



# Adherium Q1 FY18 Quarterly Results Investor Update

October 2017

# Corporate Highlights

A few of Our Quarterly Highlights:

- **Revenue met plan**
- **Expenses** managed **\$500K under plan**
- **SmartTouch™** for **Symbicort®** 510(k) clearance by US FDA
- **SmartTurbo Model 4**, for AstraZeneca's Turbuhaler released
- **OBN Award** for Best Implementation of Digital Healthcare
- **Hired CFO** and **VP of Marketing** based in US



# Results Review

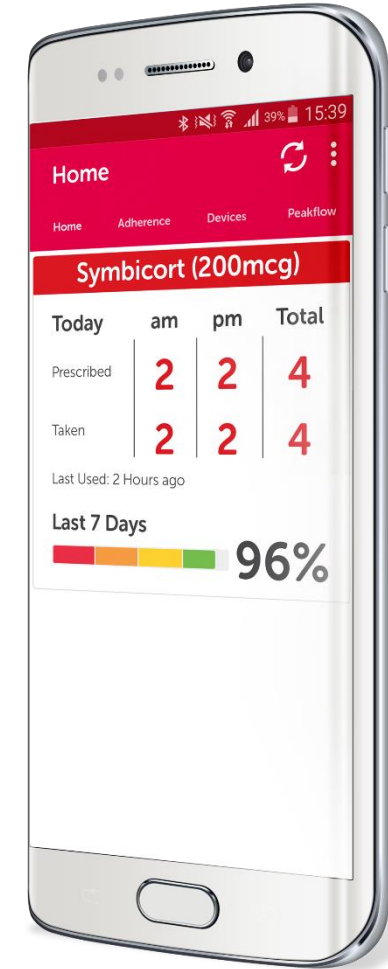
# Quarter 1 Cash Flows

	3 months to September 30, 2017	3 months to September 30, 2016	Change %
Receipts from customers	\$0.6m	\$0.3m	92% increase
Staff costs	\$2.3m	\$1.3m	68% increase
Other operating cash outflows (net)	\$2.3m	\$1.8m	34% increase
Total operating cash outflows	\$4.0m	\$2.8m	44% increase
	As at September 30, 2017	As at June 30, 2017	Change %
Cash at balance date	\$18.6m	\$22.8m	\$4.2m net use of funds

# Execution and Guidance

# Quarterly Execution Review

- Shipped over 6,200 devices to AstraZeneca in Q1
- Launched our Direct-to-Consumer (DTC) pilot in New Zealand in Q1 with the marketing campaign going live in September
- We've hired our new Chief Financial Officer and Vice President of Marketing and we've begun recruiting for our Vice President of Sales.
- Revenue in Q1 FY18 achieved plan
- Expenses managed within plan



# Sales Strategies

Aggressive commercialization strategy focuses on building from the OEM channel, leveraging Direct to Consumer channel to grow active user number, creating a market pull to Payer while developing undeniable healthcare economic data.

The FY18 sales strategy priorities are listed below and are to (i) Continue to build the AZ business, (ii) Create the DTC channel, and (iii) do the preparation work for payer / provider growth in FY19.

## OEM Pharma Partners

1. Transition to AZ funded engineering projects and software support. FY18 revenues to exceed \$1M.
  2. Drive ongoing commercial roll-out and new countries. FY18 minimum of 25K devices.
- ✓ First commercial agreement in the market (AZ)
  - ✓ Validated technology, add users & revenue

## Direct to Consumer

- ✓ Launch New Zealand (NZ) e-Commerce offering in Q1.
4. Using SaaS model and metrics, add minimum 1,300 new users from NZ by end of Q4.
  5. Based on NZ experience, launch in US in second-half FY18.

## Pay for Performance

6. Based on clinical outcome data and US patient results, target payers / providers for revenue growth in FY19.
- ✓ Best clinical outcome data, key USP for payers & providers
  - ✓ est. \$1500 (40%) savings per US asthma patient
  - ✓ SaaS/risk-share disease management model

# FY18 Guidance – guidance affirmed

- ✓ AZ
  - Ship a minimum of 25,000 devices
  - ✓ Obtain FDA 501(k) clearance to market SmartTouch for Symbicort pMDI in the USA
  - Expand Adherium's offering beyond AZ's Symbicort medication
- ✓ Launch medication adherence service solution
  - NZ: Go live Q1, obtain 1,300 active users in FY18
  - USA: 1,000 users in first 3 months from launch in second-half of FY18
- ✓ Revenue
  - Increase revenue to between \$5.7m and \$7m based on:
    - Support of AZ's continued global adherence roll-out along with regulatory and software services
    - Beginning Direct-to-Consumer medication adherence service in NZ and USA
- ✓ Cash Utilization
  - Hold net cash burn at no more than \$12m, with FY18 closing cash of >\$10m



# Summary

- The **AstraZeneca** commercial **business** is **tracking** to Adherium's projections.
- The **management** team is demonstrating our ability to **execute to plan**.
- Adherium is able to attract and **hire world class** talent to ensure we realize Adherium's potential.
- The company is **growing** top line **revenues**, **managing** the **cash spend**, and strategically **investing in** the future to realize our **strategy**.
- We have much more work to do, but **we are on track**.

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