

Appendix 4C Quarterly Cash Flow Report to 31 December 2024

All figures are stated in Australian dollars and are unaudited

Summary:

- Nearly 3,000 patients using Hailie® with pathway to reach 9,000 patients by calendar end 2025
- Customer receipts increased to \$148,000, reflecting growing adoption and market traction
- AMC Health and Tenovi have already onboarded patients with AMC Health purchasing 560 devices in December and placed a third order of 170 devices in January
- Potential entry into a new revenue segment: Pharmacy Benefit Management (PBM), a market projected to grow at a CAGR of 5.64%
- Secured \$674,000 R&D loan to support continued innovation

Melbourne, Australia – 31 January 2025: 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 31 December 2024.

Adherium, Senior Director Business Development, John Giszczak, said:

"This quarter, Adherium has made significant strides in the US market with our Hailie® Smartinhaler™ solution with two new agreements signed with AMC Health and Tenovi. Combined, these two companies have nearly 200,000 patients in the US using their solutions including many of the largest most prominent health insurance payers. This is providing access to and expanding the reach of our technology to leading payers across the US. Adding these channels partners is a significant milestone for Adherium and unlocks potential for much future growth."

Growth in Strategic Partnerships

Following the recent agreements with leading RPM companies, AMC Health and Tenovi, both organisations have successfully completed their technology integrations with our platform. AMC Health has already purchased 560 devices in two orders in December and has begun onboarding patients. A third order was placed in January of 170 devices, while Tenovi has launched with its first customer and is preparing for additional rollouts. These developments demonstrate the accelerating adoption of Adherium's technology in the US and highlights our progress in transforming respiratory care through innovative remote monitoring

solutions.

Receiving multiple purchase orders in a short time frame from AMC highlights the success of the technology, onboarding rollout and future benefits to be derived for all stakeholders. Discussions are taking place with AMC about our partnership by expanding this into one of their clients, a leading pharmaceutical company.

On 12 January 2025, Adherium received \$420,000 scheduled payment from Astra Zeneca relating to the \$1.1m contract value Arrival Study.

Another new customer segment opening is in Pharmacy Benefit Management (PBM). Adherium is continuing discussions with multiple PBM companies with the first patients expected to be onboarding mid-2025. PBMs play a crucial role in negotiating drug prices, managing formularies, and facilitating the distribution of prescription medications through insurance plans. The market is largely driven by rising healthcare costs, an increasing number of chronic diseases, and growing adoption of insurance plans. Major players in this market include CVS Health, Cigna, and OptumRx.

Opportunities in Australia are also being pursued with various universities and research institutions. These collaborations will utilise the expected favourable patient outcomes and enable Adherium to create a pool of key opinion leaders to advocate on our behalf to asthma and COPD stakeholders, healthcare payers and providers, being health insurers, health systems and governments.

Patient Onboarding

Our patient onboarding rollout continues with Allergy Partners and SENTA Partners. Adherium has expanded into additional allergy and asthma practices and continuing its implementation rollout. Currently, with Allergy Partners, our Hailie® Smartinhaler™ solution is in 4 states across 14 locations and with SENTA Partners, 2 states across 11 locations. The focus is onboarding at these locations before expanding into more sites and states across their networks.

The Intermountain Health iCare program continues to grow rapidly with increasing number of patients using the Adherium Hailie® Smartinhaler™ technology with early results showing positive results on patient health outcomes. Adherium will share the details of the results when permissible.

Intermountain Health, Director of Research for Respiratory Care, Kim Benion, shared this patient story from the iCare study: *"In our iCare study, we had a participant who prior to the study had been admitted into hospital 5 times last year and had an ACT (Asthma Control Test) score of between 20 to 24. This year, they have had no hospital admissions, and the ACT score is down to 8. I'm grateful for the work we've been able to do in partnership with Adherium."*

At the end of December 2024, there were nearly 3,000 patients using Hailie® Smartinhaler™ devices with 547 patients in a commercial setting and the remainder in clinical studies. Adherium expects to onboard another 1,800 active patients during the next six months and 9,000 active patients by the end of 2025.

Management Update

The Company is pleased to announce that Mr Jeremy Curnock Cook will be Acting CEO. This will be in conjunction with his director role until a new CEO has been appointed.

Capital Position

The company is planning a capital raising and is comfortable that it will be able to do so. The Board is monitoring company sales, timing of R&D refunds for both Australian and New Zealand business segments and will make a determination based on those results on how the business should be funded. In January, there has been receipts of \$420,000 to further support operational cash flow.

Outlook

Adherium is well-positioned to expand its market presence in 2025:

- 9,000 active patients by 2025 calendar year-end
- Opportunity in the PBM segment, leveraging discussions with PBM companies and aiming to have the first patients onboarded mid 2025
- Continued rollout of remote patient monitoring solutions with AMC Health and Tenovi
- Active rollout at Allergy Partners and SENTA Partners now across 25 combined locations

The company's ongoing focus on innovation and partnerships ensures a strong foundation for sustainable growth.

Summary of recent announcements up to this date:

- Adherium and AMC Health Join Forces to Advance Digital Health for Improved Respiratory Care
- Partnership With Tenovi For Remote Patient Monitoring
- Secures R&D loan facility of \$674,000

Other components of cash flow

- Cash on hand at the end of the quarter to 31 December 2024 was \$387,000 compared to \$3,282,000 in the preceding quarter
- Receipts from customers included remote patient monitoring subscriptions, device sales and contract project fees were \$148,000 compared to \$122,000 in the preceding quarter
- Payment for R&D activities were \$66,000 compared to \$98,000 in the preceding quarter

- Advertising, platform integration, sales and marketing costs were \$442,000 in the December 2024 quarter compared to last quarter of \$182,000
- Staff and contractor payments were \$1,995,000 in the December quarter compared to \$1,927,000 in the preceding quarter
- Administration and corporate costs were \$969,000 in the December 2024 quarter compared to \$629,000 in the preceding quarter due to corporate services and legal costs associated with US expansion
- Related party payments of \$92,000 in the quarter to 31 December 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. 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")

31 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		147	270
1.2 Payments for			
(a) research and development		(66)	(164)
(b) product manufacturing and operating costs		(281)	(862)
(c) advertising and marketing		(442)	(624)
(d) staff costs		(1,995)	(3,922)
(e) administration and corporate costs		(969)	(1,598)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		47	85
1.5 Interest and other costs of finance paid		(10)	(12)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		(1)	351
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		(3,570)	(6,476)
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 (6 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	-	(15)

3.	Cash flows from financing activities		
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	(2)	(2)
3.5	Proceeds from borrowings	674	674
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	672	672

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,282	6,198
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,570)	(6,476)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(15)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	682	682
4.5	Effect of movement in exchange rates on cash held	3	8
4.6	Cash and cash equivalents at end of period	387	387

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	299	810
5.2	Call deposits	88	2,472
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)	387	3,282

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	92
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 <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	674	674
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	674	674
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)	(3,570)
8.2	Cash and cash equivalents at quarter end (item 4.6)	387
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	387
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.1
	<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 is planning a capital raising and is comfortable it will be able to do so. Further funds are expected to be received from R&D refunds for Australia and New Zealand business segments and the Company has already received in January customer receipts of \$420,000.	
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.

31 January 2025

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.