



Adherium Limited
Collins Square, Tower 4
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Melbourne VIC 3000 Australia

Level 11, 16 Kingston Street
Auckland 1010 New Zealand

19 December 2019

Companies Announcements Office
ASX Limited

Dear Sir/Madam

Adherium Rights Issue: Letter to ineligible shareholders

Adherium Limited ACN 605 352 510 (**Adherium or the Company**), (ASX code: **ADR**) advises that the attached letter to ineligible shareholders is to be distributed today in relation to the Rights Issue offer announced 11 December 2019.

For further information, please view our website (www.adherium.com) or contact the Company at investors@adherium.com.

The release of this announcement was authorised by the Board of Adherium.

Yours faithfully

A handwritten signature in black ink, appearing to read "Rob Turnbull". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Rob Turnbull
Joint Company Secretary

19 December 2019

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Dear Shareholder

Ineligible Shareholders - Adherium Limited Rights Issue Offer

On 11 December 2019 Adherium Limited (**Company**) announced that it is undertaking a non-renounceable pro-rata entitlement offer of 1 New Share (**New Share**) for every 1 Share held at the Record Date of 7.00pm (AEDT) on 16 December 2019, at an Issue Price of \$0.03 per New Share to raise a minimum of \$2.5 million and a maximum of approximately \$5.4 million (before costs) (**Offer**), on the basis that no more than approximately 180 million New Shares will be issued pursuant to the Offer.

The Offer is being made without a prospectus or other disclosure document in accordance with section 708AA of the Corporations Act. A copy of the above announcements, with further details of the Offer, is available on the Company's website (www.adherium.com) and also on the ASX Announcement Platform. A copy of the Rights Issue Offer Document has been lodged with the ASX and is available for viewing on the ASX website and the Company's website (at www.adherium.com).

As permitted by law, the Company has decided that it is unreasonable to make the Offer to any Shareholder with a registered address outside Australia or New Zealand as at the Record Date (namely 16 December 2019), having regard to:

- (a) the number of Shareholders with addresses in such other countries as a proportion of total Shareholders in the Company;
- (b) the number and value of the Shares those Shareholders would be offered under the Offer; and
- (c) the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

Accordingly, the Offer will not be made to shareholders resident in the jurisdiction in which your shareholding is registered.

This letter is to inform you that under the terms of the Offer, you are an ineligible shareholder and therefore not eligible to subscribe for New Shares under the Offer and no entitlements will be issued to you. This letter is not an offer to issue New Shares or entitlements to you, nor an invitation for you to apply for New Shares.

If you have any questions, please contact the Company's share registry, Computershare Investor Services Pty Limited via www.investorcentre.com, or the Company at investors@adherium.com.

For other questions, you should contact your stockbroker, accountant, taxation advisor, financial advisor or other professional advisor.

On behalf of the Board of Directors



Rob Turnbull
Joint Company Secretary

Important Information

This letter is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in the Company in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of shares in the Company.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been made or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be exercised or taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of persons in the United States unless they are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Certain statements made in this letter are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about the industry in which the Company operates, and beliefs and assumptions. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of the Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this letter. The forward-looking statements made in this letter relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this letter except as required by law or by any appropriate regulatory authority.