

## Adherium Appendix 4C Quarterly Cash Flow Report to 31 March 2024

**Melbourne, Australia – 29 April 2024:** Adherium Limited (ASX:ADR) (“Adherium” or “the Company”), a provider of integrated digital health solutions and a world leader in connected respiratory medical devices, presents its Appendix 4C cash flow report for the quarter ended 31 March 2024.

Further, the Company’s Chief Executive Officer, Dr Paul Mastoridis, provides the following summary of Adherium’s activities during the March 2024 quarter.

Dear Valued Investors,

It is my privilege to present this inaugural quarterly report as the new CEO of Adherium.

The past few months have been incredibly insightful and productive, marked by significant milestones and strategic initiatives that position us for continued growth and leadership in the respiratory digital health space.

### **\*\*Manufacturing Excellence and Product Reliability\*\***

Our collaboration with Hana Microelectronics in Chiang Mai, Thailand, has been further strengthened through my recent visit. I witnessed the exceptional dedication to quality that goes into the development of our Hailie Smartinhaler®.

The meticulous attention to detail and precision in the assembly process ensures that each unit is rigorously tested and checked for quality, guaranteeing 100% reliability– a testament to the high standards we uphold for our products.



### **\*\*Strategic Partnerships and Market Expansion\*\***

During my visits to Australia and New Zealand, I had the opportunity to engage with investors during our capital raise, outlining our "one button" strategy to increase business with our largest partners, Allergy Partners and Senta. Numerous meetings were held to establish an Adherium patient monitoring model, making it easier for physicians while providing tangible benefits for patients.

## **\*\*Addressing the Asthma Crisis\*\***

Meeting with key opinion leaders and asthma experts in Auckland and Melbourne highlighted the urgency of addressing the high asthma prevalence in these regions. There is a palpable sense of urgency, as every 2.5 minutes, someone experiences an asthma attack. Our Hailie Smartinhaler® has the potential to significantly improve patient quality of life, reduce exacerbations, and decrease emergency room visits and hospitalizations, saving millions in healthcare dollars.

## **\*\*Media Engagement and Company Growth\*\***

I had the opportunity to share our strategic vision in an interview with Ausbiz, as well as with journalists Tim Boreham and Eddy Sunarto from Stockhead, a NewsCorp company. Our discussions centred on how Adherium will continue to grow and maintain its leadership in the respiratory digital management space. I encourage you to view these interviews, which provide valuable insights into the company's forward-looking strategies.

## **\*\*Operational Impact and Regulatory Milestones\*\***

This quarter, our partner Intermountain enrolled their first patient using our Hailie Smartinhaler®, marking a significant step towards demonstrating the devices' impact on reducing hospitalizations and 30-day readmissions. Additionally, our partnership with Rimidi is set to revolutionize respiratory clinical management solutions particularly in optimizing clinical workflows and enhancing patient outcomes. The integration of Adherium's Hailie® Smartinhaler® into Rimidi's platform will enable healthcare providers across major health systems utilizing Epic and Cerner electronic health record (EHR) systems to access real-time data on patients' medication adherence, inhaler technique, and respiratory health status. It is noteworthy that Epic and Cerner EHR systems are deployed in the majority of hospitals across the United States.

We are proud to announce that we have received two new FDA clearances for our Smartinhaler® devices compatible with AstraZeneca's AirSupra® and Breztri®. Airsupra® is the first FDA approved rescue medication for asthma patients and Breztri® is a triple combination for COPD patients. This development marks a significant milestone in the management of asthma and chronic obstructive pulmonary disease (COPD), offering patients and healthcare providers enhanced monitoring capabilities and personalized treatment approaches. This new compatibility with Breztri® gives Adherium 100% coverage for triple therapy inhalers in the US. With 14 US FDA (510K) cleared inhalation sensors, Adherium now covers 90% of inhalers in the market, solidifying our position as leaders in this field and providing more drug-agnostic solutions to physicians and their patients.

## **\*\*Forward Looking\*\***

As we continue to expand our business in the United States and beyond, we remain committed to providing drug-agnostic solutions that empower physicians and enhance patient care. Our leadership in respiratory digital management is unwavering, and we are poised for further growth.

The Company has announced a \$8.37m fully underwritten capital raise through a placement and entitlement offer to further our US expansion with staff and resources as we onboard patients onto the Hailie® platform based on the successes of securing multiple major asthma and allergy clinic groups.

I extend my heartfelt gratitude for your continued support.

Warm regards,

Paul Mastoridis, PharmD

CEO, Adherium

---

## **Highlights during the March 2024 quarter**

- Appointment of new US based CEO, Dr Paul Mastoridis
- First patient enrolled in major e-health respiratory 2,500 patient study at Intermountain Health, a major US hospital system
- New strategic partnership with Rimidi, a leading clinical management platform designed to optimise clinical workflows, enhance patient experiences, and achieve quality objectives for chronic disease management.
- New strategic distribution partnership with Alliance Tech Medical, a premier US distributor of respiratory medical devices
- New agreement with NuvoAir Medical, a value-based specialty management platform focused on cardiopulmonary conditions including minimum 1,000 sensor purchase
- Received \$1.515 million Australia R&D Tax Incentive refund

## **Summary of recent announcements**

- \$8.37m fully underwritten capital raise announced to fund US expansion
- Rimidi Partnership for Respiratory Clinical Management
- First Patient Enrolled in Major e-health Clinical Study
- Adherium receives \$1.5m Australian R&D Tax Rebate
- Alliance Tech Medical Partnership to expand US product reach
- Adherium Exhibiting at AAAAI 2024 Annual Meeting
- New CEO Appointed – Dr Paul Mastoridis
- Partnership with NuvoAir Medical to Enhance Patient Outcomes

### Other components of cash flow

- Receipts from customers including sensor sales, engineering and clinical trial services were \$147,000 for the quarter bringing customer receipts of \$1,005,000 year to date
- Payment for R&D activities were \$126,000 compared to \$107,000 in the preceding quarter
- Manufacturing costs \$268,000 remained broadly in line with the preceding quarter as production continues to support the sales pipeline in the US
- Advertising, platform integration, sales and marketing costs were \$159,000 in the March 2024 quarter compared to \$104,000 in the December quarter
- Channel partner expenditure of \$191,000, compared to \$402,000 in the previous quarter as we move to the next stage in this US channel path
- Staff payments of \$1,883,000 in the March quarter were higher compared to \$1,810,000 as the new CEO transition commenced
- Administration and corporate costs increased to \$512,000 in the March 2024 quarter, due to increased travel, PR and legal costs compared to \$381,000 in the preceding December quarter
- Related party payments of \$42,000 in the quarter to 31 March 2024 were for the payment of Directors' fees

**For more information about Adherium and its revolutionary respiratory solutions, please visit [adherium.com](https://adherium.com).**

**- ENDS -**

This ASX announcement was approved and authorised for release by the Board of Adherium.

#### **Investor Enquiries**

Dr. Paul Mastoridis  
Adherium Limited  
Chief Executive Officer  
[investors@adherium.com](mailto:investors@adherium.com)

#### **Media Enquiries:**

Haley Chartres  
HACK  
Director  
[haley@hck.digital](mailto:haley@hck.digital)

#### **About Adherium (ASX: ADR)**

Adherium is a provider of integrated digital health solutions and a worldwide leader in connected respiratory medical devices. Adherium's Hailie® platform solution provides clinicians, healthcare providers and patients access to remotely monitor medication usage parameters and adherence, supporting reimbursement for qualifying patient management.

The Hailie® solution includes a suite of integration tools to enable the capture and sharing of health data via mobile and desktop apps, Software Development Kit (SDK) and Application Programming Interface (API) integration tools, and Adherium's own broad range of sensors connected to respiratory medications. Adherium's Hailie® solution is designed to provide visibility to healthcare providers of medication use history to better understand patterns in patient respiratory disease.

Learn more at [adherium.com](https://adherium.com)

## **Disclaimer and forward looking statements**

All figures are unaudited and presented in Australian dollars. This announcement may contain budget information, forecasts and forward-looking statements in respect of which there is no guarantee of future performance and which of themselves involve significant risks (both known & unknown).

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, statements regarding market size, future results, regulatory approvals, production targets, sales, staffing levels etc. All of such statements are subject to risks and uncertainties, many of which are difficult to predict and are generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information & statements.

## Appendix 4C

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

**Name of entity**

Adherium Limited

**ABN**

24 605 352 510

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

31 March 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	147	1,005
1.2 Payments for		
(a) research and development	(126)	(389)
(b) product manufacturing and operating costs	(268)	(910)
(c) advertising and marketing	(159)	(419)
(d) channel partner expenditure	(191)	(904)
(e) staff costs	(1,883)	(5,840)
(f) administration and corporate costs	(512)	(1,636)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	45	227
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,515	1,515
1.8 Other (provide details if material)	1	(1)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,431)</b>	<b>(7,355)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>3. Cash flows from financing activities</b>			
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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>-</b>	<b>-</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>			
4.1	Cash and cash equivalents at beginning of period	3,144	9,077
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,431)	(7,355)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	18	9
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,731</b>	<b>1,731</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 \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	868	556
5.2	Call deposits	863	2,558
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>1,731</b>	<b>3,144</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	42
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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

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

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,431)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,731
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,731
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	1.21
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 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?	
Yes	
8.6.2 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?	
Yes, the Company is undertaking a capital raising of approximately \$8.37m including a fully underwritten entitlement offer, as announced on 26 April 2024.	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Yes. Refer to 8.6.2	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## Compliance statement

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

29 April 2024

Date: .....

By the Board

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

## Notes

1. 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.
2. 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.
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.
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.