

Appendix 4C

Quarterly Cash Flow Report to 30 June 2024

All figures are stated in Australian dollars and are unaudited

Highlights:

- Adherium closed a successful capital raise of \$8.37m with participation from Directors, Chief Executive Officer (CEO) and major shareholders
- AstraZeneca selected Adherium's Smartinhaler technology to support \$1.1M clinical trial
- Adherium secured landmark partnerships with Valued Relationships Inc. (VRI) and Rimidi

Melbourne, Australia – 30 July 2024: Leading digital health company Adherium Limited (ASX:ADR), 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 30 June 2024.

Adherium CEO, Dr. Paul Mastoridis, said: *"I am pleased to share with you the significant progress Adherium has made this Quarter. Our strategic initiatives and partnerships have positioned us strongly in the respiratory health management sector. It is truly exciting to see our ambitions for meaningful collaboration with key industry stakeholders now taking shape, allowing us to test the capabilities of our technology and its impact in clinical practice. With reimbursement in place, this is an important window of time to cement the building blocks of sustainable revenue generation – and we are well on track."*

Allergy Partners & SENTA Remote Patient Monitoring

Adherium has made significant strides in its mission to improve patient outcomes through its innovative adherence and inhaler technique monitoring program. Adherium is delighted to announce the Company has begun enrolling patients from esteemed customers, SENTA and Allergy Partners, into this program.

Adherium is dedicated to empowering patients through monitoring of inhaler usage, training of proper inhaler technique and fostering a positive experience. By ensuring patients take their medications as prescribed, Adherium aims to reduce the frequency of asthma attacks and enhance their overall quality of life.

This initiative is a testament to the Company's commitment to leveraging technology to support better health outcomes. The team is deeply focused on patient education and adherence, to make a meaningful difference in the lives of those managing chronic respiratory conditions.

Strategic Partnership with Valued Relationships Inc. (VRI)

During the Quarter, Adherium announced a strategic partnership with VRI, a leader in remote patient monitoring solutions. VRI is a subsidiary of ModivCare, a technology-enabled healthcare services company. VRI specializes in remote patient monitoring solutions, which includes services like medication management and health monitoring to support patients in their homes. This collaboration will enhance our capabilities by providing comprehensive respiratory care and monitoring, leveraging VRI's extensive network and expertise.

This landmark partnership integrates our Hailie® technology into VRI's member care protocols, enhancing care through personalised feedback and improved respiratory disease management. Hailie digital adherence devices will be incorporated into Tenovi hubs that can transmit data to clinicians without the use of smartphones.

Partnership with Rimidi

A new partnership was signed on 3 April 2024 focusing on integrating Adherium's innovative Hailie Smartinhalers into Rimidi's comprehensive clinical management platform now used by health systems, capitated health plans and physician practices across 17 states in the US. Rimidi's platform is known for its ability to seamlessly integrate into existing Electronic Health Record (EHR) systems supporting quality improvement initiatives, workflow optimisation and patient engagement objectives including Epic and Cerner, two largest EHR systems most widely used by US hospitals and health systems. By combining Adherium's technology with Rimidi's platform, clinicians can make more informed decisions, tailor interventions, improve adherence and proper inhaler technique and personalize care plans to improve patient outcomes.

AstraZeneca's Selection of Adherium Smartinhaler

AstraZeneca has selected Adherium's Smartinhaler technology for its upcoming study.

This agreement is supported by a \$1.1M contract with AstraZeneca to test the capabilities of Adherium's Hailie® Smartinhaler® platform. AstraZeneca's inhaled medication use will be recorded and transferred via Hailie Smartinhaler devices, providing invaluable medication adherence metrics to patients and their care teams.

This selection underscores the reliability and innovation of Adherium's products in improving patient outcomes and adherence to medication.

American Thoracic Society International Conference

The Adherium team had the privilege of attending the American Thoracic Society International Conference in San Diego, California which had 16,007 attendees. The ATS International Conference showcases the latest advances in respiratory science, patient care, and global public health.

This event provided valuable insights and opportunities to showcase the Company's latest advancements in respiratory health technology to a global audience of healthcare professionals.

Placement and Entitlement Offer

Adherium successfully launched a Placement and Entitlement Offer to raise up to \$8.37 million. This funding will be instrumental in accelerating the Company's growth, expanding its product portfolio, and enhancing its market presence.

US FDA Clearance of Hailie® for AstraZeneca Inhalers

Adherium announced on 15 April 2024 that the US FDA has granted clearance for the Hailie® sensor to be used with AstraZeneca's Airsupra® and Breztri® inhalation devices. This clearance is a testament to the Company's commitment to regulatory excellence and innovation in respiratory care.

Adherium is now a global leader in the provision of digital health solutions, with 14 US FDA (510K) cleared inhalation sensors now on market.

Summary of recent announcements up to this date:

- Adherium secures a strategic partnership with VRI
- AstraZeneca selected Adherium Smartinhaler for its study
- Attending American Thoracic Society International Conference
- Placement and Entitlement Offer to raise up to \$8.37 million
- US FDA clearance of Hailie for AstraZeneca inhalers
- Rimidi Partnership for Respiratory Clinical Management

Other components of cash flow

- Cash on hand at the end of the quarter to 30 June 2024 was \$6,198,000 compared to \$1,731,000 in the preceding quarter
- Receipts from customers for sensor sales including the remote patient monitoring sales, engineering services and contract project fees were \$97,000.
- Payment for R&D activities were \$116,000 compared to \$126,000 in the preceding quarter
- Advertising, platform integration, sales and marketing costs were \$334,000 in the June 2024 quarter compared to \$206,000 in the March quarter
- Staff and contractor payments were \$1,962,000 in the June quarter compared to \$2,056,000 in the preceding quarter
- Administration and corporate costs were \$549,000 in the June 2024 quarter compared to \$292,000 in the preceding March quarter due to legal costs associated with the capital raise and timing of IT and accounting costs



ASX Release

- Related party payments of \$42,000 in the quarter to 30 June 2024 were for payment of Directors' fees

For more information about Adherium and its revolutionary respiratory solutions, please visit adherium.com.

- ENDS -

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

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About Adherium (ASX: ADR)

Adherium is a provider of integrated digital health solutions and a worldwide leader in connected respiratory medical devices, with more than 180,000 sold globally. 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

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")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		97	1,102
1.2 Payments for			
(a) research and development		(116)	(505)
(b) product manufacturing and operating costs		(364)	(1,274)
(c) advertising and marketing		(334)	(818)
(d) channel partner expenditure		(44)	(948)
(e) staff costs		(1,962)	(7,916)
(f) administration and corporate costs		(549)	(2,007)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		14	241
1.5 Interest and other costs of finance paid		-	(2)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	1,514
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		(3,258)	(10,613)
2. Cash flows from investing activities			
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 (12 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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	8,371	8,371
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	(642)	(642)
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)	-	-
3.10	Net cash from / (used in) financing activities	7,729	7,729

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,731	9,077
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,258)	(10,613)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(-)	(-)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,729	7,729
4.5	Effect of movement in exchange rates on cash held	(4)	5
4.6	Cash and cash equivalents at end of period	6,198	6,198

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	767	868
5.2	Call deposits	5,431	863
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,198	1,731

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
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>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,258)
8.2 Cash and cash equivalents at quarter end (item 4.6)	6,198
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	6,198
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.9
<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?	
The Company anticipates increasing sales as it collaborates with strategic partners as previously announced and is confident it can raise sufficient capital as and when required to fund its operations based on an ongoing review of potential funding arrangements. Further the Company notes it expects to receive R&D tax refunds for Australia in December.	
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.

30 July 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.