Appendix 4C
Quarterly Cash Flow Report to 31 March 2023

All figures are stated in Australian dollars and are unaudited.

Melbourne, Australia – 27 April 2023: Adherium Limited ("Adherium" or "the Company"; 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 March 2023.

Summary

- Receipts from customers of $1,145,000 compared to $294,000 in the preceding quarter including sales to one new US customer for data fees and digital sensors and $792,000 contract program fees for the UK National Health Service Small Business Research Initiative (NHS SBRI)
- Completion of capital raise in which $13.81 million was received
- Continued integration of the Hailie® platform into the CareCentra Inc. Artificial Intelligence (AI) and Driven Behaviour Shaping platform for major US hospital systems
- Received US Food and Drug Administration (FDA) 510(k) clearance of the new next generation Hailie sensor with physiological parameters for Teva Pharmaceutical Industries Ltd. (Teva) HFA pressurised metered dose inhalers (pMDIs) including ProAir® and Albuterol Sulphate
- Australian Therapeutic Goods Administration (TGA) approval to commercially distribute the new, next generation Hailie sensor with physiological parameters
- Received $106,000 New Zealand R&D tax credit for FY21
- Operating expenditures decreased $962,000 compared to the previous quarter due to timing of insurance renewals $454,000 and reduction in employee costs $140,000

Mr Rick Legleiter, Adherium Chief Executive Officer, commented: "Securing sales from our new US client is continuing the trend line validation of our US sales strategy and

the efforts we have been making in one of the world's largest asthma and COPD markets. Developing and manufacturing our range of next generation sensors for generating insightful patient data, coupled with regulatory clearances and business development focussed on the US is yielding results."

"In addition, the NHS SBRI project is an important program and major step toward advancing the clinical and economic benefits of our data platform for the UK market access."

Adherium has a broad range of digital sensors which generate and transmit physiological and usage parameters enabling doctors to access the US Medicare reimbursement framework. The Company's US FDA 510(k) clearances currently cover 91% of the top 20 US branded medications by sales volume.

The integration with US remote patient monitoring company, Perigon Health 360 using the Hailie platform, including its new, next generation sensors continues where it has seen the first patient onboarding with subsequent billing and reimbursement by US Medicare with further patient onboarding work continuing during the first quarter of CY2023.

Adherium continues its partnership agreement with Dulcian Health to integrate and deploy the Hailie platform. Dulcian is a leader in Chronic Care Management (CCM) for physician practices in the US and has been focusing on developing software that adds functionality to electronic health record (EHR) systems for over 20 years. The platform integration continues to progress with first patient on-boarding in Q2 CY2023.

The CareCentra partnership integrating the Adherium's Hailie platform for major hospital systems is entering its next phase for digital sensors to be deployed to patients with first revenues due in the next quarter. This includes adding the physiological data and technique parameters captured by our next generation US FDA cleared digital sensors into their Artificial Intelligence (AI) Driven Behaviour Shaping platform, MyMoBeMap™.

Our UK partner Helicon Health Ltd, will be working with the research team at the University of Leicester to implement the NHS SBRI award for a remote patient monitoring asthma management program for high-risk children aged 5 to 16 years managed in primary care to prevent asthma attacks.

From a regulatory perspective, Adherium continued to make key progress and announced, in March 2023, the 510(k) clearance to market by the US FDA connecting Teva Pharmaceutical Industries Ltd. (Teva) HFA pressurised metered dose inhalers (pMDIs) including ProAir and Albuterol Sulphate with the new, next generation Hailie sensor with physiological parameters. This was preceded in January announcing Australian Therapeutic Goods Administration (TGA) approval to commercially distribute the new, next generation Hailie sensor with physiological parameters.

“This is the fourth 510(k) market clearance by the FDA of the next-generation Hailie sensors capturing physiological data expanding our regulatory footprint to support our commercial strategy to be a drug agnostic, respiratory digital health provider. The new TGA approval expands our regulatory geographic footprint opening the go-to-market strategy for Australia” added Mr Legleiter.

During the quarter, Adherium received $85,000 in funds, concluding its successful capital raise that involved a placement and Share Purchase Plan (SPP), which saw a total of $13.81 million in funds from new and existing institutional and sophisticated investors and retail investors, including cornerstone investments from existing shareholders Trudell Medical and BioScience Managers Translation Fund 1. The Company will continue to invest in commercialisation of its integrated digital respiratory management ecosystem, and the funds raised are expected to allow Adherium to generate revenue improving the value proposition to patients, customers and shareholders.

Adherium also launched its new interactive investor hub platform and we invite existing and potential investors to sign up at https://investors.adherium.com/welcome. Mr Legleiter, said: “The Adherium Investor Hub enables our shareholders to access our

latest announcements, news and interact directly with the Company, ensuring all our shareholders, are able to easily communicate with us."

Summary of recent announcements up to this date;

- US FDA clearance of Adherium's Hailie for Teva inhalers
- Exhibiting at AAAAI 2023 Annual Meeting
- Commenced production and market release of the next generation Ellipta sensor
- Received Australian TGA approval for next generation sensors
- Contract to conduct UK NHS SBRI Healthcare Monitoring Project

Other components of cash flow

- Cash on hand at the end of the quarter to 31 March 2023 was $11,186,000 compared to $12,840,000 in the preceding quarter
- Receipts from customers for sensor sales including the remote patient monitoring sales, engineering services and contract project fees were $1,145,000. The quarterly increase is attributable to a new US customer and receipt of fees relating to the NHS SBRI project
- Payment for R&D activities were $189,000 compared to $158,000 in the preceding quarter. In comparison, this was $629,000 in the corresponding period last year reflecting the shift from external third parties to an internal development team
- Advertising, platform integration, sales and marketing costs were $569,000 in the March 2023 quarter compared to $568,000 in the December quarter. This reflects continued investment in the CareCentra platform integration, expansion of activity in the United States and the United Kingdom associated with bringing to market Adherium's new generation of physiological parameters technology
- Staff payments of $1,801,000 in the March quarter compared to $1,909,000 in the preceding quarter as the Company continues its focus on resource management

- Administration and corporate costs were $222,000 in the March 2023 quarter compared to $1,181,000 in the preceding December quarter. Related party payments of $50,000 in the quarter to 31 March 2023 were for payment of Directors' fees.

-ENDS-

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 www.adherium.com

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

Enquiries: Rick Legleiter
CEO
Adherium Limited
investors@adherium.com

Appendix 4C

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

Name of entity	
Adherium Limited	
ABN	**Quarter ended ("current quarter")**
24 605 352 510	31 March 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,145	2,017
1.2	Payments for		
	(a) research and development	(189)	(607)
	(b) product manufacturing and operating costs	(271)	(698)
	(c) advertising and marketing	(569)	(2,005)
	(d) leased assets	-	-
	(e) staff costs	(1,801)	(5,327)
	(f) administration and corporate costs	(222)	(2,110)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	80	170
1.5	Interest and other costs of finance paid	(2)	(5)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	106	1,393
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,723)**	**(7,172)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(5)	(39)
	(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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(5)**	**(39)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	85	13,815
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	(1)	(744)
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**	**84**	**13,071**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	12,840	5,283
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,723)	(7,172)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(39)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	84	13,071
4.5	Effect of movement in exchange rates on cash held	(10)	43
4.6	**Cash and cash equivalents at end of period**	**11,186**	**11,186**

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	1,277	214
5.2	Call deposits	9,909	12,626
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)**	**11,186**	**12,840**

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	50
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
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)	(1,723)
8.2	Cash and cash equivalents at quarter end (item 4.6)	11,186
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	11,186
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	6.5

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.

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?

N/A

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?

N/A

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?

N/A

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.

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.

27 April 2023

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.