

# Adherium Limited

ABN 24 605 352 510

## Appendix 4D

### Interim Consolidated Report for the six months ended 31 December 2023

1. Adherium Limited (“Adherium”, the “Company” or the “Group”) presents this financial report, including the interim financial statements, for the six months ended 31 December 2023 and the previous corresponding period being the six months ended 31 December 2022.
2. **Results for announcement to the market**

	6 months ended 31 Dec 2023 \$'000	6 months ended 31 Dec 2022 \$'000	% Change
2.1 Operating revenue	377,181	1,220,101	(69)%
2.2 Loss after tax from ordinary activities	(4,676,369)	(5,828,105)	20%
2.3 Net loss from ordinary activities	(4,676,369)	(5,828,105)	20%
2.4 Dividends and franked amount per security	nil	nil	n/a
2.5 Dividend record date	n/a	n/a	n/a
2.6 Explanation of results:  Please refer to the Review of Operations in the Directors’ Report contained in the attached Interim Consolidated Report for the six months ended 31 December 2023.			

The information required by ASX listing rule 4.2A is contained in both this Appendix 4D and the attached interim consolidated report. The interim information should be read in conjunction with the most recent annual report.

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+ See chapter 19 for defined terms.

**3. Net Tangible Assets per Security**

	<u>Current period</u>	<u>Comparative period*</u>
Net tangible assets per share	\$0.014	\$0.045

Comparative period adjusted to reflect impact of share consolidation that occurred during the current period

**4. Entities over which control has been gained or lost during the period:**

Not applicable.

**5. Details of dividends**

Not applicable.

**6. Details of dividend reinvestment plans**

Not applicable.

**7. Details of associates and joint venture entities**

None.

Sign here:

Date: 29 February 2024



Non-Executive Chairman

Print name: Lou Panaccio

<sup>+</sup> See chapter 19 for defined terms.



**adherium** 

Adherium Limited ABN 24 605 352 510

# INTERIM CONSOLIDATED REPORT

for the six months ended 31 December 2023



# Company Overview

Adherium Limited is a digital health company providing solutions for improving patient treatment with remote monitoring and data solutions. Its Hailie<sup>®</sup> system is transforming management of chronic respiratory conditions, especially asthma and chronic obstructive pulmonary disease. Hailie<sup>®</sup> improves patient health through better adherence and self-management while enabling doctors to be paid for remote work and saving costs across health systems by avoiding hospital admissions. Adherium's clinically proven sensors, app and powerful data platform provide remote, real-time, personalised information to patients and clinicians. Adherium is increasing sales in US and other markets by pursuing partnerships with major hospital systems, medical groups and insurers. For more information, visit [www.adherium.com](http://www.adherium.com).

# Contents

02 Director's  
Report

---

04 Auditor's  
Independence Declaration

---

## Interim Financial Report

---

06 Consolidated Statement of Profit or Loss  
and Other Comprehensive Income

---

07 Consolidated Statement  
of Financial Position

---

08 Consolidated Statement  
of Changes in Equity

---

09 Consolidated Statement  
of Cash Flows

---

10 Notes to the  
Consolidated Financial Statements

---

13 Directors'  
Declaration

---

14 Independent Auditor's  
Report

---

# Directors' Report

The Directors present their report on the consolidated entity (**the Group**), consisting of Adherium Limited (**the Company or Adherium**) and the entities it controlled at the end of, or during, the six months ended 31 December 2023, together with the independent auditor's report thereon.

## Directors

The Directors of the Company at any time during the period and until the date of this report are:

	Appointed
Mr Lou Panaccio (Chairman)	25 February 2022
Mr George Baran	13 May 2021
Mr Jeremy Curnock Cook	17 April 2015
Dr William Hunter	17 December 2015
Mr Bruce McHarrie	20 July 2015

## Review of Operations

Throughout the six-month period to 31 December 2023 Adherium successfully entered the US market as planned, signed leading asthma clinics in the USA, onboarding the first patients at these clinics and completing the RPM and RTM revenue cycles where clinics have been paid through these reimbursement schemes.

The Company continues its expansion in the USA based on the success of these partnerships and is growing its business development team, enhancing infrastructure and resources and investing in production to meet the anticipated revenue growth. The Adherium team has begun to commercialise its portfolio of technologies based on the strong development program of its Hailie® sensors and software platform for both Asthma and Chronic Obstructive Pulmonary Disease (COPD) medication inhalers.

We were also delighted to announce the recent appointment of Dr. Paul Mastoridis as CEO following the resignation of Rick Legleiter. Dr Mastoridis has more than 25 years' experience in the pharmaceutical industry, pioneering and leading digital solutions in asthma and COPD management. Prior to joining Adherium, he was the Global Medical Head of Respiratory at Novartis. There, Paul and his team developed and patented the first artificial intelligence (AI) technology to differentiate and diagnose asthma from COPD, which delivered superior outcomes to traditional diagnostic methods. They also invented the first smart technology add-on device to Novartis respiratory products to help patients adhere to their medication; a first-generation concept which was subsequently approved and marketed in 18 countries.

I would like to formally thank our outgoing CEO, Rick Legleiter, who has served our Company with focus, professionalism and integrity for the past 3 years.

For the six-months to 31 December 2023, Adherium made significant progress and achieved milestones on key commercialisation, regulatory and research and development programs, notably:

- Announced the sale of 1,750 devices to Intermountain Health, a leading US healthcare provider with 33 hospitals, 385 clinics and more than 12,000 associated physicians
- Announced signing commercial agreement with US-based Allergy Partners and the first patients enrolled and remotely monitored on the Hailie® platform. Allergy Partner is the largest allergy and asthma medical specialty group in the US with 300,000 asthma patients
- Announced the first patients enrolled and remote patient monitoring underway as part of the SENTA's commercial roll out of the Hailie® platform. SENTA (Southern Ear, Nose, Throat and Allergy) is one of the largest, premier specialty allergy and asthma medical groups in the United States
- Commenced production and market release of the new, next generation GSK pMDI sensor
- Commenced production and market release of its advanced Hailie® Smartinhaler® connecting Teva Pharmaceutical Industries Ltd. (Teva) available authorised generic option of ProAir® HFA Albuterol Sulphate pressurised metered dose inhalers (pMDIs) with its new, next generation sensor capturing physiological data such as inhalation flow rate
- Following shareholder approval at the Annual General Meeting, the consolidation of the issued capital of the Company on the basis of 1 security for every 15 securities was completed
- Expects to receive \$1.8 million for the 2023 financial year Australian and New Zealand R&D incentive programs

The commercial strategy is focused on generating and transmitting patient data enabling doctors to improve patients' quality of life and address the high unmet need of patients with severe and 'difficult-to-treat' asthma and COPD. The pathway to demonstrate the commercial execution is initially focused on the key partnerships with Allergy Partners and SENTA with further partnerships in the pipeline. The goal is to improve patient management and clinical outcomes and to reduce the frequency of exacerbations and the number of emergency visits and hospital admissions, which

represent a very high-cost burden to healthcare systems worldwide. There is an estimated preventable healthcare cost of US\$34 billion in the US alone due to sub-optimal management of asthma and COPD. Adherium's Hailie<sup>®</sup> sensor technology and cloud-based data platform have been shown in more than 100 peer-reviewed clinical publications to improve quality of life and reduce acute respiratory attacks by transforming the way in which patients with chronic respiratory conditions follow their prescribed inhaled medication dosage and even use their inhalers.

The Company's US FDA 510(k) clearances currently cover 91% of the top 20 US branded medications by sales volume. The Company's current product portfolio includes Hailie<sup>®</sup> sensors for AstraZeneca's Symbicort<sup>®</sup> Turbuhaler<sup>®</sup> and pMDI, GSK's Ventolin<sup>®</sup>, Advair<sup>®</sup>/Seretide<sup>®</sup> (Diskus<sup>®</sup> and HFA) and Flovent<sup>®</sup>/Flixotide<sup>®</sup>, and Teva's ProAir<sup>®</sup> HFA and has expanded to include additional sensors supporting physiological parameters for GSK's Ellipta<sup>®</sup> and pMDI, and Teva's ProAir<sup>®</sup> and Albuterol Sulphate HFA.

Revenue was \$377,181 (2022: \$1,220,101) as in the prior year there were one off device revenues of \$747,827 relating to clinical studies. The shift in focus towards commercialisation activities, targeting the USA market has led to a reduction in clinical studies revenue for the current period and associated device sales. However, the channel partner investments, recruitment of business development staff in the USA during the year and commercial agreements signed with large medical groups with RPM reimbursements is starting to materialise and is expected to grow revenue in the second half of the financial year.

Other income in the period of \$447,269 (2022: \$515,881) represents the Company's half year accrued claim for research and development tax incentive reimbursement claim and a government COVID relief payment.

Research and development costs in the period were \$2,319,773 (2022: \$2,629,570). The research and development spend is consistent with the Company's shifting its resources to focus on commercialisation activities in the USA, our largest target market.

Channel partner expenditure was \$130,038 (2022: \$1,312,836) as the Company finalised its investment in a particular channel strategy for the USA market that started during 2022.

Sales and marketing costs were \$746,784 (2022: \$647,228) up 15% during the period reflecting the Company's greater emphasis on commercialisation and related activities such as trade conferences in the USA, travel, marketing materials and public relations.

Administrative expenses were \$1,998,820 compared with \$2,348,145 in the previous period, the difference largely due to several cost reduction initiatives involving insurance, professional services and office costs.

Cash at 31 December 2023 was \$3,144,308, a net decrease of \$5,932,950 since 30 June 2023 (2022: \$12,835,502). The Company remains focused on evolving the Hailie<sup>®</sup> sensors and software platform and continues to actively engage with existing partners while exploring potential partnerships.

## Events subsequent to balance date

On 16 January 2024, CEO Rick Legleiter resigned from Adherium and on 1 February 2024, Dr. Paul Mastoridis was announced as the new CEO.

## Auditor's independence declaration

The Auditor's independence declaration is set out on page 4 and forms part of the Directors' Report for the six months ended 31 December 2023.

Signed in accordance with a resolution of the Board of Directors.



**Lou Panaccio**  
Non-Executive Chairman

Dated this 29<sup>th</sup> day of February 2024

# Auditor's Independence Declaration



## RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007

T +61(0) 3 9286 8000  
F +61(0) 3 9286 8199

[www.rsm.com.au](http://www.rsm.com.au)

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Adherium Limited and its controlled entities for the half year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

### RSM AUSTRALIA PARTNERS

**B Y CHAN**  
Partner

Date: 29 February 2024  
Melbourne, Victoria

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# Interim Financial Report

Consolidated Statement of Profit or Loss  
and Other Comprehensive Income

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Consolidated Statement of  
Financial Position

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Consolidated Statement of  
Changes in Equity

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Consolidated Statement of  
Cash Flows

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Notes to the Consolidated  
Financial Statements

# Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six-month period ended 31 December 2023

	Notes	Six months 31 Dec 2023 \$	Six months 31 Dec 2022 \$
<b>Continuing Operations</b>			
Sales	3	377,181	1,220,101
Cost of sales		(54,106)	(263,198)
<b>Gross profit</b>		<b>323,075</b>	<b>956,903</b>
Other income		71,633	-
Other income - R&D tax credit	4	375,636	515,881
Manufacturing support		(431,077)	(450,299)
Research and development		(2,319,773)	(2,629,570)
Channel partner		(130,038)	(1,312,836)
Sales and marketing		(746,784)	(647,228)
Administration		(1,998,820)	(2,348,145)
<b>Operating loss</b>		<b>(4,856,148)</b>	<b>(5,915,294)</b>
Finance income (cost) - net		179,779	87,189
<b>Loss before income tax</b>		<b>(4,676,369)</b>	<b>(5,828,105)</b>
Income tax expense		-	-
<b>Loss for the period attributable to equity holders</b>		<b>(4,676,369)</b>	<b>(5,828,105)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss when certain conditions are met: Foreign exchange differences on translation of foreign operation		(68,335)	7,914
<b>Other comprehensive income for the period, net of tax</b>		<b>(68,335)</b>	<b>7,914</b>
<b>Total comprehensive loss for the period</b>		<b>(4,744,704)</b>	<b>(5,820,191)</b>
<b>Total comprehensive loss attributable to:</b>			
Equity holders of Adherium Limited		(4,744,704)	(5,820,191)
<b>Basic and diluted loss per share</b>	5	<b>(1.4) cents</b>	<b>(0.2) cents</b>

The accompanying notes form part of the financial statements.

# Consolidated Statement of Financial Position as at 31 December 2023

	Notes	31 Dec 2023 \$	30 June 2023 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		3,144,308	9,077,258
Trade and other receivables		2,250,917	1,968,416
Inventories		1,471,775	1,238,401
Prepayments		246,721	228,255
<b>Total current assets</b>		<b>7,113,721</b>	<b>12,512,330</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	96,491	126,677
Intangible assets		-	-
Right-to-use assets		19,537	42,230
<b>Total assets</b>		<b>7,229,749</b>	<b>12,681,237</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		1,987,571	2,767,894
Income received in advance		597,687	655,284
Lease liabilities		20,737	44,149
<b>Total current liabilities</b>		<b>2,605,995</b>	<b>3,467,327</b>
<b>Non-current liabilities</b>			
Lease liabilities		-	-
<b>Total liabilities</b>		<b>2,605,995</b>	<b>3,467,327</b>
<b>EQUITY</b>			
Share capital	7	123,646,399	123,617,236
Accumulated deficit		(97,963,053)	(93,286,684)
Other reserves		(21,059,592)	(21,116,642)
<b>Total equity</b>		<b>4,623,754</b>	<b>9,213,910</b>
<b>Total liabilities &amp; equity</b>		<b>7,229,749</b>	<b>12,681,237</b>

The accompanying notes form part of the financial statements.

# Consolidated Statement of Changes in Equity for the six-month period ended 31 December 2023

Six months to 31 December 2023	Share Capital \$	Accumulated Deficit \$	Share-based Compensation Reserve \$	Foreign Currency Translation Reserve \$	Merger Reserve \$	Total Equity \$
<b>Equity as at 1 July 2023</b>	123,617,236	(93,286,684)	5,748,793	669,364	(27,534,799)	9,213,910
Loss for the period	-	(4,676,369)	-	-	-	(4,676,369)
Other comprehensive income (loss)	-	-	-	(68,335)	-	(68,335)
Total comprehensive loss	-	(4,676,369)	-	(68,335)	-	(4,744,704)
<i>Transactions with owners:</i>						
Shares and options issued in placements	-	-	-	-	-	-
Share and option issue costs	-	-	-	-	-	-
Share, option and SARs grants for services	29,163	-	125,385	-	-	154,548
<b>Equity as at 31 December 2023</b>	<b>123,646,399</b>	<b>(97,963,053)</b>	<b>5,874,178</b>	<b>601,029</b>	<b>(27,534,799)</b>	<b>4,623,754</b>

Six months to 31 December 2022	Share Capital \$	Accumulated Deficit \$	Share-based Compensation Reserve \$	Foreign Currency Translation Reserve \$	Merger Reserve \$	Total Equity \$
<b>Equity as at 1 July 2022</b>	110,522,702	(83,429,098)	5,314,916	663,268	(27,534,799)	5,536,988
Loss for the period	-	(5,828,105)	-	-	-	(5,828,105)
Other comprehensive income (loss)	-	-	-	7,914	-	7,914
Total comprehensive loss	-	(5,828,105)	-	7,914	-	(5,820,191)
<i>Transactions with owners:</i>						
Share and options issued in placements	13,500,000	-	-	-	-	13,500,000
Shares and options issued in share purchase plan	230,000	-	-	-	-	230,000
Share and option issue costs	(742,792)	-	-	-	-	(742,792)
Share, option and SARs grants for services	23,283	-	267,695	-	-	290,978
<b>Equity as at 31 December 2022</b>	<b>123,533,193</b>	<b>(89,257,203)</b>	<b>5,582,611</b>	<b>671,181</b>	<b>(27,534,799)</b>	<b>12,994,983</b>

The accompanying notes form part of the financial statements.

# Consolidated Statement of Cash Flows for the six-month period ended 31 December 2023

Notes	Six months 31 Dec 2023 \$	Six months 31 Dec 2022 \$
<b>Cash flows from operating activities:</b>		
Receipts from customers	857,633	872,910
Research and development tax incentive receipt	-	1,286,834
Interest received	181,384	90,674
Interest paid	(1,606)	(3,485)
Payments to employees	(3,956,672)	(3,558,481)
Payments to suppliers	(3,004,767)	(4,081,379)
<b>Net cash used in operating activities</b>	<b>(5,924,028)</b>	<b>(5,392,927)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	-	(32,759)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(32,759)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issue of shares and options	-	13,730,000
Payment of capital raising costs	-	(742,792)
<b>Net cash provided from financing activities</b>	<b>-</b>	<b>12,987,208</b>
Net increase (decrease) in cash	(5,924,028)	7,561,522
Cash at the beginning of the period	9,077,258	5,283,282
Effect of exchange rate changes on cash balances	(8,922)	(9,302)
<b>Cash at the end of the period</b>	<b>3,144,308</b>	<b>12,835,502</b>

The accompanying notes form part of the financial statements.

# Notes to the financial statements for the six-month period ended 31 December 2023

## 1. General Information

Adherium Limited (the Company, Group or Adherium) is an Australian Securities Exchange listed company that develops, manufactures and supplies digital health technologies which address sub-optimal medication use and improve health outcomes in chronic disease.

### *Basis of Presentation*

This general purpose consolidated condensed financial report for the six months ended 31 December 2023 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$4,676,369 and had net cash outflows from operating activities of \$5,924,028 for the half-year ended 31 December 2023.

In the event that cash flow forecasts are not achieved, and should additional funding not be available to meet working capital requirements, there would be material uncertainty as to whether the Group would continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

The Group has prepared cash flow forecasts for the next 12 months from the date of this report which indicate the Group will have a positive cash balance during this period. The cash flow forecasts include assumptions around a future capital raise or access to alternative funding sources.

The Directors believe that the cash flow forecasts are achievable and accordingly, believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the half-year financial report. The half-year financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

This interim report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and operating, financing and investing activities of the consolidated entity as the full financial report. This interim financial report should be read in conjunction with the annual report of Adherium Limited for the year ended 30 June 2023 and considered together with any public announcements made by Adherium Limited in accordance with the continuous disclosure obligations of the *ASX Listing Rules*.

This interim financial report has been prepared using the same accounting policies as used in the annual financial statements of Adherium Limited for the year ended 30 June 2023 unless otherwise stated.

### *New accounting standards adopted during the period*

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

## 2. Segment information

The chief operating decision maker is the Chief Executive Officer, who reviews financial information for the Group as a whole. The information reviewed is prepared in the same format as included in the financial statements. The Company has therefore determined that one reportable segment exists for the Company's Hailie<sup>®</sup> respiratory monitoring business.

## 3. Revenue

Revenue in the six months to 31 December 2023 comprised \$149,947 for device sales, monitoring and data services (December 2022: \$979,317) and \$227,234 for new product design and engineering services (December 2022: \$240,784).

#### 4. Research & development (R&D) tax credit

The Group is eligible to participate in the Research and Development (R&D) Tax Incentive Offset scheme to potentially obtain a tax rebate or credits equivalent to the entitlements under the scheme operating at the time. These are only recognised when it is probable that it is available to be offset against income tax payable or when actual cash payment is considered receivable. For the six months to 31 December 2023 \$375,636 (December 2022: \$515,881) was recognised in relation to claims for the current financial period.

#### 5. Earnings per share

Basic loss per share is based upon the weighted average number of outstanding ordinary shares. For all periods presented, the Company's potentially dilutive ordinary share equivalents (being options over ordinary shares) have an anti-dilutive effect on loss per share and, therefore, have not been included in determining the total weighted average number of ordinary shares outstanding for the purpose of calculating diluted loss per share.

	Six months 31 Dec 2023 \$	Six months 31 Dec 2022 \$
Profit (loss) after income tax attributable to equity holders	(4,676,369)	(5,828,105)
Weighted average shares outstanding (basic)*	327,179,659	3,186,770,834
Weighted average shares outstanding (diluted)*	327,179,659	3,186,770,834
Basic and diluted loss per share	(1.4) cents	(0.2) cents

\* current year weighted average shares outstanding reflects consolidation of shares that occur during the period

#### 6. Property, plant and equipment

During the period, the Group acquired assets with a cost of \$ nil (2022: \$20,617) in relation to computer equipment, \$nil in relation to new equipment for the research and development team (2022: \$6,571), \$nil in tooling (2022: \$4,591) \$nil in furniture & fittings (2022: \$980).

#### 7. Share Capital

	Ordinary Shares	\$
Share capital as at 1 July 2022	2,208,251,092	110,522,702
Shares issued in employee share plans	22,414,483	-
Cancellation of shares issued in employee share plans	-	-
Shares issued in placements	2,700,000,000	13,500,000
Shares issued in share purchase plan	63,000,000	315,000
Share issue costs	-	(743,749)
Shares issued for services	5,742,740	23,283
Share capital as at 30 June 2023	4,999,408,315	123,617,236
Share consolidation	(4,668,153,845)	-
Cancellation of shares issued in employee share plans	(7,535,769)	-
Shares issued for services	9,721,280	29,163
Share issue costs	-	-
Share capital as at 31 December 2023	333,439,981	123,646,399

## 8. Contingencies and commitments

The Company had the following commitments to purchase property, plant or equipment at 31 December 2023, but not recognised in the financial statements:

	31 Dec 2023 \$	30 Jun 2023 \$
Manufacturing tooling	4,208	-
	<u>4,208</u>	<u>-</u>

The following aggregate future non-cancellable minimum lease payments for premises have been committed to by the Company, but not recognised in the financial statements.

	31 Dec 2023 \$	30 Jun 2023 \$
Not later than one year	51,820	7,017
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>51,820</u>	<u>7,017</u>

## 9. Events occurring after the balance sheet date

On 16 January 2024, CEO Rick Legleiter resigned from Adherium and on 1 February 2024, Dr. Paul Mastoridis was announced as the new CEO.



# Directors Declaration

In the opinion of the Directors of Adherium Limited:

- (a) The financial statements and notes set out on pages 6 to 12 are in accordance with the Corporations Act 2001, including:
  - (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial period ended on that date; and
  - (ii) Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**Lou Panaccio**  
Non-Executive Chairman

Dated this 29<sup>th</sup> day of February 2024

# Independent Auditor's Review Report



## RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

[www.rsm.com.au](http://www.rsm.com.au)

## INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Adherium Limited

### Conclusion

We have reviewed the accompanying half-year financial report of Adherium Limited ("the company") and its controlled entities (together referred to as "the Group") which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Adherium Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates that the Group incurred a loss of \$4,676,369 and had net cash outflows from operating activities of \$5,924,028 for the half year ended 31 December 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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# Independent Auditor's Review Report



## *Directors' Responsibility for the Half-Year Financial Report*

The directors of Adherium Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

## *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**RSM AUSTRALIA PARTNERS**

**B Y CHAN**

Partner

Date: 29 February 2024  
Melbourne, Victoria

# Corporate Information

## ASX code: ADR

### Directors

Mr Lou Panaccio (Chair)  
Mr George Baran  
Mr Jeremy Curnock Cook  
Dr William Hunter  
Mr Bruce McHarrie

### Company Secretary

Mr Brett Tucker

### Registered Office

Collins Square, Tower 4  
Level 18, 727 Collins St  
Melbourne VIC 3000, Australia  
+61 3 86575540

### Head Office

Level 5, 447 Collins Street  
Melbourne 3000, Australia

### Website

[www.adherium.com](http://www.adherium.com)  
[www.hailie.com](http://www.hailie.com)

### Share Registry

Computershare Investor Services Pty Ltd  
Yarra Falls, 452 Johnston Street  
Abbotsford, Victoria 3067, Australia

### Solicitors

K&L Gates  
Level 25 South Tower  
525 Collins Street  
Melbourne VIC 3000, Australia

### Auditors

RSM Australia Pty Ltd  
Level 21, 55 Collins Street  
Melbourne VIC 3000, Australia

### Shareholder Enquiries 1300 850 505 (+61 3 9415 4000)

Shareholders requiring clarification of holdings, or requesting changes of name or address should contact Computershare Investor Services directly on the above number. Shareholders wishing to create an online account with Computershare should visit <https://www.investorcentre.com>

9:41



## Insights

☰ Peak Inhalation >

60 L/min

Breo ●  
17 Jan, 8:00 PM

🕒 Inhalation Duration >

0.98 sec

Breo ●  
17 Jan, 8:00 PM

🌬️ Inhalation Volume >

1.24 L

Breo ●  
17 Jan, 8:00 PM

📶 Orientation >



Breo ●  
17 Jan, 8:00 PM

**Note:** The technique data is provided to you for information purposes only. Always follow the instructions for use specific to your inhaler type.



Dashboard



Adherence



Insights



Peak Flow



Inhalers

