

US Market Entry Strategy Update

- HeraMED targets the US\$111 billion US maternal healthcare market with a comprehensive strategy developed by its healthcare expert and US General Manager of Operations, Alexander Radke
- COVID-19 has presented unprecedented challenges and situations globally which have provided a very strong catalyst to fast-track the adoption of digital health and homecare-based solutions
- US market offers significant operational and commercial upside due to the exceptionally expensive healthcare system and poor outcomes
- HeraMED US market entry strategy focuses on leveraging existing relationships with healthcare institutions to initially target healthcare providers including hospitals and doctors as well as employers providing medical insurance coverage
- The strategy has been optimised to offer expectant mothers and the wider US healthcare system with the triple aim of cost reductions, increased satisfaction and better maternity care outcomes

HeraMED Limited (ASX:HMD) (“HeraMED” or the “Company”), a medical technology company leading the digital transformation of maternity care with its proprietary in-home hybrid maternity care platform, HeraCARE, is pleased to announce it is executing an active US market entry strategy, following the significant progress in the development of the platform, and the recent appointment of its US General Manager of Operations, Alexander Radke.

The US market - Already the world’s largest and with significant growth potential

The US maternity health market is worth an estimated US\$111 billion¹ with the birth of over 3.75 million babies each year². However, the US also records the highest maternal mortality rate in the developed world with 26.4 deaths per 100,000 live births³, which sadly continues to grow.

This is the result of multiple factors including:

- A heavily privatised and expensive healthcare system with an average out-of-pocket payment for families of well over US\$3000 per pregnancy;
- A national deficiency in fundamental services including a shortage of 8,800 OB-GYNs currently and an expected shortfall of up to 22,000 by 2050⁴ : and
- Inflexible and limited insurance coverage

COVID-19 - Global health challenges offering opportunities and advantages

The outbreak of COVID-19 globally has proven to be one of the most challenging health, social and financial crises in generations and has caused fundamental changes in global healthcare system infrastructure. High level officials are encouraging and supporting the use of digital healthcare solutions, remote monitoring and homecare, all of which will remain a critical part of our healthcare systems long after the COVID-19 pandemic has ended. The delivery of healthcare on-line will arguably become the new norm.

World leading medical and professional organisations such as The American College of Obstetricians and Gynaecologists (ACOG) and the Royal Australian and New Zealand College of Obstetricians and Gynaecologists

¹ <http://www.pbgh.org/maternity>

² https://www.cdc.gov/nchs/data/nvsr/nvsr68/nvsr68_13-508.pdf

³ https://www.cdc.gov/nchs/data/nvsr/nvsr68/nvsr68_13-508.pdf

<https://www.npr.org/2017/05/12/528098789/u-s-has-the-worst-rate-of-maternal-deaths-in-the-developed-world>

⁴ <https://www.fiercehealthcare.com/practices/millennial-women-expected-to-be-most-impacted-by-ob-gyn-shortage-report-says>

(RANZCOG) have recognised and emphasised the need for extensive telehealth solutions, digital tools and a comprehensive homecare-based approach.

The FDA, US Medicaid and Medicare, private insurers, the Australian Ministry of Health and many others are rapidly integrating this recommendation by updating their programs to adopt a wider range of telehealth solutions and reinventing their support and reimbursement models.

This presents HeraMED with a unique and significant opportunity to more strongly roll-out its digital pregnancy and telehealth solution to satisfy the rapidly increasing global demand for remote health solutions and HMD has commenced executing its robust strategy specifically targeting the US.

US market entry strategy phase 1 - Initial penetration

The US market represents a significant opportunity for the operational and commercial acceleration of HMD's hybrid maternity care platform, HeraCARE and the Company is implementing a comprehensive and robust market entry strategy that will leverage its existing relationships with several US healthcare providers to launch HeraCARE and build traction within the US market. HeraMED's platform is designed to increase supply-side effectiveness to generate increased demand and engagement, which will in turn deliver a self-reinforcing cycle of care for pregnant women.

The Company will leverage the results and findings from ongoing testing and pilots to target healthcare providers including hospitals and doctors. Furthermore, the company plans to leverage the US specific model of employer provided insurance coverage, to target employers that have a strategic focus on women's initiatives and have already demonstrated an interest in maternal benefits.

Alex Radke, US General Manager of Operations comments: "First and foremost, we have to work alongside the leading hospitals and doctors to further clinically validate our care model and gain provider buy-in. Our model is a completely novel and innovative way to engage patients across a variety of situations. We do not want to compete against the existing care delivery system, but rather supplement and enhance the doctor's ability to care for their patients. This step is absolutely crucial when initially entering the US market, in order to open up various market pathways and ensure long-term commercial success."

Long-term strategy

The Company also plans to execute a long-term growth strategy where it will leverage the relationships and agreements it secures during the initial market entry phase to target and work with large health insurance companies and a wider network of hospitals, obstetric departments and doctors.

The Company's strategy is specifically designed to offer expectant mothers and the wider healthcare system in the US the following benefits.

- **Significantly reduce costs** for families, self-insured employers and insurance companies by leveraging the technologies capabilities to provide a fully integrated hybrid service model
- **Support existing infrastructure** by working with leading, and where appropriate regional, healthcare providers to offer a pre and post-natal maternity solution
- **Decrease potential complications** and provide better outcomes for patients

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

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About HeraMED Limited (ASX:HMD):

HeraMED is an innovative medical technology company leading the digital transformation of maternity care by revolutionising the pre and postnatal 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, big data and a digital social networking dashboard.

About HeraCARE

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

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