mayo clinic, considered by many to be the number one hospital in the world which is unparalleled; the deal with Duttenhofer to enter the German market as well as setting a top tier logistic, marketing, business development and sales infrastructure to support EU expansion; and making it to the final list of the IIA for financial non-dilutive grant to support the Company’s cooperation activities with the Mayo clinic. I am proud and inspired by our team which proved its commitment, motivation and ability to deliver, and looking forward to continuing achieving strategic partnerships and commercial milestones on an ongoing basis.

“The Company is concentrating on building its medical and professional partnerships and distribution footprint whilst our focus has been further crystallised to promote the most qualified alliances which can support both HeraBEAT Plus as well as our HeraCARE pregnancy management platform.

“HeraMED has been reinforced and gained strong reassurance by the positive feedback from multiple medical and professional organizations and I am looking forward to the implementation and materialisation of our products during the last quarter of 2019 and even more expansively during next year.”

**-ENDS-**

HeraMED Limited

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**About HeraMED Limited (ASX:HMD):**

HeraMED Limited is an innovative medical technology company delivering smart pregnancy monitoring solutions for home and professional use. HeraMED provides peace of mind to expecting parents by solving problems associated with the reliability of pre-natal analysis, as well as the cost and shortage in fundamental services through end-to-end medical grade solutions utilising monitoring devices, cloud based platforms and AI capabilities.

HeraMED is commercialising the worlds most advanced, smart medical grade ultrasound monitoring device HeraBEAT. The device has passed multiple clinical trials and secured approval by key regulatory bodies including TGA (Australia), CE (Europe) and AMAR (Israel) for commercial sale.

The Company has partnerships with two leading medical organisations, the Mayo Clinic and TEVA Pharmaceutical Industries Inc. (NYSE: TEVA). HeraMED diversifying its product range and services with the launch of SaaS services and cloud based monitoring systems.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

HeraMED Limited

**ABN**

65 626 295 314

**Quarter ended ("current quarter")**

30 September 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter</b>	<b>Year to date</b>
	<b>\$US'000</b>	<b>(9 months)</b>
		<b>\$US'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	150
1.2 Payments for		
(a) research and development	(20)	(117)
(b) product manufacturing and operating costs	(48)	(143)
(c) advertising and marketing	(159)	(463)
(d) leased assets	(22)	(58)
(e) staff costs	(476)	(1,261)
(f) administration and corporate costs	(159)	(562)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	10
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – GST/VAT refunds	65	140
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(813)</b>	<b>(2,305)</b>

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**Appendix 4C**  
**Quarterly report for entities subject to Listing Rule 4.7B**

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(7)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	<b>(7)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>	-	-
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(92)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	<b>(92)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,546	4,034
4.2	Net cash from / (used in) operating	(813)	(2,305)

+ See chapter 19 for defined terms

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**Quarterly report for entities subject to Listing Rule 4.7B**

	activities (item 1.9 above)		
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(7)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(92)
4.5	Effect of movement in exchange rates on cash held	18	121
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>1,751</b>	<b>1,751</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter</b> <b>\$US'000</b>	<b>Previous quarter</b> <b>\$US'000</b>
5.1	Bank balances	1,751	2,546
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,751</b>	<b>2,546</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter</b> <b>\$US'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	129
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Item 1.2 includes directors' fees and salaries.

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter</b> <b>\$US'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
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<b>9. Estimated cash outflows for next quarter</b>	<b>\$US'000</b>
9.1 Research and development	20
9.2 Product manufacturing and operating costs	64
9.3 Advertising and marketing	110
9.4 Leased assets	24
9.5 Staff costs	476
9.6 Administration and corporate costs	146
9.7 Other	2
<b>9.8 Total estimated cash outflows</b>	<b>842</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

**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.

Sign here:   
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**Company Secretary**

Date: 30 October 2019

Print name: Mr Stephen Buckley

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**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.
3. 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.

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