

Adherium Limited ABN 24 605 352 510

Notice of Annual General Meeting

Notice is given that the 2025 Annual General Meeting (**AGM or the Meeting**) of Shareholders of Adherium Limited ACN 605 352 510 (**Adherium or the Company**) will be held as a virtual meeting pursuant to which Shareholders may participate at the following date and time:

Date: **18 November 2025**
Time: **9.00am (AEDT)**
Venue: **Virtually, by logging in at <https://meetnow.global/MGTRXYF>**

Distribution of Notice of Meeting: In accordance with section 110D(1) of the Corporations Act 2001 the Company will not be sending through hard copies of this Notice of Meeting to Shareholders unless a Shareholder has requested a hard copy of this Notice or made an election for the purposes of Section 110E of the Corporations Act to receive documents from the Company in physical form. This Notice can be viewed and downloaded from the ASX website or the Company's website at www.adherium.com.

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If you are in doubt as to how to vote on any of the Resolutions, you should seek advice from your accountant, solicitor or other professional adviser without delay.

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared by RSM Corporate Australia Pty Ltd accompanying the Explanatory Statement (set out in Annexure F of this Notice) for the purposes of Resolutions 7 and 9.

Voting: Shareholders will be able to participate in the Meeting of the Company by attending in person at the venue, to ask questions and to vote either by lodging a valid proxy (paper form), voting in person at the Meeting or voting on-line prior to the Meeting.

All Resolutions by Poll: All votes will be taken on a poll.

Voting Methods

To vote by proxy, please complete and sign the Proxy Form enclosed and either:

- send the Proxy Form by post to Computershare, GPO Box 242, Melbourne, Victoria 3001; or
- send the Proxy Form by facsimile to Computershare on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

For online voting, visit www.investorvote.com.au and enter the 6 digit control number 187905 and your Adherium SRN or HIN;

For Intermediary Online voting by Custodians, please submit your votes electronically via www.intermediaryonline.com;

For all of the above voting you must ensure your vote is received not later than 9.00 am on 16 November 2025. **Questions** – Shareholders are encouraged to submit questions ahead of the Meeting so that they are received by email to emily.austin@automicgroup.com.au no later than 5:00pm AEDT 16 November 2025.

The business and formal resolutions proposed to be considered at the Meeting follow:

Business

Financial statements and reports

To receive and consider the financial statements and the reports of the Directors and of the auditors for the year ended 30 June 2025.

Resolutions

1. Resolution 1 - Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:
"That the Remuneration Report for the year ended 30 June 2025 as set out in the Company's Annual Report for the year ended 30 June 2025 be adopted."

**Please note that section 250R(3) of the Corporations Act 2001 (Cth) provides that the vote on this resolution is advisory only and does not bind the Directors or the Company*

2. Resolution 2 - Re-Election of Lou Panaccio as Chairman and Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That pursuant to the Company's Constitution and for all other purposes, the members of the Company approve the re-election of Lou Panaccio as a Non-Executive Chairman and Director of the Company, who pursuant to clause 13.3 of the Company's Constitution is retiring by rotation and being eligible offers himself for re-election."

3. Resolution 3 - Election of Mr Keven Gessner as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Keven Gessner, who was appointed by the Directors on 8 May 2025 to fill a casual vacancy retires in accordance with Clause 13.3 of the Company's Constitution and, being eligible and having submitted himself for election, be appointed as a Director of the Company."

4. Resolution 4 - Approval of additional 10% Placement Facility

To consider and, if thought fit, to pass the following resolution as a **special resolution**:
"That pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the increase in the capacity of the Company to issue equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions stated in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

5. Resolution 5 - Approval of Employee Share Scheme

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That the Shareholders approve the Company's Employee Share Scheme for the purposes of ASX Listing Rule 7.2 Exception 13(b), sections 200B, 200E and 259B(2) of the Corporations Act, and for all other purposes, as laid before the meeting, a copy of which is available for inspection at the registered office of the Company (during normal business hours)."

6. Resolution 6 – Approval of issue of convertible notes to Trudell Medical Limited re May 2025 proposed placement

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Trudell Medical Limited (or its nominee) of 450,000 convertible notes amounting in aggregate to \$450,000, convertible into Shares and Options in the Company on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

7. Resolution 7 - Corporations Act Chapter 6 approval re Trudell Medical Limited

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 611 (Item 7) of the Corporations Act and for all other purposes, approval be given to issue Shares and Options on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

8. Resolution 8 – Approval of issue of convertible notes to Phillip Asset Management Limited (as trustee of the BioScience Managers Translation Fund I) re May 2025 proposed placement

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue to Phillip Asset Management Limited (or its nominee) of 450,000 convertible notes amounting in aggregate to \$450,000, convertible into Shares and Options in the Company on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

9. Resolution 9 - Corporations Act Chapter 6 approval re Phillip Asset Management Limited (as trustee of the BioScience Managers Translation Fund I)

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of section 611 (Item 7) of the Corporations Act and for all other purposes, approval be given to issue Shares and Options on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

10. Resolution 10 – Ratification of issue of Shares and Options under Placement

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and prior issuances of an aggregate of 70.2 million Shares at an issue price of \$0.005 per Share together with 1 Option for every Share issued under the Placement (plus where the Option is exercised prior to 15 November 2025, an additional Bonus Option) to sophisticated and professional investors and on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

11. Resolution 11 – Approval of issue of Joint Lead Managers Options

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 50 million Options to PAC Partners Securities Pty Ltd ACN 623 653 912 AFSL 335374 (or its nominee(s)) and Stralis Capital Partners Pty Ltd ACN 681 589 515 CAR Number 001312157 (or its nominee(s)) as Joint Lead Managers on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

12. Resolution 12 – Approval of issue of Shares and Options to Keven Gessner under Placement

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, the Shareholders approve the issue of 4 million Shares and 4 million Options (plus where an Option is exercised prior to 15 November 2025, an additional Bonus Option) to Mr Gessner (and/or his nominee(s)) on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

13. Resolution 13 – Approval of issue of Shares to George Baran in lieu of payment of past director fees

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve the issue of a number of Shares to Mr Baran (or his nominee) at the 20-day VWAP price in lieu of his accrued director's fees otherwise payable to Mr Baran until 30 June 2025, and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

14. Resolution 14 – Approval of issue of Shares to Jeremy Curnock Cook in lieu of payment of past director fees

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve the issue of a number of Shares to Mr Curnock Cook (or his nominee) at the 20-day VWAP price in lieu of his accrued director's fees otherwise payable to Mr Curnock Cook until 30 June 2025, and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

15. Resolution 15 – Approval of issue of Shares to Lou Panaccio in lieu of payment of future director fees

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, the Shareholders approve Mr Panaccio to elect to be issued Shares under the Employee Share Scheme in lieu of his director fees for the 3 years following the day this Resolution 15 is passed, and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

16. Resolution 16 – Approval of issue of Shares to Keven Gessner in lieu of payment of future director fees

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, the Shareholders approve Mr Gessner to elect to be issued Shares under the Employee Share Scheme in lieu of his director fees for the 3 years following the day this Resolution 16 is passed, and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

17. Resolution 17 – Approval of issue of Shares to Jeremy Curnock Cook in lieu of payment of future director fees

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, the Shareholders approve Mr Curnock Cook to elect to be issued Shares under the Employee Share Scheme in lieu of his director fees for the 3 years following the day this Resolution 17 is passed, and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

18. Resolution 18 – Approval of issue of Shares to George Baran in lieu of payment of future director fees

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, the Shareholders approve Mr Baran to elect to be issued Shares under the Employee Share Scheme in lieu of his director fees for the 3 years following the day this Resolution 18 is passed, and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statements re ASX Listing Rules

In accordance with the Listing Rule 14.11, the Company will disregard votes cast in favour of the resolution by or on behalf of:

Resolution 1: Adoption of Remuneration Report

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.
- (c) However, a person (the Voter) described above may cast a vote on the resolution as a proxy if the vote is not cast on behalf of a person described above and either:
- (d) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (e) the Voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the Resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Resolution 2: Re-election of Lou Panaccio as Chairman and Director	No voting exclusions apply to Resolution 2.
Resolution 3: Election of Keven Gessner as Director	No voting exclusions apply to Resolution 3.
Resolution 4: Approval of additional 10% Placement Facility	(a) if at the time the approval of Resolution 4 is sought the Company is proposing to make an issue of securities under rule 7.1A.2, any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or (b) an associate of such a person.
Resolution 5: Approval of Employee Share Scheme	(a) any person who is eligible to participate in the employee incentive scheme; or (b) an associates of those persons.
Resolution 6: Approval of issue of convertible notes to Trudell Medical Limited re May 2025 proposed placement	(a) a person who is to receive the securities and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or (b) an associate of those persons.
Resolution 7: Corporations Act Chapter 6 approval re Trudell Medical Limited	(a) a person who is to receive the securities and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or (b) an associate of those persons.
Resolution 8: Approval of issue of convertible notes to Phillip Asset Management Limited (in its capacity as trustee of the BioScience Managers Translation Fund I) re May 2025 proposed placement	(a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or (b) an associate of those persons.
Resolution 9: Corporations Act Chapter 6 approval re Phillip Asset Management Limited (in its capacity as trustee of the BioScience Managers Translation Fund I)	No voting exclusions apply to Resolution 9.
Resolution 10: Ratification of issue of Shares and Options under Placement	(a) a person who participated in the issue or is a counterparty to the agreement being approved); or (b) an associate of those persons.
Resolution 11: Approval of issue of Joint Lead Managers Options	(a) a person who participated in the issue or is a counterparty to the agreement being approved); or (b) an associate of those persons.
Resolution 12: Approval of issue of Shares and Options to Keven Gessner under Placement	(a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or (b) an associate of those persons.
Resolution 13: Issue of Shares to George Baran in lieu of past director fees	(a) a person who is to receive securities in the Company pursuant to this Resolution 13 and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or (b) an associate of those persons.

Resolution 14: Issue of Shares to Jeremy Curnock Cook in lieu of past director fees	(a) a person who is to receive securities in the Company pursuant to this Resolution 14 and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or (b) an associate of those persons.
Resolution 15: Issue of Shares to Lou Panaccio in lieu of future director fees	(a) any person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in this employee incentive scheme; or (b) an associates of those persons.
Resolution 16: Issue of Shares to Keven Gessner in lieu of future director fees	(a) any person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in this employee incentive scheme; or (b) an associates of those persons.
Resolution 17: Issue of Shares to Jeremy Curnock Cook in lieu of future director fees	(a) any person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in this employee incentive scheme; or (b) an associates of those persons.
Resolution 18: Issue of Shares to Gerge Baran in lieu of future director fees	(a) any person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in this employee incentive scheme; or (b) an associates of those persons.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that they are not excluded from voting, and are not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statements re Corporations Act

Resolution 1: Adoption of Remuneration Report	In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 1 if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 5: Approval of Employee Share Scheme	In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 5 if:

	(a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 7: Corporations Act Chapter 6 approval re Trudell Medical Limited	In accordance with section 611 (Item 7) of the Corporations Act, a vote in favour of this Resolution 7 must not be cast by: (a) the person proposing to make the acquisition and their associates; or (b) the persons (if any) from whom the acquisition is to be made and their associates.
Resolution 9: Corporations Act Chapter 6 approval re Phillip Asset Management Limited (in its capacity as trustee of the BioScience Managers Translation Fund I)	In accordance with section 611 (Item 7) of the Corporations Act, a vote in favour of this Resolution 7 must not be cast by: (a) the person proposing to make the acquisition and their associates; or (b) the persons (if any) from whom the acquisition is to be made and their associates.
Resolution 12: Approval of issue of Shares and Options to Keven Gessner under Placement	In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 12 if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 13: Issue of Shares to George Baran in lieu of director's fees	In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 13 if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 14: Issue of Shares to Jeremy Curnock Cook in lieu of director's fees	In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 14 if: (a) the proxy is either:

	(i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 15: Issue of Shares to Lou Panaccio in lieu of future director fees	In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 15 if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 16: Issue of Shares to Keven Gessner in lieu of director's fees	In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 16 if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 17: Issue of Shares to Jeremy Curnock Cook in lieu of future director fees	In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 17 if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 18: Issue of Shares to Gerge Baran in lieu of future director fees	In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 18 if:

	(a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
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Other business

To consider any other business that may lawfully be brought forward in accordance with the Constitution of the Company or the law.

Other information

An Explanatory Memorandum accompanies and forms part of this Notice of Annual General Meeting.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

Voting by proxy

Any Shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder.

The proxy does not need to be a Shareholder of the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

Proxies must be:

- (a) lodged at the Company's share registry, Computershare Investor Services Pty Limited; or
- (b) faxed to the fax number specified below,

not later than 9.00 am (AEDT) on 16 November 2025.

Address (hand deliveries): Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnson Street,
Abbotsford, Victoria, 3067

Address (postal deliveries): C/- Computershare Investor Services Pty Limited, GPO Box 242,
Melbourne VIC 3001, Australia

Fax number for lodgement: (within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

The Proxy Form has been enclosed. Please read all instructions carefully before completing the Proxy Form.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's Shareholders. The appointment may be a standing

one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a Resolution. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Entitlement to vote

In accordance with Section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the meeting all shares will be taken to be held by the persons who held them as registered Shareholders at 7:00pm (AEDT) on 16 November 2025. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

All Enquiries

Call Computershare: (within Australia) 1300 850 505 (outside Australia) +61 3 9415 4000

Voting Intentions

Subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all Resolutions on the agenda. In respect of undirected proxies, subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all Resolutions on the agenda.

By order of the Board



Emily Austin
Company Secretary
20 October 2025

Explanatory Memorandum

This Explanatory Memorandum sets out further information regarding the proposed Resolutions to be considered by Shareholders of Adherium Limited (**Adherium** or the **Company**) at the 2025 Annual General Meeting to be held as a virtual meeting pursuant to which Shareholders may attend online, commencing at 9.00am (AEDT) on 18 November 2025 by logging in at <https://meetnow.global/MGTRXYF>.

The Directors recommend that Shareholders read this Explanatory Memorandum before determining whether or not to support the Resolutions.

1. Accounts and Reports

The Corporations Act requires the Company to provide before the Annual General Meeting, the Financial Report, Directors' Report (including the Remuneration Report) and the Auditor's Report for the financial year ended 30 June 2025.

Shareholders will be offered the opportunity to discuss the Financial Report, Directors' Report and Auditor's Report at the Meeting. Copies of these reports can be found on the Company's website www.adherium.com.

There is no requirement for Shareholders to approve the Financial Report, Directors' Report and Auditor's Report. Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2025;
- (b) ask questions or make comments on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and preparation and content of the Auditor's Report.

In addition to taking questions at the Annual General Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Annual General Meeting to the Company Secretary at the Company's registered office.

2. Resolution 1 - Adoption of Remuneration Report

2.1 Corporations Act

Under the Corporations Act, listed entities are required to put to the vote a resolution that the Remuneration Report section of the Directors' Report be adopted. This Remuneration Report can be found in the Company's 2025 Annual Report. It sets out a range of matters relating to the remuneration of Directors, the Company Secretary and senior executives of the Company.

A vote on this Resolution 1 is advisory only and does not bind the Directors or the Company. A copy of the Company's 2025 Annual Report can be found on its website at www.adherium.com.

The Corporations Act provides that:

- (a) members of the Key Management Personnel whose remuneration details are included in the Remuneration Report (and any closely related party of those members) are not permitted to vote on a resolution to approve the Remuneration Report, and
- (b) if the vote to approve the Remuneration Report receives a "no" vote by at least 25% of the votes cast, this will constitute a "first strike".

The Company's current "strike" count is zero. If a "first strike" was to occur at the 2025 Annual General Meeting:

- (a) the Company's subsequent Remuneration Report (in other words, the Company's Remuneration Report to be included in the 2026 Annual Report) must include an explanation of the Board's proposed action in response to a 2025 "no vote" or an explanation of why no action has been taken; and
- (b) if the Company's subsequent (i.e. 2026) Remuneration Report also receives a "no vote" at the 2026 Annual General Meeting of at least 25% of the votes cast, then Shareholders at the 2026 Annual General Meeting will be asked (at that 2026 Annual General Meeting) to vote on whether or not the Company is to hold another general Shareholder's meeting (within the following 90 days) to vote on a "spill resolution" under section 250V of the Corporations Act.

2.2 Board recommendation

As set out in the Notice of Meeting, any member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, together with a closely related party of those members, are excluded from casting a vote on Resolution 1.

Accordingly, the Board **abstains** from making a recommendation in relation to Resolution 1. The Chair intends to exercise all undirected proxies in favour of Resolution 1.

3. Resolution 2 - Re-election of Lou Panaccio as Chairman and Director

3.1 Background

Clause 13.3 of the Company's Constitution provides that no Director may hold office for a period in excess of 3 years, or beyond the third annual general meeting following the Director's election, whichever is the longer, without submitting himself for re-election.

Lou Panaccio was elected as a Non-Executive Director on 25 February 2022 and Chairman on 29 April 2022, being eligible, offers himself for re-election.

Lou Panaccio <i>Non-Executive Chairman and Director</i>	
Appointment date	Appointed as a Director 25 February 2022 and Chairman 29 April 2022.

Qualifications	Mr Panaccio holds a Bachelor of Economics from Monash University and is a Member of the Australian Institute of Company Directors.
Experience	Mr Panaccio was the Chief Executive Officer and Executive Director of Melbourne Pathology for ten years to 2001, the Chief Executive Officer of Monash IVF until 2009 and the Executive Chairman of Health Networks Australia until 2017. He was also a Non-executive Director of ASX-listed Genera Biosystems Limited from November 2010 until 28 June 2019 (Chairman from July 2011 until 28 June 2019).
Other current directorships	Mr Panaccio is currently on the boards of ASX and NASDAQ listed Avita Therapeutics Inc. (Non-Executive Chairman from July 2014), ASX50 company Sonic Healthcare Limited, one of the world's largest medical diagnostics companies (Non-Executive Director from June 2015), and ASX-listed Rhythm Biosciences Limited (Non-Executive Director from August 2017). He is also a Non-Executive Director of Unison Housing Limited and Non-Executive Chairman of Magellan Stem Cells Pty Ltd.
Special responsibilities	Mr Panaccio is a member of the Company's Audit and Risk Committee and Remuneration and Nomination Committee

3.2 Board recommendation

The Directors (other than Mr Panaccio) recommend that Shareholders vote in favour of this Resolution 2. The Chair intends to exercise all undirected proxies in favour of Resolution 2.

4. Resolution 3 - Election of Keven Gessner as Director

4.1 Background

Keven Gessner was appointed as a Non-Executive Director to fill a casual vacancy on 8 May 2025. Mr Gessner retires at this Annual General Meeting (being the next annual general meeting following his appointment) in accordance with Clause 13.1(d) of the Company's Constitution and, being eligible submits himself for election as a Director of the Company.

4.2 Director details

Keven Gessner <i>Non-Executive Director</i>	
Appointment date	8 May 2025
Qualifications	Mr Gessner holds a MBA from the University of North California at Chapel Hill; a Bachelor's degree in Accounting; and also qualifications in Pharmaceutical Marketing and Management.
Experience	Mr Gessner has more than 25 years' experience serving in key leadership roles for Pfizer, Teva, AstraZeneca and GlaxoSmithKline

4.3 Board recommendation

The Directors (other than Mr Keven Gessner) recommend that Shareholders vote in favour of this Resolution 3. The Chair intends to exercise all undirected proxies in favour of Resolution 3.

5. Resolution 4 - Approval of additional 10% Placement Facility

5.1 Placement capacity

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the 10% Placement Facility provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval.

If this Resolution 4 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution 4 is not passed, the Company will not be able to access the 10% Placement Facility to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

5.2 Description of Listing Rule 7.1A

Any equity securities issued under the 10% Placement Facility (**Placement Securities**) must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at the date of the Notice, has on issue one class of quoted equity securities, being ordinary shares (**Shares**).

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Placement Securities calculated in accordance with the formula in Listing Rule 7.1A.2.

The effect of Resolution 4 will be to allow the Directors to issue the Placement Securities under Listing Rule 7.1A during the 10% Placement Period (as defined below) without using any of the Company's 15% placement capacity under Listing Rule 7.1.

5.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

(a) **Period for which approval will be valid**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX,

(10% Placement Period).

(b) **Minimum issue price**

If any Placement Securities are issued, the minimum price the Placement Securities will be issued for cash consideration which is not less than 75% of the VWAP of equity securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (ii) if the Placement Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Placement Securities are issued.

The actual number of Placement Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Placement Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

(c) **Maximum Number of Shares to be Issued:**

Listing Rule 7.1A.2 provides that an eligible entity which has obtained a 7.1A mandate may, during the period of the mandate, issue or agree to issue a number of equity securities (**N**) equal to the 10% Placement Facility, calculated in accordance with the following formula prescribed in Listing Rule 7.1A.2:

$$N = (A \times D) - E$$

where:

A = is the number of shares on issue 12 months before the date of the issue or agreement:

- plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17,

- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
- plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4,
- plus the number of partly paid ordinary securities that became fully paid in the relevant period,
- less the number of fully paid ordinary securities cancelled in the relevant period.

(Note: "A" has the same meaning as in Listing Rule 7.1 when calculating the 15% capacity);

D = 10%;

E = the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period (being the 12 month period immediately preceding the date of the issue or agreement), where the issue or agreement has not been subsequently approved by holders of ordinary securities under Listing Rule 7.4;

(d) Purposes for which Placement Securities may be issued

The Company may seek to issue the Placement Securities as cash consideration for the acquisition of new assets and or other investments, or as cash for general working capital purposes.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Placement Securities.

(e) Effect on existing (non-participating) Shareholders

If Resolution 4 is approved by Shareholders and the Company issues Placement Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's equity securities may be significantly lower on the date of the issue of the Placement Securities than on the date of the Annual General Meeting; and

- (ii) the Placement Securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date.

The below table is included for illustrative purposes and shows the potential dilution of existing Shareholders on the basis of the current market price of the Shares as at 14 October 2025 and the current number of Shares for variable "A" (above) calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) Two examples where variable 'A' has increased by 50% and 100%. Variable 'A' is based on the number of Shares the Company has on issue as at the date of this Notice of Meeting. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing rule 7.1 that are approved at a future shareholders' meeting; and
- (ii) Two examples where the issue price of the Shares has decreased by 50% and increased by 50% as against the current market price.

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Placement Securities available under the 10% Placement Facility.
- (ii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- (iv) The table shows only the effect of issues of Placement Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (v) The issue of Placement Securities under the 10% Placement Facility consists only of Shares.
- (vi) The issue price is \$0.004, being the closing price of the Shares on ASX on 14 October 2025.

Variable 'A' in Listing Rule 7.1A.2		50% decrease (\$0.0020)	Issue Price (\$0.0040)	50% increase (\$0.0060)
Current Variable A 1,863,174,595Shares	10% Voting Dilution	186,317,460Shares	186,317,460Shares	186,317,460Shares
	Funds Raised	\$372,635	\$745,270	\$1,117,905

50% increase in current Variable A 2,794,761,892Shares	10% Voting Dilution	279,476,189Shares	279,476,189Shares	279,476,189Shares
	Funds Raised	\$558,952	\$1,117,905	\$1,676,857
100% increase in current Variable A 3,726,349,190Shares	10% Voting Dilution	372,634,919Shares	372,634,919Shares	372,634,919Shares
	Funds Raised	\$745,270	\$1,490,540	\$2,235,810

(f) Company's share allocation policy

The Company's share allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, issues in which existing security holders can participate;
- (ii) the effect of the issue of the Placement Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

(g) Information under ASX Listing Rule 7.3A.6

As at the date of this Notice the Company has not issued any equity securities under Listing Rule 7.1A.2 in the past 12 months preceding the date of the AGM.

(h) Voting exclusion statement

A voting exclusion statement is provided above in this Notice. As at the date of this Notice the Company is not proposing to make an issue of equity securities under Listing Rule 7.1A.2.

5.4 Board recommendation

The Directors believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution 4. The Chair intends to vote undirected proxies in favour of this Resolution 4.

6. Resolution 5 - Approval of Employee Share Scheme

6.1 Background

The Board remains committed to incentivising and retaining all the Company's Directors, employees and consultants in a manner which promotes alignment of their interests with shareholder interests, whilst at the same time offering eligible participants market-competitive remuneration arrangements.

The Company desires to maintain maximum ability to raise capital in accordance with ASX Listing Rule 7.1, without seeking prior Shareholder approval, and to have the flexibility to be able to issue a range of employee incentives, recognising that different types of incentives may suit different employees at different times and under different circumstances. The Board has adopted one overall plan, an Employee Share Scheme (**Employee Share Scheme or Plan**), that will allow the Board the discretion to choose between offering eligible participants incentives referred to in that Plan, including options, shares, loan funded shares, performance rights, share appreciation rights, deferred shares and exempt shares. Once approved, any securities issued pursuant to the Plan will not reduce the Company's capacity under Listing Rule 7.1.

A summary of the Employee Share Scheme is set out in **Annexure A** to this Explanatory Memorandum.

If this Resolution 5 is not approved by Shareholders then the Company will still be able to issue securities under its existing employee incentive plan as approved by Shareholders on 30 November 2023, (subject to a cap in that plan of 15% of the Company's equity securities on issue).

6.2 ASX Listing Rules

Listing Rule 7.1 requires Shareholder approval for an issue of equity securities if, over a rolling 12 month period, the amount of equity securities issued (without prior Shareholder approval) is or would be more than 15% of the number of ordinary shares on issue at the start of that 12 month period.

Listing Rule 7.2 exception 13(b) provides that an issue of securities under an employee incentive scheme does not detract from the available 15% limit under Listing Rule 7.1 if the issue of securities is made under an employee incentive scheme and that employee incentive scheme was approved by shareholders no more than three years before the date of issue of the securities. The Employee Share Scheme is regarded as an employee incentive scheme for the purposes of Listing Rule 7.2 and this Resolution 5 seeks Shareholder approval for the Employee Share Scheme to meet the 3 year approval requirement.

The Company intends that any issue of securities under the Employee Share Scheme does not detract from the Company's Listing Rule 7.1 15% entitlement. Accordingly, it is seeking Shareholder approval in order for the Company to be able to issue securities pursuant to the Employee Share Scheme and have those securities qualify under exception 13(b) to Listing Rule 7.2.

6.3 Information required for Listing Rule 7.2 Exception 13(b)

Listing Rule 7.2 Exception 13(b) requires the information detailed in sections (a), (b) and (c) below to be provided to members for approval under this resolution:

(a) Summary of terms of Employee Share Scheme

A summary of the terms of the Employee Share Scheme appears in Annexure A. A full copy of the Employee Share Scheme is available for inspection at the Company's registered office.

(b) Number of securities issued

The Company has previously issued 26,468,780 securities pursuant to its existing employee incentive plan since it was last approved at the Company's 2023 Annual General Meeting:

The Company has not yet issued any securities under the proposed new Employee Share Scheme being the subject of Resolution 5.

(c) The Maximum number of securities proposed to be issued under the Employee Share Scheme (following the approval sought in Resolution 5)

The aggregate number of securities (including Options) which may be issued under the Employee Share Scheme, together with all securities which may be issued under all other employee incentive schemes, shall not at any time exceed 15% of the shares on issue, equating to 279,476,189 Shares.

6.4 Termination benefits under the Employee Share Scheme

Section 200B of the Corporations Act requires shareholder approval by ordinary resolution, and in accordance with the special provisions of s 200E of the Act, in order to access the exemption from the prohibition on a company giving a person a benefit in connection with that person's retirement from an office or position of employment in that company where that person is, or was in the three years prior to his or her retirement, in a managerial or executive office in that company.

The Employee Share Scheme allows the Board, in its discretion, to accelerate vesting of share entitlements on a retirement, which could constitute a benefit otherwise prohibited under Section 200B. In order to give the Board flexibility to exercise its discretions under the Plan to the extent that an acceleration of vesting could be regarded as providing a person a benefit in connection with that person's retirement from an office or position of employment (**Employment Retirement Benefit**), shareholder approval for the purposes of sections 200B and 200E of the Corporations Act is being sought.

For a section 200B benefit to be allowed, section 200E requires that this Notice provide Shareholders with either the value of the proposed benefits or, where the value of the proposed benefits cannot currently be ascertained, the manner in which the value of the proposed benefits is calculated, and the matters, events and circumstances that will, or are will likely to, affect the calculation of the value.

(a) Value of termination benefits

The Board has not determined that it will exercise discretion to grant any Employment Retirement Benefits. In the circumstances of a possible Employment Retirement Benefit, the value of the benefits that the Board may give under the Employee Share Scheme cannot be determined in advance, as many of the factors that will or are likely to affect that value will not be known until the time the benefit is decided to be awarded (if at all).

Specifically, the value of an Employment Retirement Benefits will depend on a number of factors, including the Company's share price at the time.

(b) Further voting restrictions

Insofar as Resolution 5 could relate to the provision of an Employment Retirement Benefit, in accordance with the Corporations Act, a vote on Resolution 5 must not be cast (in any capacity) by or on behalf of any person who may be entitled to receive a benefit in connection with that person's retirement from a managerial or executive office in the Company (or any related body corporate), or an associate of that person. However, a person is entitled to cast a vote if:

- (i) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; and
- (ii) it is not cast on behalf of that person or an associate of that person.

As at the date of this Notice, the Board has not identified any particular person to receive a benefit in connection with that person's retirement from a managerial or executive office in the Company.

6.5 Loans for and security over Shares

Section 259B(2) of the Corporations Act permits a Company to take security over its own shares issued pursuant to an employee share scheme under certain conditions, including where prior shareholder approval of the employee share scheme has been obtained. Accordingly, the Company is seeking shareholder approval under Resolution 5 in respect of the operation of section 259B(2) of the Corporations Act, for circumstances where the Company elects to provide an employee assistance in the acquisition of shares in itself, such as providing a loan for the exercise of Options under the Employee Share Scheme, and takes security over its own shares for repayment of the loan.

Section 260A of the Corporations Act allows only limited circumstances under which a company may provide financial assistance for the acquisition of shares in itself without obtaining prior shareholder approval, including pursuant to Section 260A(1) the giving of the assistance which does not materially prejudice (i) the interests of the company or its shareholders, or (ii) the company's ability to pay its creditors. The Board is of the view that the Section 260A(1) exemption is applicable, and at the relevant times will be applicable, to any loans that may be granted for the exercise of securities under the Employee Share Scheme. Accordingly, the Company will not be seeking Shareholder approval with respect to Section 260A of the Corporations Act.

6.6 Board recommendation

The Directors **abstain** from making a recommendation on Resolution 5 as they are eligible to participate in issues under the Employee Share Scheme and therefore have a potential personal interest in the matter. The Chair intends to vote undirected proxies in favour of this Resolution 5.

7. Resolutions 6 and 7 – Approval of (i) issue of new convertible notes to Trudell Medical Limited (and on conversion the issue of the underlying Shares and Options) plus (ii) Corporations Act Chapter 6 approval

7.1 Background

Resolutions 6 and 7 concern the proposed issue of securities in the Company to Trudell Medical Limited (**Trudell**) where –

- in May 2025 Trudell entered into a subscription agreement with the Company, subject to Shareholder approval, to subscribe \$450,000 for the issue of new convertible notes (**Resolution 6**); and
- the Company is seeking Shareholder approval for Trudell to potentially increase its "*relevant interest*" in issued Shares in the Company in excess of 20% where all of its convertible notes and Options are converted into Shares (**Resolution 7**).

7.2 Additional background on Resolution 6

As announced on 19 May 2025, the Company entered into a subscription agreement (**Subscription Agreement**) with Trudell under which Trudell agreed (i) to subscribe (subject to Shareholder approval) for 450,000 convertible notes; and (ii) to advance to the Company on signing the Subscription Agreement the aggregate subscription amount by way of a loan to the Company of \$450,000 (**Trudell Loan**). Trudell is an associate of, and jointly controlled by, Mr George Baran (a Director). The Trudell Loan:

- attracts interest from the date of the Subscription Agreement at a rate of 10% per annum; and
- if not converted to a convertible note (which is subject to Shareholder approval) is repayable by the Company to Trudell with all accrued interest 9 months from the date of the Subscription Agreement (unless otherwise agreed by the parties).

Resolution 6 is seeking Shareholder approval for the proposed issue of those 450,000 convertible notes to Trudell and the possible conversion into Shares and Options on the terms of the Convertible Note Deed Poll (**Trudell Convertible Notes**). A summary of the material terms of the Convertible Note Deed Poll are set out in **Annexure B** of this Explanatory Memorandum. Please note that any Options issued to Trudell on conversion under the Trudell Convertible Notes will have the option terms as set out in **Annexure C** of this Explanatory Memorandum (**Convertible Note Option Terms**).

7.3 Additional background on Resolution 7

Resolution 7 is seeking Shareholder approval under Chapter 6 of the Corporations Act for Trudell to increase its "*relevant interest*" in Shares in the Company to more than 20% of the Company's issued Shares resulting from the conversion or exercise (as the case maybe) of the convertible notes (including those issued under Resolution 6) and Options held by Trudell when combined with the existing issued Shares held by Trudell.

Trudell:

- currently holds 18.45% of the Company's issued share capital;
- currently holds 187,818,164 Options;
- has been issued 1,200,000 convertible notes as approved by Shareholders on 29 April 2025 (**Existing Convertible Notes**) of which 215,350 were converted to Shares in June 2025; and
- subject to Shareholder approval under **Resolution 6**, will be issued an additional 450,000 additional Trudell Convertible Notes.

Details of Trudell's interests in the Company are summarised below –

Description	Number of Securities	Expiry dates / maturity dates (if any)	% of the issued share capital
Existing Shares held by Trudell	343,776,885	-	18.45%
Existing Options held by Trudell	165,000,000 Options (ANREO Options) Where the ANREO Options are exercised before 15 November 2025, Trudell will be issued a further 82,500,000 bonus Options (Bonus Options) 22,119,100 Options issued under the Existing Convertible Notes (Existing Convertible Note Options) 699,064 Options 225,000 Options proposed to be issued under the New Proposed Convertible Notes (New CN Options)	ANREO Options: 31 July 2026 Bonus Options: 15 November 2026 Existing Convertible Note Options: 28 February 2028 Expiring 29 January 2027 New CN Options: Expiring 3 years from issue date	-
Existing Convertible Notes held by Trudell	984,650	Convertible Notes have a maturity date of 9 months from the date of issue (being 20 February 2026).	-
New proposed Trudell Convertible Notes to be issued if Resolution 6 is approved	450,000	Convertible Notes have a maturity date of 9 months from the date of issue.	-
Number of Shares held if all Convertible Notes and Options are converted	961,990,049	-	31.1%

If Resolutions 6 and 7 are approved and all of the Trudell Convertible Notes and Options are converted / exercised, Trudell's "relevant interest" will be an aggregate 31.1% and the Company's existing non-associated Shareholders' voting interest will be diluted to 38.1%.

7.4 Resolution 6 - ASX regulatory requirements

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the six months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the six months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in (a) to (c); or
- (e) a person whose relationship with the company or a person referred to in (a) to (d) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Trudell is a related party of the Company by virtue of being associated with and jointly controlled by one of its Directors, Mr George Baran, and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Trudell Convertible Notes (and underlying Shares and attaching Options) to Trudell without using any of the Company's 15% Placement Capacity. In addition, the issue of the Trudell Convertible Notes (and underlying Shares and attaching Options) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Trudell Convertible Notes (and underlying Shares and attaching Options) to Trudell.

With respect to Resolution 6, the Board is of the view that the Trudell Convertible Notes and possible resulting Shares and attaching Options proposed to be issued to Trudell would be issued upon terms that would meet the *"arm's length terms"* criteria of section 210 of the Corporations Act (and would therefore be exempt from the need to seek shareholder approval pursuant to the Corporations Act). In particular:

- a) the Company has retained an independent broker to assist in structuring and seeking capital in respect of the Trudell Convertible Note issue;
- b) the terms of the Convertible Note Deed Poll were determined at the same time as, and are the same as, the convertible notes proposed to be issued to Philip Asset Management Limited (subject to Shareholder approval under Resolution 8).

7.5 Resolution 6 - ASX Listing Rule 10.13 disclosure requirements

As noted above, Trudell (being an associate of, and jointly controlled by, Mr George Baran, a Director) is a "related party" of the Company under the ASX Listing Rules, hence shareholder approval is being sought under ASX Listing Rule 10.11.

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. ASX Listing Rule 10.13 requires that the notice in relation to a proposed resolution to approve an issue of securities to a related party, include the following information -

- (a) **The name of the person and the category under ASX Listing Rules 10.11.1 - 10.11.5 applicable:**

Trudell Medical Limited is an associate of, and controlled by, Mr George Baran, a director of the Company, therefore Listing Rule 10.11.1 applies.

- (b) **The maximum number of securities to be issued to:**

450,000 Trudell Convertible Notes with a face value of \$450,000 are to be issued. Fully paid ordinary shares (and the attaching Options) will be issued on conversion of the Trudell Convertible Notes. The number of Shares that can be issued is subject to a conversion formula being:

$$A = B / C$$

where:

A = number of Shares to be issued to Trudell;

B = the outstanding amount under the Trudell Convertible Notes; and

C = the "Conversion Price" (as defined in this Explanatory Memorandum).

For every 2 Shares issued upon conversion, the Company will issue 1 Option to Trudell. The terms of the Options are set out in Annexure C of this Explanatory Memorandum. For illustrative purposes, applying the Trudell Convertible Notes, at a conversion price of \$0.01, the Trudell Convertible Notes will convert to 45 million Shares and 22.5 million Options.

See Annexure B of the Explanatory Memorandum for more detail on the formula for the Conversion Price.

- (c) **If the securities are not fully paid shares, a summary of the material terms of the securities:**

The Trudell Convertible Notes are issued under a Convertible Note Deed Poll. The material terms of the Convertible Note Deed Poll are summarised in Annexure B to this Explanatory Memorandum. The material terms of the Options are set out in the Convertible Note Option Terms, a copy of which is attached to this Explanatory Memorandum as Annexure C.

- (d) **The date by which the entity will issue the securities:**

The Convertible Notes to Trudell will be issued no later than 1 month after the date of this Meeting.

- (e) **The issue price of the securities and a statement of the terms of the issue:**

The Company has received from Trudell \$450,000 in subscription funds provided by way of a loan (i.e. the Trudell Loan). If Resolution 6 is approved, the Trudell Loan will effectively be applied to the subscription price under the Trudell Convertible Notes. The Options are granted for no additional consideration but if exercised the Company would receive the exercise price under the relevant Option.

- (f) **The purpose of the issue, including the intended use of the funds raised:**

The original \$450,000 advanced by Trudell by way of a loan to the Company was used to support the ongoing roll-out of Adherium's proprietary Haile® Smartinhaler® platform in the United States and for general working capital purposes. On conversion of the Trudell Convertible Notes, no additional cash funds will be received by the Company, but the Company will have extinguished the interest payable due to Trudell under the Trudell Loan and applied the loan amount against the subscription price under the Trudell Convertible Notes. The

funds from any Options exercised are to be applied towards general working capital requirements.

- (g) **If the person is a Director and the issue is intended to remunerate or incentive the director, then details of the director's current remuneration package are:**
Not Applicable
- (h) **Summary of the terms if the Shares are to be issued under an agreement:**
The securities are issued under the Convertible Note Deed Poll. The material terms of the Convertible Note Deed Poll are summarised in Annexure B to this Explanatory Memorandum.
- (i) **A voting exclusion statement:**
A voting exclusion statement is provided above in this Notice.

7.6 Resolution 7 - Corporations Act Chapter 6 requirements

The Corporations Act sets out a number of regulatory requirements that must be satisfied in relation to the proposed acquisition of issued Shares where Trudell acquires a "relevant interest" of more than 20%. These are summarised below.

(a) Section 606(1) of the Corporations Act

Section 606(1) of the Corporations Act prohibits the acquisition of voting shares in a listed company if that acquisition results in a person's voting power increasing:

- (i) from 20% or below to more than 20%; or
- (ii) from a starting point above 20% and below 90%,

collectively the **Takeover Prohibition**.

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

Where Resolution 7 is approved and the conversion of the Trudell Convertible Notes and the exercise of Trudell's Options is undertaken, then Trudell would have a "relevant interest" of more than 20% in the Company's issued Shares.

(b) Section 611 (Item 7) of the Corporations Act

Section 611 (Item 7) of the Corporations Act provides an exception to the Takeover Prohibition described in 7.6(a) above. Specifically, section 611 (Item 7) of the Corporations Act allows a person and their associates to acquire a relevant interest in a company's voting shares with prior shareholder approval as an exception to the Takeover Prohibition.

On this basis and in accordance with section 611 (Item 7) of the Corporations Act, the Company seeks Shareholder approval for the conversion of the Trudell Convertible Notes and other convertible securities on issue as described in 7.3 above. In order to rely on section 611 (Item 7) of the Corporations Act, certain information is required to be provided to Shareholders. Accordingly, and for the purposes of the Corporations Act, the following information is disclosed:

- (i) **The identity of the person making the acquisition and its associates**
Trudell Medical Limited. Other than Mr George Baran, Trudell does not have any associates with a shareholding in the Company.
- (ii) **The maximum extent of the increase in voting power in the Company that would result from the conversion of the Trudell Convertible Notes and exercise of all Options held by Trudell (and as a consequence Mr Baran)**
As at the date of this Notice, Trudell has a voting power in the Company of 18.45%. Upon conversion of all of the Trudell Convertible Notes and exercise of all Options, Trudell's voting power would be 31.1%. This is an increase in 12.65% voting power in the Company. This calculation assumes that all the conversions of the Trudell Convertible Notes and the exercise of the Options occur before the expiry dates / maturity dates as detailed in the table in 7.3 above.
- (iii) **The voting power Trudell would have as a result of the conversion of the Trudell Convertible Notes and exercise of all Options held by Trudell (and as consequence Mr Baran)**
As noted above, upon conversion of all of the Trudell Convertible Notes and exercise of all Options, Trudell's voting power (and as a consequence Mr Baran's voting power) would be 31.1%.
- (iv) **Trudell's intentions for the Company after the conversion of the Trudell Convertible Notes and exercise of all Options held by Trudell**
Other than as described elsewhere in this Notice of Meeting, Trudell (and as a consequence Mr Baran) have informed the Company that they intend:
 - (A) *to continue with their nominee already on the Board (namely George Baran);*
 - (B) *not to participate in any new capital raisings which may result in any increase in their relevant interest by more than 3% in a 6-month period;*
 - (C) *not to be actively involved in the management of the Company;*
 - (D) *not to make any changes to the business of the Company, deployment of its assets or employment of present employees of the Company engaged in the business;*
 - (E) *not to make any significant change to the financial policy of the Company, including its dividend or distribution policy.*
- (v) **What is the reason for the acquisition / conversion of the Trudell Convertible Notes / exercise of the Options**
The Shares acquired or to be acquired (including Shares on exercise of any Options) provide working capital for the Company and provided support to the Company in its recent capital raising activities (including its 2025 ANREO).
- (vi) **What are the interests of the Directors of the Company in the conversion of the Trudell Convertible Notes**
Trudell is a company associated and controlled by Mr George Baran.
- (vii) **Changes to the composition of the Board**
Under the terms of the Trudell Convertible Notes or the Options, there are no proposed changes to the composition of the Board.
- (viii) **Other relevant information**

There are no other agreements, understandings or arrangements between Trudell (including Mr Baran) and the Company relevant to their voting power or disposal rights over the Company's Shares.

7.7 Potential advantages and disadvantages of the conversion of the Trudell Convertible Notes

Advantages

In the Board's view, the advantages of the conversion of the Trudell Convertible Notes are:

- No cash payment/outflow required by the Company;
- Potential for future additional funding from Trudell;
- The issue of Trudell Convertible Notes are consistent with the previous issue of 2025 Convertible Notes approved by Shareholders on 29 April 2025; and
- Aligning long term interests of Trudell; and
- The funds received from the possible exercise of the attaching Options further enables the Company to fund its working capital requirements.

Disadvantages

In the Board's view, the disadvantages of the conversion of the Trudell Convertible Notes are:

- the issue of Shares and attaching Options would increase Trudell's shareholding in the Company, which could exercise a significant degree of control of the Company's business directions and also in any subsequent takeover or merger transaction and voting at shareholder meetings; and
- existing Shareholders will be significantly diluted.

7.8 Independent Expert's Report

ASIC regulatory guide provides for the provision to Shareholders of an Independent Expert's Report (**IER**) on the fairness and reasonableness of the issue of the Shares to Trudell on (i) the conversion of the Trudell Convertible Notes; and (ii) the exercise of the Options held by Trudell – where that issue would result in Trudell (when combined with its existing Shares) having a "relevant interest" in issued Shares of more than 20%. A copy of the IER, prepared by RSM Corporate Australia Pty Ltd is contained in **Annexure F** of this Notice of Meeting.

This Notice of Meeting and IER can be accessed on the Company's website, www.adherium.com.au, and a copy will be provided to every Shareholder in accordance with the provisions of the Corporations Act.

If all of Trudell Convertible Notes are converted and all of the Options held by Trudell are exercised, the relevant interest of Trudell will be an aggregate 31.1%. The Company's existing non-associated Shareholders' voting interest will be diluted from 63.1% to 38.1%.

The IER has concluded that, in the absence of a superior alternative transaction or any other information, the conversion of the Trudell Convertible Notes plus exercise of the Options held by Trudell (and the resulting acquisition of the voting power and relevant interests in the Company's Shares by Trudell (or their nominees)), is not fair but reasonable to the current non-associated Shareholders of the Company.

The advantages and disadvantages of the acquisition of the voting power and interest by Trudell (or its nominees) are outlined in the IER (section 8.3 of the IER) and are provided to assist the current non-associated Shareholders of the Company in making their determination whether they are better off if the acquisition of the voting power and relevant interest by Trudell (or its nominees) did not proceed.

The advantages stated in the IER are:

- No cash payment/outflow required by the Company;
- Potential for future additional funding from both Trudell;
- The issue of Trudell Convertible Notes are consistent with the previous issue of 2025 Convertible Notes approved by Shareholders on 29 April 2025; and
- Aligning long term interests of Trudell.

The disadvantages stated in the IER are:

- As set out in the IER, as the Fair Value of a Share (on a non-controlling basis) immediately after the conversion of the Trudell Convertible Notes, is less than the Fair Value of a Share (on a controlling basis) prior to the issue of the Shares, the issue of the Shares is not fair.
- Trudell will hold a 31.1% interest in the Company immediately after the conversion of the Trudell Convertible Notes and Options. Accordingly, we consider that Trudell will have significant influence on the strategic direction of the Company including the ability to block takeover offers and proposed special resolutions of the Company, as compared to non-associated Shareholders (with portfolio interests in the Company)
- Non-associated Shareholders' interests will be diluted from 63.1% to 38.1% immediately following the approval of the issue of the Shares and attaching Options under the conversion of the Trudell Convertible Notes.
- The dilution of existing Shareholders' interests reduces the ability of existing shareholders to influence the strategic direction of the Company, including acceptance or rejection of takeover or merger proposal.

Shareholders are urged to carefully read the IER in its entirety before deciding how to vote on Resolution 7.

If you have any doubt or do not understand any of Resolution 7, it is strongly recommended that you seek advice from an accountant, solicitor or other professional advisor.

7.9 Consequences if Resolutions 6 and 7

If Resolution 6 is passed, the Company will issue the additional Trudell Convertible Notes (capable of being converted into Shares and Options) to Trudell. If Resolution 6 is not approved, the current principal loan of \$450,000 provided by Trudell to the Company will remain and will be subject to an interest rate of 10% per annum. To this end, the Trudell Loan (including all interest accrued) will be payable by being 9 months from the date of the Subscription Agreement.

If Resolution 7 is approved, Trudell may convert the Trudell Convertible Notes and exercise all of the Options held by Trudell - thereby acquiring a "relevant interest" of more than 20% in the Company. If Resolution 7 is not approved, the Company will:

- not be able to proceed with the issue of the Shares and attaching Options on the conversion of the Trudell Convertible Notes / the exercise of the Options held by

- Trudell – to the extent Trudell acquires a "relevant interest" of more than 20% of the then issued Shares in the Company; and
- the Company will be required to repay the amount advanced plus interest under the Trudell Loan in respect of the Trudell Convertible Notes (which are unable to be converted).

7.10 Board Recommendation

The Directors are of the view that the issue of and the conversion of the Trudell Convertible Notes and Options held by Trudell is of significant benefit to the Company to provide working capital for the Company's immediate requirements. The Directors (except for Mr George Baran) recommend that Shareholders vote in favour of Resolutions 6 and 7. The Chair intends to vote undirected proxies in favour of Resolutions 6 and 7.

8. Resolutions 8 and 9 - Approval of (i) issue of convertible notes to Phillip Asset Management Limited in its capacity as trustee of the BioScience Managers Translation Fund I (and the underlying Shares and Options on conversion) plus (ii) Corporations Act Chapter 6 approval

8.1 Background

Resolutions 8 and 9 concern the proposed issue of securities in the Company to Phillip Asset Management Limited in its capacity as trustee of the BioScience Managers Translation Fund I (**PAM**) where:

- In May 2025 PAM entered into a subscription agreement with the Company, subject to Shareholder approval, to subscribe \$450,000 for the issue of convertible notes (**Resolution 8**); and
- the Company is seeking Shareholder approval for PAM potentially increasing its "relevant interest" in issued Shares in the Company in excess of 20% where all of its convertible notes and Options held by PAM are converted into Shares (**Resolution 9**).

8.2 Additional background on Resolution 8

The Company entered into a subscription agreement (**Subscription Agreement**) with PAM under which PAM agreed (i) to subscribe (subject to Shareholder approval) for 450,000 convertible notes; and (ii) to advance to the Company on signing the Subscription Agreement the aggregate subscription amount by way of a loan to the Company of \$450,000 (**PAM Loan**). PAM is an independent trustee which is advised by Bioscience Managers Pty Ltd. Mr Curnock-Cook (who is a non-executive director of the Company is a shareholder of Bioscience Managers Pty Ltd but is excluded from the investment recommendations by Bioscience Managers Pty Ltd to PAM). The PAM Loan:

- attracts interest from the date of the Subscription Agreement at a rate of 10% per annum; and
- if not converted to a convertible note (which is subject to Shareholder approval) is repayable by the Company to PAM with all accrued interest 9 months from the date of the Subscription Agreement (unless otherwise agreed by the parties).

Resolution 8 is seeking Shareholder approval for the proposed issue of those 450,000 convertible notes to PAM and the possible conversion into Shares and Options on the

terms of the Convertible Note Deed Poll (**PAM Convertible Notes**). A summary of the material terms of the Convertible Note Deed Poll are set out in **Annexure B** of this Explanatory Memorandum. Please note that any Options issued to PAM on conversion under the PAM Convertible Notes will have the option terms as set out in **Annexure C** of this Explanatory Memorandum (**Convertible Note Option Terms**).

8.3 Additional background on Resolution 9

Resolution 9 Shareholder approval is sought under Chapter 6 of the Corporations Act for PAM to increase its "relevant interest" in Shares in the Company to more than 20% of the Company's issued Shares resulting from the conversion or exercise (as the case maybe) of the Convertible notes (including those issued under Resolution 8) and Options held by PAM when combined with the existing issued Shares held by PAM.

PAM:

- currently holds 18.45% of the Company's issued share capital;
- currently holds 192,518,246 Options;
- has been issued 1,200,000 convertible notes as approved by Shareholders on 29 April 2025 (**Existing Convertible Notes**) less 266,000 converted to Shares in June 2025; and
- subject to Shareholder approval under **Resolution 8**, will be issued 450,000 additional PAM Convertible Notes.

Details of PAM's interests are summarised below –

Description	Number of Securities	Expiry dates / maturity dates (if any)	% of the issued share capital
Existing Shares held by PAM	343,770,320	-	18.45%
Existing Options held by PAM	164,999,999 Options (ANREO Options) Where the ANREO Options are exercised before 15 November 2025, PAM will be issued a further 82,499,999 bonus Options (Bonus Options) 27,518,247 Options issued under the Existing Convertible Notes (Existing Convertible Note Options) 225,000 Options proposed to be issued under the New Proposed Convertible Notes (New CN Options)	ANREO Options: 31 July 2026 Bonus Options: 15 November 2026 Existing Convertible Note Options: 28 February 2028 New CN Options: Expiring 3 years from date of issue	-
Existing Convertible Notes held by PAM	934,000	Convertible Notes have a maturity date of 9 months from the date of issue (being 20 February 2026).	-

New proposed PAM Convertible Notes to be issued if Resolution 8 is approved	450,000	Convertible Notes have a maturity date of 9 months from the date of issue.	-
Number of Shares held if all Convertible Notes and Options are converted	951,488,566	-	30.8%

If Resolutions 8 and 9 are approved and all of the PAM Convertible Notes and Options are converted / exercised, PAM's "relevant interest" will be an aggregate 30.8% and the Company's existing non-associated Shareholders' voting interest will be diluted from 63.1% to 38.1%.

8.4 Resolution 8 - ASX regulatory Requirements

The Company has not treated PAM as subject to ASX Listing Rule 10.11 but the issue of the convertible notes to PAM is subject to ASX Listing Rule 7.1. Accordingly the Company is seeking shareholder approval to issue \$450,000 PAM Convertible Notes and the underlying Shares and Options upon conversion of the PAM Convertible Notes to PAM (the **Issue**).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The Issue does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's shareholders under Listing Rule 7.1. Resolution 8 seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 7.1.

If Resolution 8 is passed, the Company will be able to proceed with the issue of the PAM Convertible Notes, Shares and attaching Options to PAM without using any of the Company's 15% Placement Capacity. In addition, the issue of the PAM Convertible Notes, Shares and attaching Options under Resolution 8 will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If this Resolution 8 is not passed, the Company will not be able to proceed with the Issue and the PAM Loan and its interest will be repayable by the Company to PAM within 9 months from the date of the agreement.

8.5 Resolution 8 - ASX Listing Rules LR 7.3 disclosure requirements

ASX Listing Rule 7.3 requires that a notice of meeting pursuant to which Shareholders are requested to consider approving an issue of shares pursuant to ASX Listing Rule 7.1 must include certain specified information in relation to the securities to be issued, as follows.

- (a) **The names of the persons to whom the Company will issue the securities (or the basis on which the persons were identified or selected):**

Phillip Asset Management Limited (or its nominee)

- (b) **Number and class of securities to be issued:**

450,000 PAM Convertible Notes with a face value of \$450,000 are to be issued. Fully paid ordinary shares (and the attaching Options) will be issued on conversion of the PAM Convertible Notes. The number of Shares that can be issued is subject to a conversion formula being:

$$A = B / C$$

where:

A = number of Shares to be issued to PAM;

B = the outstanding amount under the PAM Convertible Notes; and

C = the "Conversion Price" (as defined in this Explanatory Memorandum).

For every 2 Shares issued upon conversion, the Company will issue 1 Option to PAM. The terms of the Options are set out in Annexure C of this Explanatory Memorandum.

For illustrative purposes, applying the PAM Convertible Notes, at a conversion price of \$0.01, the Loan Notes will convert into 45 million Shares and 22.5 million Options. See Annexure B of the Explanatory Memorandum for more detail on the formula for the Conversion Price.

- (c) **If the securities are not fully paid ordinary securities, a summary of the material terms of the securities:**

The PAM Convertible Notes will be subject to the Convertible Note Deed Poll. The material terms of the Convertible Note Deed Poll are summarised in Annexure B of this Explanatory Memorandum. Any Options issued on conversion of the PAM Convertible Notes will be subject to the Convertible Note Option Terms, a copy of which is included in Annexure C of this Explanatory Memorandum.

- (d) **Date which the securities are to be issued:**

The Convertible Notes to PAM would be issued within 3 months after the date of this Meeting.

- (e) **The issue price or other consideration the Company will receive for the issue of the securities:**

The Company has received \$450,000 in subscription funds provided by way of the PAM Loan from PAM. If Resolution 8 is approved, the loan will effectively be applied to the subscription price under the PAM Convertible Notes (removing the Company's liability to pay interest under the PAM Loan). The Options are granted for no additional consideration but if exercised the Company would receive the exercise price under the relevant Option.

- (f) **The purpose of the issue, including the intended use of the funds raised by the issue:**

The original \$450,000 advanced by PAM by way of the PAM Loan to the Company was used to support the ongoing roll-out of Adherium's proprietary Hailie® Smartinhaler® platform in the United States and for general working capital purposes. On conversion of the PAM Convertible Notes, no additional cash funds will be received by the Company, but the Company will have

extinguished the interest payable due to PAM under the loan and applied the loan amount against the subscription price under the PAM Convertible Notes. The funds from any Options exercised are to be applied towards general working capital requirements.

(g) The summary of the material terms of the agreement under which the securities were issued:

The securities are issued under a Convertible Note Deed Poll. The material terms of the Convertible Note Deed Poll are summarised in Annexure B to this Explanatory Memorandum.

(h) If the securities are being issued under or to fund a reverse takeover, information about the reverse takeover:

The PAM Convertible Notes and underlying Shares and Options are not being issued under or to fund a reverse takeover.

(i) A voting exclusion statement:

A voting exclusion statement is provided above in this Notice.

8.6 Resolution 9 - Corporations Act regulatory requirements

The Corporations Act sets out a number of regulatory requirements that must be satisfied in relation to the proposed issue of securities under Resolution 9. These are summarised below.

(a) Section 606(1) of the Corporations Act

Section 606(1) of the Corporations Act prohibits the acquisition of voting shares in a listed company if that acquisition results in a person's voting power increasing:

- (iii) from 20% or below to more than 20%; or
- (iv) from a starting point above 20% and below 90%,

collectively the **Takeover Prohibition**.

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

Where Resolution 9 is approved conversion of the PAM Convertible Notes the subject of Resolution 9 is completed, then PAM would have a "relevant interest" of more than 20% in the Company.

(b) Section 611 (Item 7) of the Corporations Act

Section 611 (Item 7) of the Corporations Act provides an exception to the Takeover Prohibition described in 8.4(a) above. Specifically, section 611 (Item 7) of the Corporations Act allows a person and their associates to acquire a relevant interest in a company's voting shares with prior shareholder approval as an exception to the Takeover Prohibition.

On this basis and in accordance with section 611 (Item 7) of the Corporations Act, the Company seeks Shareholder approval for the proposed issue of the Shares to PAM. In order to rely on section 611 (Item 7) of the Corporations Act, certain information is

required to be provided to Shareholders. Accordingly, and for the purposes of the Corporations Act, the following information is disclosed:

- (i) **The identity of the person acquiring shares and its associates:**
Phillip Asset Management Limited in its capacity as trustee of the BioScience Managers Translation Fund I. PAM does not have any associates with a shareholding in the Company.
- (ii) **The maximum extent of the increase in voting power in the Company that would result from the conversion of the PAM Convertible Notes and exercise of all Options held by PAM:**
As at the date of this Notice, PAM has a voting power in the Company of 18.45%. On completion of the conversion of the PAM Convertible Notes and exercise of all Options, PAM's voting power would be 30.8%. This is an increase in 12.35% voting power in the Company. This calculation assumes that all the conversions of the PAM Convertible Notes and the exercise of the Options occur before the expiry dates / maturity dates as detailed in the table in 8.3 above.
- (iii) **The voting power that the person would have as a result of the conversion of the PAM Convertible Notes and exercise of all Options held by PAM:**
As noted above, upon conversion of all of the PAM Convertible Notes and exercise of all Options, PAM's voting power would be 30.8%.
- (iv) **PAM's Intentions for the Company after the conversion of the PAM Convertible Notes and exercise of all Options held by PAM:**
Other than as described elsewhere in this Notice of Meeting, PAM has informed the Company that it intends:
 - (A) *not to be actively involved in the management of the Company (it will not appoint a director);*
 - (B) *not to participate in any new capital raisings which may result in any increase in their relevant interest by more than 3% in a 6-month period;*
 - (C) *not to make any changes to the business of the Company, deployment of its assets or employment of present employees of the Company engaged in the business;*
 - (D) *not to make any significant change to the financial policy of the Company, including its dividend or distribution policy.*
- (v) **What is the reason for the acquisition / conversion of the PAM Convertible Notes / exercise of the options:**
The Shares acquired or to be acquired (including Shares on exercise of any Options) provide working capital for the Company and provided support to the Company in its recent capital raising activities (including its 2025 ANREO).
- (vi) **What are the interests of the Directors of the Company in the conversion of the PAM Convertible Notes:**
No director has an interest in PAM or the BioScience Managers Translation Fund I.
- (vii) **Changes to the composition of the Board:**
Under the terms of the PAM Convertible Notes or the Options, there are no proposed changes to the composition of the Board.

(viii) **Other relevant information:**

There are no other agreements, understandings or arrangements between PAM and the Company relevant to its voting power or disposal rights over the Company's Shares.

8.7 Potential advantages and disadvantages of the conversion of the PAM Convertible Notes

Advantages

In the Board's view, the advantages are:

- No cash payment/outflow required by the Company;
- Potential for future additional funding from PAM;
- The issue of PAM Convertible Notes are consistent with the previous issue of 2025 Convertible Notes approved by Shareholders on 29 April 2025; and
- Aligning long term interests of PAM; and
- The funds received from the possible exercise of the Options would enable the Company to fund its working capital requirements.

Disadvantages

In the Board's view, the disadvantages are:

- the issue of Shares and attaching Options would increase PAM's shareholding in the Company, which could exercise a significant degree of control of the Company's business directions and also in any subsequent takeover or merger transaction and voting at shareholder meetings; and
- existing Shareholders will be significantly diluted.

8.8 Independent Expert's Report

ASIC regulatory guide provides for the provision to Shareholders of an Independent Expert's Report (**IER**) on the fairness and reasonableness of the issue of the Shares to PAM on (i) the conversion of the PAM Convertible Notes; and (ii) the exercise of the Options held by PAM – where that issue would result in PAM (when combined with its existing Shares) having a "*relevant interest*" in issued Shares of more than 20%. A copy of the IER, prepared by RSM Corporate Australia Pty Ltd is contained in **Annexure F** of this Notice of Meeting.

This Notice of Meeting and IER can be accessed on the Company's website, www.adherium.com.au, and a copy will be provided to every Shareholder in accordance with the provisions of the Corporations Act.

If all of PAM Convertible Notes are converted and all of the Options held by PAM are exercised, the relevant interest of PAM will be an aggregate 30.8%. The Company's existing non-associated Shareholders' voting interest will be diluted from 63.1% to 38.1%.

The IER has concluded that, in the absence of a superior alternative transaction or any other information, the conversion of the PAM Convertible Notes plus exercise of the Options held by PAM (and the resulting acquisition of the voting power and relevant interests in the Company's Shares by PAM (or its nominees)), is not fair but reasonable to the current non-associated Shareholders of the Company.

The advantages and disadvantages of the acquisition of the voting power and interest by PAM (or its nominees) are outlined in the IER (section 8.3 of the IER) and are provided to assist the current non-associated Shareholders of the Company in making their determination whether they are better off if the acquisition of the voting power and relevant interest by PAM (or its nominees) did not proceed.

The advantages stated in the IER are:

- No cash payment/outflow required by the Company;
- Potential for future additional funding from PAM;
- The issue of PAM Convertible Notes are consistent with the previous issue of 2025 Convertible Notes approved by Shareholders on 29 April 2025; and
- Aligning long term interests of PAM.

The disadvantages stated in the IER are:

- As set out in the IER, as the Fair Value of a Share (on a non-controlling basis) immediately after the conversion of the PAM Convertible Notes, is less than the Fair Value of a Share (on a controlling basis) prior to the issue of the Shares, the issue of the Shares is not fair.
- PAM will hold a 30.8% interest in the Company immediately after the conversion of the PAM Convertible Notes and exercise of the Options. Accordingly, we consider that PAM will have significant influence on the strategic direction of the Company including the ability to block takeover offers and proposed special resolutions of the Company as compared to non-associated Shareholders (with portfolio interests in the Company)
- Non-associated Shareholders' interests will be diluted from 63.1% to 38.1% immediately following the approval of the issue of the Shares and attaching Options under the conversion of the PAM Convertible Notes.
- The dilution of existing Shareholders' interests reduces the ability of existing shareholders to influence the strategic direction of the Company, including acceptance or rejection of takeover or merger proposal.

Shareholders are urged to carefully read the IER in its entirety before deciding how to vote on Resolution 9.

If you have any doubt or do not understand any of Resolution 9, it is strongly recommended that you seek advice from an accountant, solicitor or other professional advisor.

8.9 Consequences if Resolutions 8 and 9 are and are not approved

If Resolution 8 is passed, the Company will issue the additional PAM Convertible Notes (capable of being converted into Shares and Options) to PAM. If Resolution 8 is not approved, the current principal loan of \$450,000 provided by PAM to the Company will remain and will be subject to an interest rate of 10% per annum. To this end, the PAM Loan (including all interest accrued) will be payable by being 9 months from the date of the Subscription Agreement.

If Resolution 9 is approved, PAM may convert the PAM Convertible Notes and exercise all of the Options held by Pam - thereby acquiring a "relevant interest" of more than 20% in the Company. If Resolution 9 is not approved, the Company will:

- not be able to proceed with the issue of the Shares and attaching Options on the conversion of the PAM Convertible Notes / the exercise of the Options held by PAM - to the extent PAM acquires a "relevant interest" of more than 20% of the then

- issued Shares in the Company PAM acquires a "relevant interest" of more than 20% of the then issued Shares in the Company; and
- the Company will be required to repay the amount advanced plus interest under the PAM Loan in respect of the PAM Convertible Notes (which are unable to be converted).

8.10 Board Recommendation

The Directors are of the view that the conversion of the PAM Convertible Notes is of significant benefit to the Company to provide working capital for the Company's immediate requirements and unanimously recommend that Shareholders vote in favour of Resolution 9. The Chair intends to vote undirected proxies in favour of Resolution 9.

9. Resolution 10 – Ratification of Shares and Options issued under Placement

9.1 Background

On 4 August 2025 (**Placement Date**), the Company issued 70.2 million Shares together with 1 Option for every Share issued under the Placement (plus where the Option is exercised prior to 15 November 2025, an additional bonus Option) to sophisticated or professional investors at an issue price of \$0.005 per Share (**Placement**).

The Options issued under the Placement have the terms set out in Annexure D of this Explanatory Memorandum (**Placement Options Terms**).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Placement does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Placement Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval / ratification for such issues under Listing Rule 7.1.

To this end, Resolution 10 seeks Shareholder ratification of the Shares and Options issued under the Placement under and for the purposes of Listing Rule 7.4.

If this Resolution 10 is passed, the Shares and Options issued under the Placement will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively

increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Placement Date.

If this Resolution 10 is not passed, the Placement will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Placement Date.

9.2 ASX Listing Rules

ASX Listing Rule 7.5 requires that the meeting documents concerning a proposed resolution to ratify an issue of securities in accordance with ASX Listing Rule 7.4 must include the following information:

- (a) **The names of the allottee:**
Sophisticated and professional investors
- (b) **The number of securities the entity issued:**
A total of 70.2 million Shares and 70.2 million Options in the capital of the Company. Where all of the Options issued under the Placement are exercised prior to 15 November 2025, 70.2 million bonus Options will be issued.
- (c) **The date the securities were issued:**
4 August 2025
- (d) **The issue price of the securities:**
\$0.005 per Share with 1 free attaching Option (plus where the Option is exercised prior to 15 November 2025, an additional bonus Option), resulting in the receipt by the Company of total subscription funds of \$350,000.
- (e) **The purpose and intended use of the funds raised:**
To allow the Company to execute its growth plan and provide balance sheet strength.
- (f) **If the securities were issued under an agreement, a summary of the material terms of the agreement:**
The securities were not issued under an agreement with the Company.
- (g) **A voting exclusion statement:**
A voting exclusion statement is provided above in this Notice.

9.3 Board recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 10. The Chair intends to vote undirected proxies in favour of this Resolution 10.

10. Resolution 11 - Approval of issue of Joint Lead Managers Options

10.1 Background

PAC Partners Securities Pty Ltd and Stralis Capital Partners Pty Ltd acted as joint lead managers (**Joint Lead Managers**) to the raising of the convertible notes (as detailed in Resolutions 6 and 8) and the Placement (as detailed in Resolution 10). The Company agreed to issue 50 million Options to the Joint Lead Managers (and/or its nominee(s)) with an exercise price of \$0.02 and expiring three years from date of issue (**Joint Lead**

Managers Options). The Joint Lead Managers Options have the terms and conditions as detailed in **Annexure E**.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Joint Lead Managers Options does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 11 seeks the required Shareholder approval for the issue of the Joint Lead Managers Options under and for the purposes of Listing Rule 7.1.

If this Resolution 11 is passed, the Company will be able to proceed with the issue of the Joint Lead Managers Options. In addition, the issue of the Joint Lead Managers Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If this Resolution 8 is not passed, the Company will not be able to proceed with the issue of the Joint Lead Managers Options at this time and will be required to issue the Joint Lead Managers Options when it has capacity, thereby reducing the Company's capacity to issue securities for future capital raisings.

10.2 ASX Listing Rules

ASX Listing Rule 7.3 requires that a notice of meeting pursuant to which Shareholders are requested to consider approving an issue of shares pursuant to ASX Listing Rule 7.1 must include certain specified information in relation to the securities to be issued, as follows.

- (a) **The names of the persons to whom the Company will issue the securities (or the basis on which the persons were identified or selected):**
PAC Partners Securities Pty Ltd ACN 623 653 912 AFSL 335374 (and/or its nominee(s)) and Stralis Capital Partners Pty Ltd ACN 681 589 515 CAR Number 001312157 (and/or its nominee(s))
- (b) **Number and class of securities to be issued:**
50 million Options expiring three years from date of issue with an exercise price of \$0.02
- (c) **If the securities are not fully paid ordinary securities, a summary of the material terms of the securities:**
The terms and conditions of the Joint Lead Managers Options are detailed in Annexure E
- (d) **Date which the securities are to be issued:**
No later than 3 months after the date of this Meeting
- (e) **The issue price or other consideration the Company will receive for the issue of the securities:**
The Joint Lead Managers Options will be issued for no consideration. The Joint Lead Managers Options are proposed to be issued as part-consideration for the

Joint Lead Managers' services to the Company of acting as joint lead managers in relation to the raising of convertible notes and the Placement.

(f) The purpose of the issue, including the intended use of the funds raised by the issue:

No funds will be raised from the issue of the Joint Lead Managers Options as they are being issued for no consideration to the Joint Lead Managers (or its nominee(s)).

(g) The summary of the material terms of an agreement under which the securities were issued:

The Joint Lead Managers Options are being issued pursuant to a mandate entered into between the Company and the Joint Lead Managers. The mandate provides that in consideration for the Joint Lead Managers providing joint lead manager services to the Company in relation to the raising of convertible notes and the Placement, the Company will:

- (i) a \$15,000 (before GST) retainer per month until completion of the Placement or termination of the mandate;*
- (ii) pay a cash fee to the Joint Lead Managers of 6% of the total amount raised under both the raising of convertible notes and the Placement; and*
- (iii) issue to the Joint Lead Managers (and/or its nominee(s)) the Joint Lead Managers Options.*

(h) If the securities are being issued under or to fund a reverse takeover, information about the reverse takeover:

The Shares the subject of Resolution 11 are not being issued under or to fund a reverse takeover.

(i) A voting exclusion statement:

A voting exclusion statement is provided above in this Notice.

10.3 Board recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 11. The Chair intends to vote undirected proxies in favour of this Resolution 11.

11. Resolution 12 – Issue of Shares and Options to Keven Gessner under Placement

11.1 Background

Under the Placement, as detailed in Resolution 10, Keven Gessner committed to take up \$20,000, being for 4 million Shares and 4 million Options (plus where an Option is exercised prior to 15 November 2025, an additional Bonus Option), under the Placement subject to Shareholder Approval.

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party;

- (b) a person who is, or was at any time in the six months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the six months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in (a) to (c); or
- (e) a person whose relationship with the company or a person referred to in (a) to (d) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Shares and Options under Resolution 12 to Mr Gessner falls within paragraph (a) above (being Listing Rule 10.11.1), as Mr Gessner is a related party of the Company by virtue of being a Director and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 12 seeks the required Shareholder approval to issue the Shares and Options to Mr Gessner under and for the purposes of Listing Rule 10.11.

If Resolution 12 is passed, the Company will be able to proceed with the issue of the Shares and Options to Mr Gessner (and/or his respective nominee(s)) without using any of the Company's 15% Placement Capacity. In addition, the issue of the Shares and Options to Mr Gessner will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 12 is not passed, the Company will not be able to proceed with the issue of the Shares and Options to Mr Gessner and the Company will not receive the \$20,000 committed by Mr Gessner under the Placement.

The Company has not sought Shareholder approval under Chapter 2E of the Corporations Act for a 'related party' transaction as the Board believes that the proposed issue of the Shares and Options to Mr Gessner, being on the same terms to unrelated investors under the Placement, is on reasonable commercial terms

11.2 ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A "related party" (as defined in the ASX Listing Rules) includes the directors of the listed company.

ASX Listing Rule 10.13 requires that the notice in relation to a proposed resolution to approve an issue of securities to a related party, include the following information:

- (a) **The names of the person to whom the securities will be issued:**
Keven Gessner
- (b) **The category the person falls within and why:**

Mr Gessner falls within Listing Rule 10.11.1 as he is a Director and therefore is a related party of the Company

- (c) **The maximum number of securities to be issued to Mr Gessner:**
4 million Shares and 4 million Options.

Where all of the Options are exercised prior to 15 November 2025, Mr Gessner will received 4 million bonus Options.

- (d) **The date by which the entity will issue the securities:**
The Shares and the Options issued on settlement of this placement will be issued no later than 1 month after the date of this Meeting.

- (e) **The issue price of the securities and a statement of the terms of the issue:**
\$20,000

- (f) **The purpose of the issue, including the intended use of the funds raised:**
Allow the Company to execute its growth plan and provide balance sheet strength

- (g) **If the person the person is a Director and the issue is intended to remunerate or incentive the director, then details of the director's current remuneration package are:**
Mr Gessner's current remuneration package is \$50,000 (exclusive of superannuation) annually.

- (h) **Summary of the terms if the Shares are to be issued under an agreement:**
The securities were not issued under an agreement with the Company.

- (i) **A voting exclusion statement:**
A voting exclusion statement is provided above in this Notice.

Other than the information above and otherwise detailed in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 12.

11.3 Board recommendation

The Directors (except Keven Gessner) recommend that Shareholders vote in favour of Resolution 12. The Chair intends to vote undirected proxies in favour of this Resolution 12.

12. Resolutions 13 and 14 - Approval of proposed Share issues to Jeremy Curnock Cook and George Baran in lieu of payment of accrued director fees

12.1 Background

As part of a general cash costs saving initiative and to align with Shareholder interests, the Company is proposing to issue Jeremy Curnock Cook and George Baran Shares in lieu of their accrued director fees in cash, where the number of Shares to be issued to Jeremy Curnock Cook and George Baran is calculated by dividing their accrued director fees by a 20-day VWAP of the Shares as traded on the ASX up to the business day prior to 9 September 2025

Resolutions 13 and 14 being put to Shareholders seek approval to issue Shares in lieu of the director fees for Jeremy Curnock Cook and George Baran accrued until 30 June 2025. No Shares (in lieu of director fees) have been issued yet in relation to this period.

The director fees to be taken as Shares instead of in cash payments, subject to Shareholder approval, are as follows:

Director name	Accrued director fees (as at 30 June 2025)	20-day VWAP of Shares	Shares to be issued in lieu of accrued director fees
George Baran	\$200,000	\$0.005	40,000,000
Jeremy Curnock Cook	\$95,000	\$0.005	19,000,000

12.2 Regulatory requirements

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the six months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the six months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in (a) to (c); or
- (e) a person whose relationship with the company or a person referred to in (a) to (d) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Shares under Resolutions 13 and 14 to Jeremy Curnock Cook and George Baran falls within paragraph (a) above (being Listing Rule 10.11.1) by virtue of being Directors and therefore a related party of the Company, and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 13 and 14 seek the required Shareholder approval to enable the Company to issue Shares to Jeremy Curnock Cook and George Baran under and for the purposes of Listing Rule 10.11.

Pursuant to the Corporations Act, the provision of any financial benefit to a related party requires Shareholder approval in accordance with the procedure set out in Part 2E.1 of that Act, unless one of a number of exceptions applies. Part 2E.1 applies to the issuance of securities to a related party by the Company to a related party. A

“related party” (as defined in the Act) includes the Directors of the Company and their controlled entities.

With respect to Resolutions 13 and 14, the Board is of the view that the Shares proposed to be issued to Jeremy Curnock Cook and George Baran in lieu of accrued director fees would be issued upon terms that would meet both the "arm's length terms" and the "reasonable remuneration" criteria of Section 210 of the *Corporations Act* (and would therefore be exempt from the need to seek Shareholder approval pursuant to the *Corporations Act*).

12.3 ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A "related party" (as defined in the ASX Listing Rules) includes the directors of the listed company.

ASX Listing Rule 10.13 requires that the notice in relation to a proposed resolution to approve an issue of securities to a related party, include the following information:

- (a) **The names of the person to whom the securities may be issued:**
Jeremy Curnock Cook and George Baran
- (b) **The category the person falls within and why:**
Jeremy Curnock Cook and George Baran, being Directors, fall within Listing Rule 10.11.1 as they are a related parties of the Company
- (c) **The maximum number of securities to be issued to the Directors:**
The maximum number of Shares to Jeremy Curnock Cook will total 40,000,000.

The maximum number of Shares to George Baran will total 19,000,000.

The number of Shares to be issued is calculated by dividing the amount of the Director's fees by the 20-day VWAP price of Shares as traded on the ASX up to the business day prior to 9 September 2025.
- (d) **The date by which the entity will issue the securities:**
No later than 1 month after the date of this Meeting.
- (e) **The issue price of the securities and a statement of the terms of the issue:**
The Shares will be issued for nil issue price.
- (f) **The purpose of the issue, including the intended use of the funds raised:**
There will be no funds raised from the issue of the Shares, but there will be a saving on the Company's cash resources of \$295,000 which would otherwise be payable as cash to Jeremy Curnock Cook and George Baran.
- (g) **If the person is a Director and the issue is intended to remunerate or incentive the director, then details of the director's current remuneration package are:**

Director name	Remuneration for the financial year ending 30 June 2025 (\$AUD)
George Baran	\$50,000 (including superannuation and non-cash share based payments)

Jeremy Curnock Cook	\$50,000 (including superannuation and non-cash share based payments)
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(h) **Summary of the terms if the Shares are to be issued under an agreement:**
The Shares are not proposed to be issued under an agreement with the Company.

(i) **A voting exclusion statement:**
A voting exclusion statement is provided above in this Notice.

Other than the information above and otherwise detailed in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolutions 13 and 14.

12.4 Board recommendation – Resolution 13

The Directors (except for George Baran) recommend that Shareholders vote in favour of Resolution 13. The Chair intends to vote undirected proxies in favour of this Resolutions 12

12.5 Board recommendation – Resolution 14

The Directors (except for Jeremy Curnock Cook) recommend that Shareholders vote in favour of Resolution 14. The Chair intends to vote undirected proxies in favour of this Resolutions 13

13. Resolutions 15 to 18: Approval of issue of Shares under the Employee Share Scheme to Directors in lieu of future Director fees

13.1 Background

As part of a general cash costs saving initiative and to align with Shareholder interests, the Company is proposing to offer to each of the Directors (except for Bruce McHarrie) the option to elect from time to time for their director fees to be paid in Shares instead of cash during the three years following approval of Resolutions 15 to 18 under the Employee Share Scheme (as detailed in and subject to approval of Resolution 5) (**ESS Shares**).

The number of ESS Shares to be issued in lieu of director fees will be calculated by dividing their accrued director fees by a 20-day VWAP of the Shares as traded on the ASX as at the day the ESS Shares are to be issued.

13.2 Regulatory requirements

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme (such as the Employee Share Scheme):

- (a) a director of the company;
- (b) an associate of a director of the company; or
- (c) a person whose relationship with the company or a person referred to in (a) or (b) above such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains approval of its shareholders.

The issue of the ESS Shares to the Directors (excluding Bruce McHarrie) falls within (a) above and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 15 to 18 seeks the required Shareholder approve to issue ESS Shares to the Directors (excluding Bruce McHarrie) under and for the purposes of Listing Rule 10.14.

If Resolutions 15 to 18 are passed, if elected by the Directors, the Company will be able to proceed with the issue of ESS Shares to the Directors (excluding Bruce McHarrie) in lieu of cash payment of director fees. In addition, pursuant to Listing Rule 7.2 (Exception 14), Shareholder approval will not be required under Listing Rule 7.1 to the issue of the ESS Shares to the Directors (excluding Bruce McHarrie)

If Resolutions 15 to 18 are not passed, the Company will not be able to proceed with the issue of ESS Shares to Directors (excluding Bruce McHarrie) and their director fees will be payable in cash.

Pursuant to the Corporations Act, the provision of any financial benefit to a related party requires Shareholder approval in accordance with the procedure set out in Part 2E.1 of that Act, unless one of a number of exceptions applies. Part 2E.1 applies to the issuance of securities to a related party by the Company to a related party. A "related party" (as defined in the Act) includes the Directors of the Company and their controlled entities.

With respect to Resolutions 15 to 18, the Board is of the view that the ESS Shares proposed to be issued, if elected by the Directors (excluding Bruce McHarrie), would be issued upon terms that would meet both the "arm's length terms" and the "reasonable remuneration" criteria of Section 210 of the *Corporations Act* (and would therefore be exempt from the need to seek Shareholder approval pursuant to the *Corporations Act*).

13.3 ASX Listing Rules

ASX Listing Rule 10.15 requires that the notice of meeting in relation to a proposed resolution to approve an issue of securities under Listing Rule 10.14, include the following information:

- (a) **The name of the person to whom the ESS Shares will be issued and Listing Rule 10.14 category:**
Lou Panaccio, George Baran, Jeremy Curnock Cook and Keven Gessner, being Directors, and therefore related parties of the Company (Listing Rule 10.14.1 applies).
- (b) **The number and class of securities to be issued to the person:**
The number of ordinary shares to be issued to the Directors specified in clause 12.3(a) will be calculated as by dividing their accrued director fees by a 20-day VWAP of the Shares as traded on the ASX as at the day the ESS Shares are to be issued.
- (c) **The details of Directors' current total remuneration package are:**

Director name	Remuneration for the financial year ending 30 June 2025 (\$AUD)
Lou Panaccio	\$111,000 (including superannuation and non-cash share based payments)
George Baran	\$50,000 (including superannuation and non-cash share based payments)
Jeremy Curnock Cook	\$50,000 (including superannuation and non-cash share based payments)
Keven Gessner	\$50,000 (exclusive of superannuation)

- (d) **The following securities have previously been issued to the Directors:**
No securities have been issued to the Directors under the Employee Share Scheme (being the subject of Resolution 5).
- (e) **The date by which the entity will issue the ESS Shares:**
No later than 3 years after the date of this Annual General Meeting.
- (f) **The issue price of the ESS Shares:**
There will be no funds raised from the issue of the ESS Shares. However, should a Director specified in clause 12.3(a) elect to receive ESS Shares instead of their director fees in cash, there will be a saving on the Company's cash resources which would otherwise be payable as cash to that Director.
- (g) **A summary of the material terms of the Employee Share Scheme:**
A summary of the material terms of the Employee Share Scheme is set out in Annexure A of this Notice.
- (h) **A summary of the material terms of any loan**
Not Applicable - there will be no loan made to any of the Directors specified in clause 12.3(a) with respect to the issue of the ESS Shares.
- (i) **A voting exclusion statement:**
A voting exclusion statement is provided above in this Notice.
- (j) **Additional Information:**
Details of any securities issued under this scheme will be published in the annual report of the Company relating to the period in which the above securities are issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under this scheme after this resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

13.4 Recommendation

The Directors **abstain** from making a recommendation as they are eligible to participate in issues under the Employee Share Scheme and therefore have a potential personal interest in the matter. The Chair intends to vote all undirected proxies in favour of Resolutions 15 to 18.

14. Further information

The Directors are not aware of any other information which is relevant to the consideration by members of the proposed Resolutions set out in this Notice of Meeting.

The Directors recommend members read this Explanatory Memorandum in full and, if desired, seek advice from their own independent financial or legal adviser as to the effect of the proposed resolutions before making any decision in relation to the proposed Resolutions.

Glossary

Definitions

The following definitions are used in the Notice of Meeting and the Explanatory Memorandum:

Annual General Meeting / AGM means the annual general meeting of the Company to be held virtually by logging in at <https://meetnow.global/MGTRXYF> on 18 November 2025 at 9.00am pursuant to the Notice of Meeting.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules or **Listing Rules** means the Listing Rules of the ASX as amended from time to time.

Board means the board of Directors of the Company.

Closely Related Party means:

- (a) a spouse or child of the Key Management Personnel;
- (b) a child of the Key Management Personnel's spouse;
- (c) a dependant of the Key Management Personnel or of the Key Management Personnel's spouse;
- (d) anyone else who is one of the Key Management Personnel's family and may be expected to influence the Key Management Personnel, or be influenced by the Key Management Personnel, in the member's dealings with the entity;
- (e) a company under the Key Management Personnel's controls; or
- (f) a person prescribed by the regulations.

Company means Adherium Limited ACN 05 352 510.

Corporations Act or Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum attached to this Notice.

Employee Share Scheme means the Company's Employee Share Scheme as summarised in Annexure A of this Explanatory Memorandum.

Key Management Personnel or **KMP** means the key personnel as disclosed in the Remuneration Report.

Meeting means the annual general meeting subject to this Notice.

Notice of Meeting or **Notice** means this notice of Annual General Meeting.

Option means an option to acquire a Share.

PAM means Phillip Asset Management Limited in its capacity as trustee of the BioScience Managers Translation Fund I.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report of the Company for the year ended 30 June 2025 as set out in the Company's Annual Report for the year ended 30 June 2025.

Resolution means the resolutions referred to in the Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Computershare Investor Services Pty Limited.

Shareholder means a holder of a Share.

Trudell means Trudell Medical Limited.

VWAP means the volume weighted average price of the Shares (excluding crossings executed outside the open session state, special crossings, overseas trades and trades pursuant to exercise of options or other convertible securities), as determined by the Company as traded on the ASX for the number of trading days specified in this Notice.

Annexure A – Employee Share Scheme Summary

Term	Description
Administration	The Employee Share Scheme will be administered by the Board or a committee delegated by the Board.
Eligibility	The Board may grant awards under the Employee Share Scheme to employees or directors of, or individuals who provide services to, the Company (or an associated entity of the Company), and to certain related persons of employees, directors and service providers (ESS Participants).
Type of Awards	The Company may, at the Board's discretion, offer the following types of awards: • options (including market priced and zero-exercise priced options); • performance rights; • loan shares; • deferred share awards; • exempt share awards; • share appreciation rights; and • any other ESS Interest as defined under section 1100M of the Corporations Act, (together Awards).
Terms	The Board will determine the terms and conditions (including vesting conditions (if relevant)) of any Awards under the Employee Share Scheme. The terms for the relevant offer of Awards will be set out in a personalised letter to each ESS Participant or are otherwise as set out in the Employee Share Scheme.
Issue and exercise price	The Board will determine the issue price and exercise price of each grant of options, which will be specified in the offer of the Award. To the extent permitted by law, and only if specified in the relevant offer, the Board may permit an ESS Participant to exercise options by way of cashless exercise.
Vesting conditions	Awards will only vest and become exercisable subject to the satisfaction of any performance hurdles or conditions (Vesting Conditions) set by the Board. The Board in its absolute discretion may waive a Vesting Condition. Once a Vesting Condition has been satisfied, the Board must provide a vesting notice to the ESS Participant (Vesting Notice). The date of the Vesting Notice will be the date that the Awards vest.
Lapsing and forfeiture	Awards may lapse on a specified date, the occurrence of a specified event (e.g. a Malus Event or Compulsory Divestiture Event (as defined in the Employee Share Scheme)), or any earlier date specified in the Invitation (for example, upon failure to satisfy a vesting condition).

Dealing restrictions	An ESS Participant may not dispose of, or transfer any Award in any manner, unless it is permitted by the Company. Disposal restrictions may also be applied on Shares issued upon the exercise of an Award. Depending on the Award, certain ESS Participants will be also required to enter voluntary escrow deeds to further restrict any disposals.
Plan limit	The limit on the number of Awards to be issued under the Employee Share Scheme is subject to the Corporations Act, ASX Listing Rules and the required approval by shareholders. The current limit in the Constitution is 10% of the total Shares on issue.
Loan terms	The Employee Share Scheme contains default terms in relation to any limited recourse loans offered to ESS Participants to acquire shares (i.e. Loan Shares). Notwithstanding the default terms of the limited recourse loan in the Employee Share Scheme, the Board has discretion to provide a loan on any terms.
Cessation of employment, office of services	The Employee Share Scheme contains default provisions for dealing with leavers: • If an ESS Participant is a good leaver, the ESS Participant will retain all vested awards and retain unvested Awards on a pro-rata basis; • If an ESS Participant is not a good leaver, any unvested Awards will immediately lapse or be forfeited and any vested Awards will be retained; and • Notwithstanding the default leaver provisions in the Incentive Plan, the Board has discretion to determine the ultimate treatment of any Awards for any leaver.
Clawback	The Employee Share Scheme provides the Board with broad powers to clawback (by way of lapsing, forfeiting, buying-back or transferring) Awards if particular events occur (e.g. Malus Events or Compulsory Divestiture Events) or if an ESS Participant acts fraudulently and is due to receive an unfair advantage.
Exit Event	On or prior to an exit event (including a sale of more than 50% of the issued Shares in the Company), the Board may, in its absolute discretion, determine that: • Awards, to the extent not fully vested, will become vested and exercisable in full or in part; • Options may be exercised within a specific period only, otherwise they will lapse; or • the Company buy-back or cancel some or all of the Awards in exchange for their market price.
Reorganisation, new issues, bonus issues, etc.	The Employee Share Scheme has specific provisions dealing with reorganisation events, new issues and bonus issues. These provisions (which are subject to the ASX Listing Rules) are intended to ensure there is no advantage or disadvantage to an ESS Participant in respect of their Awards in relation to any corporate actions of the Company.

ASX Listing Rules

The Employee Share Scheme and Awards made under it are always subject to the ASX Listing Rules (where the Company is listed on the Official List) and applicable laws.

Annexure B – Material Terms of the Convertible Note Deed Poll

Term	Description
Interest:	10% per annum. Interest in respect of a note will only be payable on the date the note is redeemed or converted and will be included in the outstanding amount that is repayable (upon redemption) or that is used to calculate the number of Shares to be issued (upon conversion).
Maturity Date:	9 months from the issue date (Maturity Date).
Security	The convertible notes are unsecured.
Timing of Conversion:	The noteholder may elect to convert all or some of the convertible notes any time before the Maturity Date. The convertible notes will automatically convert into Shares in the Company immediately upon the occurrence of any of the following: (a) delivery of a conversion notice by the noteholder to the Company; or (b) the completion of a capital raising by the Company of at least \$5 million (Placement); or (c) on the Maturity Date.
Shares and Options to issue on Conversion:	The number of Shares to be issued on conversion will be determined by dividing the face value amount under each note which has not been converted, plus any accrued and unpaid interest owing (Outstanding Amount), by the "Conversion Price" (as defined below). For every 2 Shares issued on conversion, in addition the Company will issue 1 Option.
Conversion Price	Conversion Price means: (a) in the case of conversion where there has been a Placement between the issue date and the Maturity Date, the <u>lower of</u>: (i) \$0.01 per convertible note; and (ii) the price per Share at which the Placement was undertaken, (iii) but in any event with a floor conversion price of \$0.005 per convertible note; or (b) in the case of conversion where there has not been a Placement since the issue date, \$0.005 per convertible note.

Term	Description
Regulatory Breach:	The Company will not give effect to the conversion of any note: (a) to the extent the noteholder would be in breach by of any applicable law as a result of such conversion; (b) the Company would be required to issue a disclosure document under Chapter 6D of the Corporations Act in connection with the issue of Shares on conversion; or (c) to the extent the new Shares to be issued on conversion would breach the 20% relevant interest limitation in Chapter 6 of the Corporations Act. If the conversion would result in the number of new Shares and Options exceeding the Company's capacity under ASX Listing Rule 7.1 – the excess will not be issued and the Company may either seek shareholder approval for the issue of the excess or treat the excess as subject to Redemption (as described below).
Redemption:	The Company will redeem all of the notes on issue immediately on the occurrence of an insolvency event. The Company may at any time redeem the notes held by a noteholder with the prior written consent of that noteholder. Unless previously converted, the Company will redeem the notes by paying to each relevant noteholder an amount equal to the Outstanding Amount in respect of the notes held by that noteholder. The Company must issue to the noteholder the number of Options that would have been issued to the noteholder if the relevant notes had been converted immediately prior to the redemption.
Adjustments	If, prior to the conversion of any notes, the Company makes any reconstruction of its share capital, including without limitation a consolidation, share split, share dividend, bonus issue or capital reduction, the number of Shares into which a note may be converted or the price at which the notes convert must be reconstructed in the same manner so that on conversion each noteholder is entitled to receive the same proportion of the Shares of the Company on issue as would have been the case if that event had not occurred.

Annexure C – Convertible Note Option Terms

Each option (**Option**) entitles the holder (**Option Holder**) to subscribe for and be issued one fully paid ordinary share (**Share**) in **Adherium Limited** ABN 24 605 352 510 (**Company**) on the following terms:

1. Subject to clause 2 and any restrictions imposed by the ASX Limited (**ASX**), each Option is exercisable at any time after the date it is issued (**Issue Date**), until and including their expiry date, namely 5pm on 28 February 2028 (**Expiry Date**). Any Options not exercised by the Expiry Date will automatically lapse at 5pm on the Expiry Date.
2. The Options may be exercised for part or all of the Options held at a particular time by the Option Holder giving written notice in the form set out below (**Notice of Exercise**) to the Company at its registered office prior to the Expiry Date together with payment in full of the exercise price per Option. The **Exercise Price** is the lower of:
 - (a) \$0.02; and
 - (b) if there occurs a Placement prior to the Notice of Exercise the lower of –
 - (i) a 100% premium to the issue price at which Shares are issued under a Placement; and
 - (ii) the exercise price under any options issued as part of the Placement,but with a floor of 1 cent. For the purposes of these Option Terms and Conditions, a **Placement** means a capital raising by the Company of at least \$5 million.
3. On receipt by the Company of the Notice of Exercise and payment of the Exercise Price, the Company must, within 4 Business Days and if the Shares are listed on the ASX within the time period prescribed by the Listing Rules of the ASX (**ASX Listing Rules**):
 - (a) allot to the Option Holder one Share in the Company for each Option exercised by the Option Holder;
 - (b) cause to be despatched to the Option Holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share/s; and
 - (c) issue (if applicable) a new holding statement (or option certificate) for the balance of the Options that remain unexercised.
4. Shares allotted on the exercise of Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of an Option) and will be subject to the provisions of the Constitution of the Company.
5. The Options are transferable by an Option Holder on written notice to the Company.
6. If any reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs before the expiry of any Options, the number of Options to which each Option Holder is entitled or the Exercise Price of his or her Options or both must be reorganised in accordance with the ASX Listing Rules applying to a reorganisation at the time of the reorganisation (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).
7. An Option does not confer the right to participate in new issues of capital offered to holders of Shares (**Rights Entitlement**) during the currency of the Options without exercising the Options. However, the Company will use reasonable endeavours to see that for the purpose of determining Rights Entitlements to any such issue, the Option Holder is to receive at least 2 Business Days written notice from the Company of the pending closing or record date and sufficient time for the Option Holder to exercise the Options prior to that closing or record date in order to qualify for the participation in the Rights Entitlement.
8. In the event of the liquidation of the Company, all unexercised Options will lapse upon the occurrence of that liquidation.
9. The Options do not provide any entitlement to dividends paid to ordinary shareholders.
10. The Options do not entitle the Option Holder to vote at any meeting of shareholders
11. To the extent (if any) that any of these Option Terms and Conditions are inconsistent with or contrary to the ASX Listing Rules, the ASX Listing Rules provisions will prevail and these Option Terms and Conditions are deemed to incorporate the relevant ASX Listing Rules provisions as an amendment to these terms; and
12. These Option Terms and Conditions are governed by the laws of Victoria. The parties submit to the non-exclusive jurisdiction of the courts of Victoria.

Annexure D – Placement Option Terms

Each option (**Option**) entitles the holder (**Option Holder**) to subscribe for and be issued one fully paid ordinary share (**Share**) in **Adherium Limited** ACN 605 352 510 (**Company**) on the following terms:

1. Subject to clause 2 and any restrictions imposed by the ASX Limited (**ASX**), each Option is exercisable at any time after the date it is issued (**Issue Date**), until and including their expiry date –
 - (a) in the case of the New Options, 5pm (AEST) on 31 July 2026; or
 - (b) in the case of the Bonus Options, 5pm (AEDT) on 15 November 2026,**(Expiry Date)**. Any Options not exercised by the Expiry Date will automatically lapse at 5pm on the Expiry Date.
2. The Options may be exercised for part or all of the Options held at a particular time by the Option Holder paying to the Company at its registered office prior to the Expiry Date the exercise price of A\$0.005 per Option (**Exercise Price**).
3. On receipt by the Company of the payment of the Exercise Price, the Company must, within 4 Business Days and if the Shares are listed on the ASX within the time period prescribed by the Listing Rules of the ASX (**ASX Listing Rules**):
 - (a) allot to the Option Holder one Share in the Company for each Option exercised by the Option Holder;
 - (b) cause to be despatched to the Option Holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share/s; and
 - (c) issue (if applicable) a new holding statement (or option certificate) for the balance of the Options that remain unexercised.
4. Shares allotted on the exercise of Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of an Option) and will be subject to the provisions of the Constitution of the Company.
5. The Options are transferable in accordance with the ASX Listing Rules.
6. If any reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs before the expiry of any Options, the number of Options to which each Option Holder is entitled or the Exercise Price of his or her Options or both must be reorganised in accordance with the ASX Listing Rules applying to a reorganisation at the time of the reorganisation (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).
7. An Option does not confer the right to participate in new issues of capital offered to holders of Shares (**Rights Entitlement**) during the currency of the Options without exercising the Options. However, the Company will use reasonable endeavours to see that for the purpose of determining Rights Entitlements to any such issue, the Option Holder is to receive at least 2 Business Days written notice from the Company of the pending closing or record date and sufficient time for the Option Holder to exercise the Options prior to that closing or record date in order to qualify for the participation in the Rights Entitlement.
8. In the event of the liquidation of the Company, all unexercised Options will lapse upon the occurrence of that liquidation.
9. The Options do not provide any entitlement to dividends paid to ordinary shareholders.
10. The Options do not entitle the Option Holder to vote at any meeting of shareholders
11. To the extent (if any) that any of these Option Terms and Conditions are inconsistent with or contrary to the ASX Listing Rules, the ASX Listing Rules provisions will prevail and these Option Terms and Conditions are deemed to incorporate the relevant ASX Listing Rules provisions as an amendment to these terms; and
12. These Option Terms and Conditions are governed by the laws of Victoria. The parties submit to the non-exclusive jurisdiction of the courts of Victoria.

Annexure E – Joint Lead Managers Option Terms

The terms and conditions of the 50 million Joint Lead Manager Options to be issued to PAC Partners Securities Pty Ltd and Stralis Capital Partners Pty Ltd (or their respective nominees) are as follows:

1. Each Joint Lead Manager Option (Option) entitles the holder (Option Holder) to subscribe for one fully paid ordinary share (Share) in the capital of the Company.
2. The exercise price of each Option is \$0.02 per Share (Exercise Price).
3. Each Option will expire three years from the date of issue (Expiry Date). Any Option not exercised by the Expiry Date will automatically lapse.
4. The Options will be issued for nil consideration as part remuneration for corporate advisory and capital-raising services provided by the Joint Lead Managers.

Annexure F - Independent Expert's Report

Adherium Limited

Financial Services Guide and Independent Expert's Report

15 October 2025



Financial Services Guide

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("RSM" or "we" or "us" or "our" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence ("AFSL"), Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we produce is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; Adherium Limited will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisors. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and/or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, PO Box R1253, Perth, WA, 6844.

If we receive a written complaint, we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

Referral to external dispute resolution Proposed Transaction

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent dispute resolution Proposed Transaction that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au. You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll Free: 1800 931 678
Email: info@afca.org.au

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

Contact details

You may contact us using the details set out at the top of our letterhead on page 4 of this report.

15 October 2025

The Directors
Adherium Limited
Level 4, 447 Collins Street
Melbourne VIC 3000

15 October 2025

RSM Corporate Australia Pty Ltd
Level 27, 120 Collins Street
Melbourne
VIC 3000
Australia
T +61 (03) 9286 8000
rsm.com.au

Dear Directors,

Independent Expert's Report

Introduction

This Independent Expert's Report (the "Report" or "IER") has been prepared to accompany the Notice of Annual General Meeting and Explanatory Statement ("Notice") to be provided to shareholders for the Annual General Meeting of Adherium Limited ("Adherium", "ADR" or "the Company") to be held on or around 18 November 2025, at which shareholder approval will be sought for (amongst other things):

- Resolution 7 comprising the issue of Shares and Options in the Company to Trudell Medical Limited ("Trudell") for the purposes of section 611 (item 7) of the Corporations Act; and
- Resolution 9 comprising the issue of Shares and Options in the Company to Phillip Asset Management Limited (in its capacity as trustee of the BioScience Managers Translation Fund I) ("PAM" or "Bioscience Managers") for the purposes of section 611 (item 7) of the Corporations Act.

Purpose of the report

On 19 May 2025, the Company announced that Adherium had raised \$900,000 through the issue of 900,000 convertible notes to Trudell and PAM, with Trudell and PAM each entering into a Subscription Agreement with the Company (subject to shareholder approval), for 450,000 convertible notes each (individually, "Trudell Convertible Notes" and "PAM Convertible Notes"), and to advance the Company the aggregate of the subscription amount by way of a loan of \$450,000 each. In the event the convertible notes are converted to ordinary shares in the Company ("Shares"), for every 2 Shares issued under the convertible notes, the Company will issue 1 unlisted option ("2025 Convertible Note Option").

Resolutions 6 and 8 are seeking shareholder approval for the proposed issue of the above Trudell Convertible Notes and PAM Convertible Notes, respectively, and the possible conversion into Shares and Options on the terms of the Convertible Note Deed Poll (with the terms summarised in further detail in Section 1 of this Report) as well as in Annexure B of the Notice.

Resolutions 7 and 9 are seeking shareholder approval for Trudell and PAM to increase their "relevant interest" from less than 20% to more than 20% of the Company's issued Shares resulting from the conversion or exercise (as the case may be) of convertible notes (including those issued under Resolutions 6 and 8 if shareholder approval is obtained) and Options held by Trudell (Resolution 7) and PAM (Resolution 9).

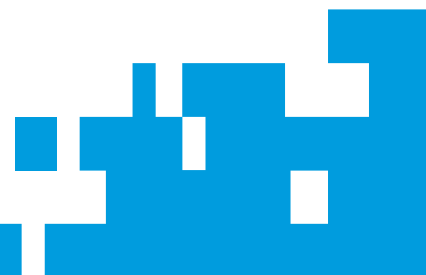
The Directors of the Company have requested that RSM Corporate Australia Pty Ltd ("RSM"), being independent and qualified for the purpose, express an opinion as to whether Resolution 7 and Resolution 9 (collectively, "Proposed Transactions") are fair and reasonable to shareholders not associated with the Proposed Transactions ("Non-Associated Shareholders" or "Shareholders").

Accordingly, we have prepared this Report for the purpose of stating, in our opinion, whether or not the Proposed Transactions are fair and reasonable to Non-Associated Shareholders by disclosing two scenarios, being our assessment of the Fair Value of an Adherium Share if one of the Proposed Transactions is approved, and if both the Proposed Transactions are approved, and to set out our reasons for that opinion.

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RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd 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 Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847



This Report represents general financial product advice only and has been prepared without taking into consideration the circumstances of individual Shareholders. The ultimate decision whether to accept the Proposed Transactions should be based on each Shareholders' assessment of their circumstances, including their risk profile, liquidity preference, tax position, and expectations as to value and future market conditions. If in doubt about the Proposed Transaction or matters dealt with in this Report, Shareholders should seek independent professional advice.

Summary of opinion

In our opinion, and for the reasons set out in Section 7 of this Report, Resolution 7 is **not fair but reasonable** to Non-Associated Shareholders.

In our opinion, and for the reasons set out in Section 7 of this Report, Resolution 9 is **not fair but reasonable** to Non-Associated Shareholders.

We have formed this opinion for the reasons set out below.

Approach

In assessing whether the Proposed Transactions are "fair and reasonable" to Non-Associated Shareholders, we have considered Australian Securities and Investment Commission ("ASIC") Regulatory Guide 111 – Content of expert reports ("RG 111"), which provides specific guidance as to how an expert is to appraise transactions.

Where an issue of shares by a company otherwise prohibited under section 606 of the Corporations Act 2001 ("Corporations Act" or the "Act") is approved under Section 611 (item 7), and the effect on the company shareholding is comparable to a takeover bid, such as the Proposed Transactions, RG 111 states that the transaction should be analysed as if it was a takeover bid.

RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.

Therefore, consistent with the guidance set out in RG 111, we have considered whether the Proposed Transactions are "fair" to Non-Associated Shareholders by assessing and comparing:

- the Fair Value of an Adherium Share on a controlling basis prior to the Proposed Transactions; with
- the Fair Value of an Adherium Share on a non-controlling basis immediately post completion of the Proposed Transactions.

Our assessment of the Fair Value of an Adherium Share has been prepared on the following basis:

"the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length".

In accordance with RG 111, we have considered whether the Proposed Transactions are "reasonable" to Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Proposed Transactions which are likely to be relevant to Non-Associated Shareholders, in their decision as to whether or not to accept the Proposed Transactions.

Further information on the approach we have employed in assessing whether the Proposed Transactions are fair and reasonable to Non-Associated Shareholders are set out in Sections 7 and 8 of this Report.

Fairness opinion

As set out above, in assessing whether we consider the Proposed Transactions to be fair to Non-Associated Shareholders, we have valued an Adherium Share prior to the Proposed Transactions on a controlling basis, and on a non-controlling basis immediately after the Proposed Transactions.

The approval of Resolution 6 is not conditional upon the approval of Resolution 7 and vice versa. If Resolution 6 is not approved, but Resolution 7 is approved, the current principal loan of \$450k provided by Trudell ("Trudell Loan") will not be converted and will continue to accrue interest and will be payable on the maturity date, being 9 months from the date of the Subscription Agreement. However, Trudell would be able to acquire a "relevant interest" of more than 20% of the issued Shares in Adherium resulting from the conversion or exercise (as the case may be) of other convertible notes and options held by Trudell.

If Resolution 6 is approved but Resolution 7 is not approved, the Company will not be able to proceed with the issue of the Shares and attaching Options on the conversion of the Trudell Convertible Notes and the exercise of the Options held by Trudell to the extent Trudell would acquire a "relevant interest" of more than 20% of the issued Shares in Adherium, and the Company will be required to repay the amount advanced plus interest accrued under the Trudell Loan in respect of the Trudell Convertible Notes which are unable to be converted.

Similarly, the approval of Resolution 8 is not conditional upon the approval of Resolution 9 and vice versa. If Resolution 8 is not approved, but Resolution 9 is approved, the current principal loan of \$450k provided by PAM ("PAM Loan") will not be converted and will continue to accrue interest and will be payable on the maturity date, being 9 months from the date of the Subscription Agreement. However, PAM would be able to acquire a "relevant interest" of more than 20% of the issued Shares in Adherium resulting from the conversion or exercise (as the case may be) of other convertible notes and options held by PAM.

If Resolution 8 is approved but Resolution 9 is not approved, the Company will not be able to proceed with the issue of the Shares and attaching Options on the conversion of the PAM Convertible Notes and the exercise of the Options held by PAM to the extent PAM would acquire a “relevant interest” of more than 20% of the issued Shares in Adherium, and the Company will be required to repay the amount advanced plus interest accrued under the PAM Loan in respect of the PAM Convertible Notes which are unable to be converted.

As the Proposed Transactions are seeking Shareholder approval for the purposes of Trudell and PAM acquiring relevant interests of more than 20% of the issued Shares in the Company under Section 611 (item 7) of the Corporations Act, we have assumed that Resolution 6 has been approved in our assessment of the Fair Value of a Share immediately post the approval of Resolution 7 in our assessment of fairness, as this scenario contemplates the maximum dilution of Non-Associated Shareholders’ interest in the Company immediately post the approval of Resolution 7.

Similarly, we have assumed that Resolution 8 has been approved in our assessment of the Fair Value of a Share immediately post the approval of Resolution 9 in our assessment of fairness, as this scenario contemplates the maximum dilution of Non-Associated Shareholders’ interest in the Company immediately post the approval of Resolution 9.

Accordingly, our assessment of the Fair Value of an Adherium Share immediately after the approval of both Resolutions 7 and 9 (on a non-controlling basis) also assumes the collective approval of both Resolutions 6 and 8.

The Notice includes certain other resolutions to be voted on by shareholders in the General Meeting. However, when considering the fairness and reasonableness of the Proposed Transactions, we have only considered the impact of Resolution 6 through 9, for the reasons discussed above, noting these resolutions are not subject to the approval of any other resolution.

In our assessment of whether or not the Proposed Transactions are fair and reasonable to Non-Associated Shareholders we have set out two scenarios, being our assessment of the Fair Value of an Adherium Share if one of the Proposed Transactions is approved, and if both the Proposed Transactions are approved.

Our assessments are set out in the table below.

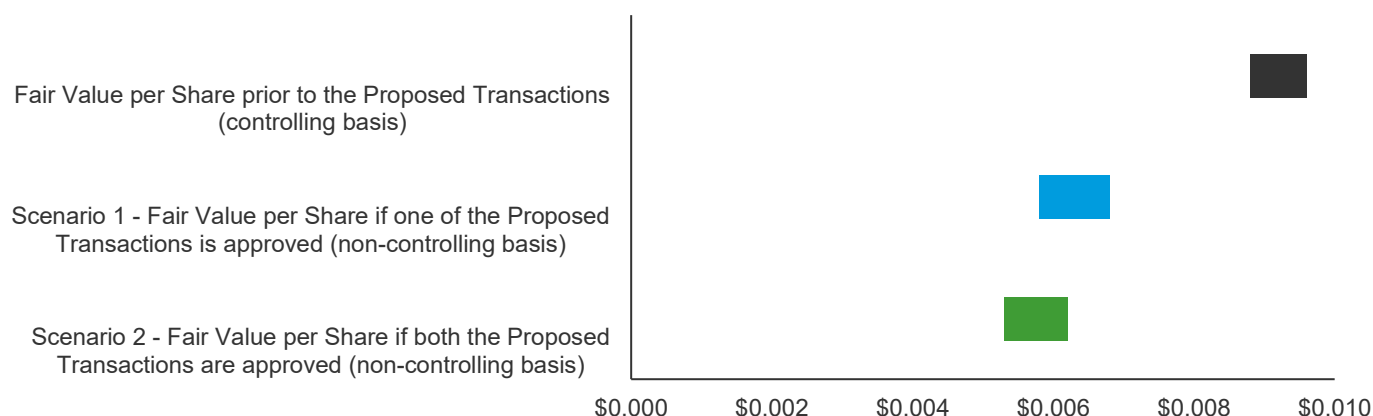
Table 1 Valuation Summary

	Low	High	Midpoint
Fair Value per Share prior to the Proposed Transactions (controlling basis)	\$0.0088	\$0.0095	\$0.0091
Scenario 1 - Fair Value per Share if one of the Proposed Transactions is approved (non-controlling basis)	\$0.0058	\$0.0068	\$0.0063
Scenario 2 - Fair Value per Share if both the Proposed Transactions are approved (non-controlling basis)	\$0.0053	\$0.0062	\$0.0057

Source: RSM analysis

The above comparison is presented graphically below.

Figure 1 Valuation summary



Source: RSM analysis

In our opinion, as the Fair Value of an Adherium Share (on a non-controlling basis) immediately after one and both of the Proposed Transactions are approved is less than the Fair Value of an Adherium Share (on a controlling basis) prior to the Proposed Transactions, we consider:

- Resolution 7 is **not fair** to Non-Associated Shareholders;
- Resolution 9 is **not fair** to Non-Associated Shareholders; and
- collectively, the Proposed Transactions are **not fair** to Non-Associated Shareholders.

Accordingly, in accordance with the guidance set out in RG 111, and in the absence of any other relevant information, for the purposes of Section 611, Item 7 of the Corporations Act, we consider the Proposed Transactions to be **not fair** to Non-Associated Shareholders.

Reasonableness opinion

RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of a higher bid before the offer closes.

As such, we have also considered the following factors in relation to the reasonableness aspect of the Proposed Transactions:

- the future prospects of the Company if the Proposed Transactions do not proceed;
- the trading of Adherium's Shares following the announcement of the Proposed Transactions;
- commercial advantages and disadvantages of the Proposed Transactions for the Non-Associated Shareholders, including the specific terms of the Proposed Transactions; and
- the existence of alternative proposals.

Future Prospects of Adherium if the Proposed Transactions do not proceed

If the Proposed Transactions are not approved, Adherium will not be able to issue the Shares or Options proposed under Resolution 7 and 9, and the Company will be required to repay both the Trudell Loan and the PAM Loan by 20 February 2026 (being the date this is 9 months after the Subscription Agreements with Trudell and PAM were entered into) including accrued interest.

For the year ended 30 June 2025 ("FY25"), Adherium disclosed net losses after tax of \$12.7m and cash and cash equivalents of \$43k at 30 June 2025.

The audited financial statements for FY25 include an emphasis of matter in the independent auditor's report issued by RSM Australia Partners which stated that a material uncertainty existed that may cast significant doubt on the Company's ability to continue as a going concern. Whilst the auditor's opinion was not modified in respect of this matter, it was noted that Adherium's ability to continue as a going concern was dependent on whether Adherium could raise additional capital until the Company is supported by cash flows from operations.

We note that the Company raised \$4.492m (before costs) in July 2025 through the completion of an Accelerated Non-Renounceable Entitlement Offer ("ANREO") through the issue of c. 898.5m new Shares at \$0.005 per share. Under the ANREO, subscribers received 1 new share option for every 1 new share issued, exercisable at \$0.005 per option with an expiry date of 31 July 2026 ("ANREO Options"). Further, subscribers are entitled to 1 bonus option with an exercise price of \$0.005 per bonus option and expiring 15 November 2026 for every 1 new option issued under the ANREO that is exercised prior to 15 November 2025 ("Bonus Option").

The Company also conducted a \$0.35m capital raising on 4 August 2025 at \$0.005 per share (with options and potentially, Bonus Options also included as part of the placement issued on the same terms of the ANREO) via a placement with institutional investors. Mr Keven Gessner, a director of Adherium has committed subject to shareholder approval (Resolution 12 of the Notice), to subscribe for \$20k in this placement.

However, given the Company's significant cash burn, approval of the Proposed Transactions would allow Trudell and PAM to increase their relevant interest in Shares in the Company to more than 20% of Adherium's issued Shares resulting from the conversion or exercise (as the case may be) of the convertible notes (including the Trudell Convertible Notes contemplated under Resolution 6 and the PAM Convertible Notes contemplated under Resolution 8) and options held by Trudell and PAM.

Adherium's current operations are dependent on the Company continuing to raise capital to provide long-term funding for the commercialisation of existing devices and software platform, as well as sales and marketing costs to fund expansion in the US market. If the Proposed Transactions are not approved, it is likely that Adherium will need to undertake a further capital raising at an earlier date than if the Proposed Transactions do not proceed.

Response of the market to the announcement of the Proposed Transactions

The Proposed Transactions are connected to the Company's issue of convertible notes issued during 2025 ("2025 Convertible Notes").

On 18 March 2025, the Company announced that it had received firm commitments to raise \$2.6m (before costs) via the issue of \$375k in 2025 Convertible Notes to PAM (under the Company's current ASX Listing Rule 7.1 capacity), as well as via loan advances from Trudell (\$1.2m), PAM (\$825k) and K One W One Limited (\$200k). This total of \$2.225m in loan advances were converted to additional 2025 Convertible Notes following shareholder approval obtained on 29 April 2025. The relevant key terms of the 2025 Convertible Notes are set out in further detail in Section 1 of this Report.

Shareholder approval for the issue of the Trudell Convertible Notes and PAM Convertible Notes contemplated under Resolutions 6 and 8, respectively, are on the same terms as the 2025 Convertible Notes. Accordingly, for the purposes of our analysis, we have assumed the Proposed Transactions were announced on 19 May 2025.

The Company's VWAP of \$0.0048 post the announcement of the Proposed Transactions was c. 31.4% and 33.3% lower than the 10- and 30-day VWAP prior to the announcement of \$0.0070 and \$0.0072, respectively, and c. 40.7% lower than the 60-day VWAP prior to the announcement of \$0.0081.

In the period after 19 May 2025, the ANREO was announced on 24 June 2025 to raise capital at \$0.005 per share, representing a discount of 28.6% to the Company's share price of \$0.007 immediately prior to the announcement of the ANREO. Further, the Company announced a further placement on 4 August 2025 raising \$0.35m at an issue price of \$0.005 per share. Given the slight decrease in the VWAP to \$0.0048, we consider the market has reacted negatively to the announcement of the Proposed Transactions.

Advantages and disadvantages of approving the Proposed Transaction

In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transactions are approved, than if they are not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

The key advantages of the Proposed Transaction are outlined below.

Table 2 Advantages of the Proposed Transactions

Advantage	Details
No cash payment/outflow required by the Company	If the Proposed Transactions are approved and Trudell and PAM convert all 2025 Convertible Notes held, the Company would not be required to repay the amounts advanced under the Trudell and PAM Loans plus accrued interest.
Potential for future additional funding from both Trudell and PAM	The Company may receive future additional funding from Trudell and PAM in the event that Trudell and PAM elect to exercise some or all of their 2025 Convertible Note Options (and ANREO Options).
The issue of Trudell Convertible Notes and PAM Convertible Notes are consistent with the previous issue of 2025 Convertible Notes approved by shareholders on 29 April 2025	Notwithstanding the dilution of Non-Associated Shareholders', the issue of Trudell Convertible Notes and PAM Convertible Notes are on the same terms as the other 2025 Convertible Notes approved by shareholders on 29 April 2025.
Aligning long term interests of Trudell and/or PAM	Trudell and PAM continue to be key funders and supporters of Adherium and its operations. If the Proposed Transactions are approved and Trudell and PAM convert all 2025 Convertible Notes held, Trudell and PAM will no longer hold debt and will subsequently only be equity holders in the Company, further aligning their interests with the long term success of the Company.

Source: RSM analysis

The key disadvantages of the Proposed Transaction are set below.

Table 3 Disadvantages of the Proposed Transaction

Disadvantage	Details
The Proposed Transactions are not fair	As set out above, as the Fair Value of an Adherium Share (on a non-controlling basis) immediately after one and both of the Proposed Transactions are approved is less than the Fair Value of an Adherium Share (on a controlling basis) prior to the Proposed Transactions, we consider: - Resolution 7 is not fair to Non-Associated Shareholders; - Resolution 9 is not fair to Non-Associated Shareholders; and collectively, the Proposed Transactions are not fair to Non-Associated Shareholders.
Trudell and/or PAM will hold a significant interest in the Company	If the Proposed Transactions are approved, and all 2025 Convertible Notes held by Trudell and PAM are converted to Shares, Trudell and PAM's relevant interests would increase to 26.0% and 25.6%, respectively (on an undiluted basis). If the Proposed Transactions are approved and all options held by Trudell and PAM (including ANREO and 2025 Convertible Note Options) are exercised, Trudell and PAM's relevant interests would increase to 31.1% and 30.8%, respectively (assuming no other capital raisings and/or exercise of options held by Non-Associated Shareholders). Accordingly, we consider that both Trudell and PAM will have significant influence on the strategic direction of the Company including the ability to block takeover offers and proposed special resolutions of the Company.
Dilution of Non-Associated Shareholders' interest	Non-Associated Shareholders' interests will be diluted from 63.1% to 48.4% immediately following the approval of the Proposed Transactions (assuming all 2025 Convertible Notes held by Trudell and PAM are converted to Shares and no other share issues or other options exercised). If the Proposed Transactions are approved and all options held by Trudell and PAM (including ANREO and 2025 Convertible Note Options) are exercised, Non-Associated Shareholders would be further diluted to 38.1% (and assuming no other capital raisings and/or exercise of options held by Non-Associated Shareholders). The dilution of Non-Associated Shareholders' interests reduces the ability of existing shareholders to influence the strategic direction of the Company, including acceptance or rejection of takeover or merger proposals.

Source: RSM analysis

Alternative proposals to the Proposed Transactions

We are unaware of any alternative proposals at the date of this Report which may provide greater benefit to Non-Associated Shareholders.

Conclusion on Reasonableness

In our opinion, the position of the Non-Associated Shareholders if the Proposed Transactions are approved is more advantageous than the position if it is not approved. Therefore, in the absence of any other relevant information and/or a superior offer, for the purposes of Section 611, Item 7 if the Corporations Act, we consider that:

- Resolution 7 is **reasonable** for Non-Associated Shareholders;
- Resolution 9 is **reasonable** for Non-Associated Shareholders; and
- collectively, the Proposed Transactions are **reasonable** for Non-Associated Shareholders.

General

This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of Shareholders.

The ultimate decision whether to approve the Proposed Transactions should be based on each of Non-Associated Shareholders' assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations of future market conditions.

Non-Associated Shareholders should read and have regard to the contents of the Notice.

Non-Associated Shareholders who are in doubt as to the action they should take with regard to the Proposed Transactions and the matters dealt with in this Report, should seek independent professional advice. This summary should be considered in conjunction with the detail contained in the following sections of this Report.

Yours faithfully,

RSM CORPORATE AUSTRALIA PTY LTD



Andrew Clifford
Partner



Albert Meintjes
Partner

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1. Summary of the Proposed Transactions

1.1 Background

As set out in the Notice, Resolutions 7 and 9 are seeking Shareholder approval for Trudell and PAM, respectively, to increase their “relevant interest” from less than 20% to more than 20% of the Company’s issued Shares resulting from the conversion or exercise (as the case may be) of convertible notes (including those issued under Resolutions 6 and 8 if shareholder approval is obtained) and Options held by Trudell (Resolution 7) and PAM (Resolution 9).

As at the date of this Report, Trudell and PAM currently both hold an 18.5% interest in the Company’s total Shares on issue.

On 18 March 2025, the Company announced that it had received firm commitments to raise \$2.6m (before costs) via the issue of \$375k in 2025 Convertible Notes to PAM (under the Company’s current ASX Listing Rule 7.1 capacity), as well as via loan advances from Trudell (\$1.2m), PAM (\$825k) and K One W One Limited (\$200k). This total \$2.225m in loan advances were converted to additional 2025 Convertible Notes following shareholder approval obtained on 29 April 2025.

The key terms of the 2025 Convertible Notes are as follows.

Table 4 Key terms of the 2025 Convertible Notes

Term	Description
Interest	10% per annum. Interest in respect of a note will only be payable on the date the note is redeemed or converted and will be included in the outstanding amount that is repayable (upon redemption) or that is used to calculate the number of Shares to be issued (upon conversion).
Maturity date	9 months from the issue date
Security	The convertible notes are unsecured
Timing of conversion	The noteholder may elect to convert all or some of the convertible notes any time before the Maturity Date. The convertible notes will automatically convert into Shares in the Company immediately upon the occurrence of any of the following: (a) delivery of a conversion notice by the noteholder to the Company; or (b) the completion of a capital raising by the Company of at least \$5 million (Placement); or (c) on the Maturity Date.
Shares and Options to issue on conversion	The number of Shares to be issued on conversion will be determined by dividing the face value amount under each note which has not been converted, plus any accrued and unpaid interest owing (Outstanding Amount), by the “Conversion Price” (as defined below). For every 2 Shares issued on conversion, in addition the Company will issue 1 Option.
Conversion Price	Conversion Price means: (a) in the case of conversion where there has been a Placement between the issue date and the Maturity Date, the lower of: (i) \$0.01 per convertible note; and (ii) the price per Share at which the Placement was undertaken, (iii) but in any event with a floor conversion price of \$0.005 per convertible note; or (b) in the case of conversion where there has not been a Placement since the issue date, \$0.005 per convertible note.

Further details are included in Annexure B of the Notice
Source: Management and Notice

The key terms of 2025 Convertible Note Option terms are as follows:

Figure 2 Key terms of the 2025 Convertible Note Options

Term	Description
Number of Options	For every 2 Shares issued on conversion of the 2025 Convertible Notes, the Company will issue 1 Option.
Expiry	Subject to the clause below and any restrictions imposed by the ASX, each Option is exercisable at any time after the date it is issued (Issue Date), until and including their expiry date, namely 5pm on 28 February 2028 (Expiry Date). Any Options not exercised by the Expiry Date will automatically lapse at 5pm on the Expiry Date.
Exercise Price	The Options may be exercised for part or all of the Options held at a particular time by the Option Holder giving written notice in the form set out below (Notice of Exercise) to the Company at its registered office prior to the Expiry Date together with payment in full of the exercise price per Option. The Exercise Price is the lower of: (a) \$0.02; and (b) if there occurs a Placement prior to the Notice of Exercise the lower of – (i) a 100% premium to the issue price at which Shares are issued under a Placement; and (ii) the exercise price under any options issued as part of the Placement, but with a floor of 1 cent (\$0.01). For the purposes of these Option Terms and Conditions, a Placement means a capital raising by the Company of at least \$5 million.

Further details are included in Annexure C of the Notice
Source: Management and Notice

On 19 May 2025, the Company announced that Adherium had raised \$900,000 through the issue of 900,000 convertible notes to Trudell and PAM, with Trudell and PAM each entering into a Subscription Agreement with the Company (subject to shareholder approval), for the \$450,000 in Trudell Convertible Notes and the \$450,000 in PAM Convertible Notes, and to advance the Company the aggregate of the subscription amount by way of a loan of \$450,000 each.

Resolutions 6 and 8 are seeking shareholder approval for the proposed issue of the above Trudell Convertible Notes and PAM Convertible Notes, respectively, and the possible conversion into Shares and Options on the terms of the Convertible Note Deed Poll (with the terms summarised in further detail in Section 1 of this Report) as well as in Annexure B of the Notice.

Trudell currently holds 984,650 2025 Convertible Notes (1,200,000 issued, less 215,350 converted to Shares in June 2025) and, if Resolution 6 is approved, will hold an additional 450,000 Trudell Convertible Notes. For the avoidance of doubt, the Trudell Convertible Notes are issued on the same terms as the 2025 Convertible Notes and are referred to as the Trudell Convertible Notes for the purposes of Resolution 6.

If Resolution 6 is approved, Trudell will hold 1,434,650, 2025 Convertible Notes, which if all are converted to Shares, entitles Trudell to 143,465,000 2025 Convertible Note Options (assuming 1,434,650 2025 Convertible Notes convert to 286,930,000 Shares at \$0.005 per share, resulting in the issue of 1 2025 Convertible Note for every 2 Shares issued)).

In addition to the above, Trudell participated in the ANREO, subscribing for \$825,000 at \$0.005 per share and therefore, acquiring 165m new Shares in July 2025 with attaching 165m ANREO Options, exercisable at \$0.005 per Option and expiring 31 July 2026. In addition, for each ANREO Option exercised on or before 5 pm (AEDT) on 15 November 2025, the Company will issue one Bonus Option to acquire a Share with an exercise price of \$0.005 and expiring at 5 pm on 15 November 2026.

PAM currently holds 934,000 2025 Convertible Notes (1,200,000 issued, less 266,000 converted to Shares in June 2025), and if Resolution 8 is approved, will hold an additional 450,000 PAM Convertible Notes. If Resolution 8 is approved, PAM will hold 1,384,000 2025 Convertible Notes, which if converted to Shares, entitles PAM to 138,400,000 2025 Convertible Note Options (assuming 1,384,000 2025 Convertible Notes convert to 276,800,000 Shares, resulting in the issue of 1 2025 Convertible Note Option for every 2 Shares issued).

In addition to the above, PAM also participated in the ANREO, also subscribing for \$825,000 at \$0.005 per share and therefore, acquiring 165m new Shares in July 2025 with attaching 165m ANREO Options (and will potentially be entitled to 1 Bonus Option for every ANREO Option exercised on or before 5 pm (AEDT) on 15 November 2025).

1.2 Impact of the Proposed Transactions on Adherium's Capital Structure

The table below summarises the capital structure of the Company at the date of this Report, and prior to and immediately following the Proposed Transactions.

Table 5 Capital structure prior to and after the Proposed Transactions

	Number of shares	%	Number of convertible notes	%	Number of Options and SARs	%
Capital structure at the date of this Report						
Number of ordinary shares, convertible notes and options held by Trudell	343,776,885	18.5%	984,650	51.3%	187,818,164	17.5%
Number of ordinary shares, convertible notes and options held by PAM	343,770,320	18.5%	934,000	48.7%	192,518,246	18.0%
Number of ordinary shares, convertible notes, options and SARs held by Non-Associated Shareholders	1,175,627,390	63.1%	-	0.0%	691,420,407	64.5%
Total	1,863,174,595	100.0%	1,918,650	100.0%	1,071,756,817	100.0%
Capital structure prior to the Proposed Transactions, assuming Resolutions 6 and 8 are approved						
Number of ordinary shares, convertible notes and options held by Trudell	343,776,885	18.5%	1,434,650	50.9%	187,818,164	17.5%
Number of ordinary shares, convertible notes and options held by PAM	343,770,320	18.5%	1,384,000	49.1%	192,518,246	18.0%
Number of ordinary shares, convertible notes, options and SARs held by Non-Associated Shareholders	1,175,627,390	63.1%	-	0.0%	691,420,407	64.5%
Total	1,863,174,595	100.0%	2,818,650	100.0%	1,071,756,817	100.0%
Capital structure immediately after the Proposed Transactions, and assuming all 2025 Convertible Notes held by Trudell and PAM are exercised						
Number of ordinary shares, convertible notes and options held by Trudell	630,706,885	26.0%	-	0.0%	331,283,164	24.5%
Number of ordinary shares, convertible notes and options held by PAM	620,570,320	25.6%	-	0.0%	330,918,246	24.4%
Number of ordinary shares, convertible notes, options and SARs held by Non-Associated Shareholders	1,175,627,390	48.4%	-	0.0%	691,420,407	51.1%
Total	2,426,904,595	100.0%	-	0.0%	1,353,621,817	100.0%
Capital structure immediately after the Proposed Transactions, and assuming all 2025 Convertible Note Options, ANREO Options and other unlisted options are exercised and Bonus Options are issued)						
Number of ordinary Shares held by Trudell	961,990,049	31.1%	-	0.0%	165,000,000	16.2%
Number of ordinary Shares held by PAM	951,488,566	30.8%	-	0.0%	164,999,999	16.2%
Number of ordinary shares, convertible notes, options and SARs held by Non-Associated Shareholders	1,175,627,390	38.1%	-	0.0%	691,420,407	67.7%
Total	3,089,106,005	100.0%	-	0.0%	1,021,420,406	100.0%

Source: RSM analysis and securities register as at 15 September 2025

At the date of this Report, Trudell and PAM hold \$985k and \$934k in 2025 Convertible Notes, respectively and would be issued a further \$450,000 in additional 2025 Convertible Notes each if Resolutions 6 and 8 are approved.

If all 2025 Convertible Notes were converted to Shares, Trudell and PAM would be issued 143,465,000 and 138,400,000 2025 Convertible Note Options, respectively (totalling 281,865,000 2025 Convertible Note Options).

As set out in the table above, if the Proposed Transactions are approved, and all 2025 Convertible Notes held by Trudell and PAM are converted to Shares, Trudell and PAM's relevant interest in the Company would increase to 26.0% and 25.6%, respectively, with a corresponding dilution in Non-Associated Shareholders' interests from 63.1% to 48.4% (on an undiluted basis).

If the Proposed Transactions are approved and all options held by Trudell and PAM (including ANREO and 2025 Convertible Note Options) are exercised, Trudell and PAM's relevant interest would increase to 31.1% and 30.8%, respectively, with a corresponding dilution in Non-Associated Shareholders' interests to 38.1% (and assuming no other capital raisings and/or exercise of options held by Non-Associated Shareholders).

At the date of this Report, Trudell and PAM both hold 165m each in ANREO Options.

Trudell and PAM also hold 22.1m and 27.5m 2025 Convertible Note Options, respectively (49.6m out of the 70.1m 2025 Convertible Note Options currently on issue as set out in the table below).

Trudell also holds 699k in other unlisted Options in the Company, exercisable at \$0.3285 and expiring 29 January 2027.

If Resolutions 6 and 8 are not approved, and assuming no other changes to the current capital structure, both Trudell and PAM could exercise approximately 47m each of their ANREO Options held without breaching the 20% rule.

At the date of this Report, Adherium has unlisted share options and stock appreciation rights ("SARs") on issue on the terms as summarised below.

Table 6 Unlisted options and SARs on issue

Type	No.	Exercise price	Expiry date	Vested
ANREO Options	964,678,812	\$0.005	31-Jul-26	Yes
Bonus Options	4,176	\$0.005	15-Nov-26	Yes
Current 2025 Convertible Note Options	70,146,936	\$0.01	28-Feb-28	Yes
SARs 1	4,611,203	\$0.24	20-Sep-31	Yes
SARs - FY23 STI	1,968,780	\$0.00	17-Apr-29	Yes
SARs - FY24 STI	7,500,012	\$0.06	28-Jul-29	Yes
SARs - FY25 STI	6,056,227	\$0.06	28-Jul-29	Yes
SARs - FY26 LTI	6,009,980	\$0.06	28-Jul-29	Yes
Other unlisted options - OP6	1,834,635	\$0.3285	29-Jan-27	Yes
Other unlisted options - OP7	1,145,105	\$0.60	14-Apr-27	Yes
Other unlisted options - UO8	7,585,800	\$0.04	01-Jul-27	Yes
	1,071,541,666			

Source: Securities register as at 15 September 2025

As set out above, Trudell and PAM hold 49.6m of the 70.1m 2025 Convertible Note Options currently on issue.

We have included the potential dilutionary impact of the above unlisted options and SARs on issue (excluding 236m ANREO Options and 49.6m 2025 Convertible Note Options currently held by Trudell and PAM) on issue in our assessment of the value of an Adherium Share prior to the Proposed Transactions as set out in Section 5.2 of this Report. We have assumed the ANREO Options would be exercised in priority to conversion of the 2025 Convertible Notes or the exercise of 2025 Convertible Note Options given the lower exercise price.

Assuming either of Resolutions 6 and 7 or Resolutions 8 and 9 are approved, either Trudell or PAM would be issued a further \$450,000 each in 2025 Convertible Notes and could convert all 2025 Convertible Notes held to Shares and be issued 2025 Convertible Note Options.

If Resolutions 6 and 7 are approved, Trudell would be issued a further 143.5m 2025 Convertible Note Options (if all 2025 Convertible Notes are converted to Shares), and would be entitled to convert all remaining 118m ANREO and all 2025 Convertible Note Options held. Accordingly, we have included the potential dilutionary impact of all unlisted options on issue at the date of this Report (including all the remaining 118m ANREO Options held by Trudell, as well as the potential dilutionary impact of 165.6m 2025 Convertible Note Options held by Trudell) in our assessment of an Adherium Share immediately post the Proposed Transaction under Scenario 1 as set out in Section 6 of this Report.

If Resolutions 8 and 9 are approved, PAM would be issued a further 138.4m 2025 Convertible Note Options (if all 2025 Convertible Notes are converted to Shares) and would be entitled to convert all remaining ANREO and all 2025 Convertible Note Options held (totalling \$165.9m, being the 138.4m plus the 27.5m currently held).

Under Scenario 2, we have included the additional potential dilutionary impact of all remaining 236m ANREO and all 331.5m 2025 Convertible Note Options if both the Proposed Transactions are approved. Further details on the assumptions and inputs we have used to value the potential dilutionary impact of the options are set out in Appendix D.

2. Scope of the Report

2.1 Purpose of this Report

Section 606 of the Corporations Act prohibits a person from acquiring a relevant interest in the issued voting shares of a public company if the acquisition results in that person's voting interest in the company increasing from a starting point that is below 20% to an interest that is above 20%.

Completion of the Proposed Transactions will result in Trudell and PAM increasing their interests in the Company from 18.5% to 26.0% and 25.6%, respectively (on an undiluted basis).

If the Proposed Transactions are approved and all options held by Trudell and PAM (including ANREO and 2025 Convertible Note Options) are exercised, Trudell and PAM's relevant interest would increase to 31.1% and 30.8%, respectively, with a corresponding dilution in Non-Associated Shareholders' interests to 38.1% (and assuming no other capital raisings and/or exercise of options held by Non-Associated Shareholders).

Under Section 611, Item 7 of the Act, the prohibition contained in Section 606 does not apply if the acquisition has been approved by the Non-Associated Shareholders of the company. Accordingly, Adherium is seeking approval from the Non-Associated Shareholders for Resolutions 7 and 9 under Section 611, Item 7 of the Corporations Act.

Section 611, Item 7 of the Corporations Act states that shareholders must be given all information that is material to the decision on how to vote at a general meeting. RG 111 advises the requirement to commission an Independent Expert's Report in such circumstances and provides guidance on the content.

2.2 Regulatory guidance

In assessing whether the Proposed Transactions are "fair" and "reasonable", we have given regard to the views expressed by the ASIC in RG 111.

RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.

RG 111 states that the expert's report should focus on:

- the issues facing the security holders for whom the report is being prepared; and
- the substance of the transaction rather than the legal mechanism used to achieve it.

Where an issue of shares by a company otherwise prohibited under section 606 is approved under Item 7 of Section 611 and the effect on the company's shareholding is comparable to a takeover bid, RG 111 states that the transaction should be analysed as if it was a takeover bid.

RG 111 applies the "fair and reasonable" test as two distinct criteria in the circumstance of a takeover offer, stating:

- a takeover offer is considered "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- a takeover is considered "reasonable" if it is fair, or where the offer is "not fair" it may still be "reasonable" if the expert believes that there are sufficient reasons for security holders to accept the offer.

2.3 Adopted basis of evaluation

Consistent with the guidelines in RG 111 as summarised above, we have considered whether the Proposed Transactions are "fair" to Non-Associated Shareholders by assessing and comparing:

- the Fair Value of an Adherium Share on a controlling basis prior to the Proposed Transactions; with
- the Fair Value of an Adherium Share on a non-controlling basis immediately post completion of the Proposed Transactions.

Our assessment of the Fair Value of an Adherium Share has been prepared on the following basis:

"the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length".

Assessment of Fairness

In assessing whether we consider the Proposed Transactions to be fair to Non-Associated Shareholders, we have valued an Adherium Share prior to the Proposed Transactions on a controlling basis, and on a non-controlling basis immediately after the Proposed Transactions (assuming Resolution 7 and Resolution 9 are approved individually, and assuming if both Resolution 7 and Resolution 9 are approved).

The approval of Resolution 6 is not conditional upon the approval of Resolution 7 and vice versa. If Resolution 6 is not approved, but Resolution 7 is approved, the current Trudell Loan will not be converted and will continue to accrue interest and will be payable on the maturity date, being 9 months from the date of the Subscription Agreement. However, Trudell would be able to acquire a “relevant interest” of more than 20% of the issued Shares in Adherium resulting from the conversion or exercise (as the case may be) of other convertible notes and options held by Trudell.

If Resolution 6 is approved but Resolution 7 is not approved, the Company will not be able to proceed with the issue of the Shares and attaching Options on the conversion of the Trudell Convertible Notes and the exercise of the Options held by Trudell to the extent Trudell would acquire a “relevant interest” of more than 20% of the issued Shares in Adherium, and the Company will be required to repay the amount advanced plus interest accrued under the Trudell Loan in respect of the Trudell Convertible Notes which are unable to be converted.

Similarly, the approval of Resolution 8 is not conditional upon the approval of Resolution 9 and vice versa. If Resolution 8 is not approved, but Resolution 9 is approved, the current PAM Loan will not be converted and will continue to accrue interest and will be payable on the maturity date, being 9 months from the date of the Subscription Agreement. However, PAM would be able to acquire a “relevant interest” of more than 20% of the issued Shares in Adherium resulting from the conversion or exercise (as the case may be) of other convertible notes and options held by PAM.

If Resolution 8 is approved but Resolution 9 is not approved, the Company will not be able to proceed with the issue of the Shares and attaching Options on the conversion of the PAM Convertible Notes and the exercise of the Options held by PAM to the extent PAM would acquire a “relevant interest” of more than 20% of the issued Shares in Adherium (noting that PAM can convert all ANREO Options currently held without acquiring an interest greater than 20%), and the Company will be required to repay the amount advanced plus interest accrued under the PAM Loan in respect of the PAM Convertible Notes which are unable to be converted.

As the Proposed Transactions are seeking Shareholder approval for the purposes of Trudell and PAM acquiring relevant interests of more than 20% of the issued Shares in the Company under Section 611, Item 7 of the Corporations Act, we have assumed that Resolution 6 has been approved in our assessment of the Fair Value of a Share immediately post the approval of Resolution 7 in our assessment of fairness, as this scenario contemplates the maximum dilution of Non-Associated Shareholders’ interest in the Company immediately post the approval of Resolution 7.

Similarly, we have assumed that Resolution 8 has been approved in our assessment of the Fair Value of a Share immediately post the approval of Resolution 9 in our assessment of fairness, as this scenario contemplates the maximum dilution of Non-Associated Shareholders’ interest in the Company immediately post the approval of Resolution 9.

Accordingly, our assessment of the Fair Value of an Adherium Share immediately after the approval of both Resolutions 7 and 9 (on a non-controlling basis) also assumes the collective approval of both Resolutions 6 and 8.

In our assessment of whether or not the Proposed Transactions are fair and reasonable to Non-Associated Shareholders we have set out two scenarios, being our assessment of the Fair Value of an Adherium Share if one of the Proposed Transactions is approved, and if both the Proposed Transactions are approved.

Assessment of Reasonableness

In accordance with RG 111, we have considered whether the Proposed Transactions are “reasonable” to Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Proposed Transactions which are likely to be relevant to Non-Associated Shareholders in their decision as to whether or not to accept the Proposed Transactions.

In particular, we have considered whether the Proposed Transactions are “reasonable” by undertaking an analysis of the following factors:

- the potential advantages and disadvantages of the Proposed Transactions for the Non-Associated Shareholders, including the specific terms of the Proposed Transactions;
- the future prospects of the Company if the Proposed Transactions do not proceed;
- the trading of Adherium’s Shares following the announcement of the Proposed Transactions; and
- the existence of alternative proposals;

Our assessment of the Proposed Transaction is based on economic, market and other conditions prevailing at the date of this Report.

3. Profile of Adherium Limited

3.1 Background

Adherium is a digital health technology company that develops solutions to support the management of chronic respiratory conditions such as asthma and chronic obstructive pulmonary disease (“COPD”). Its primary offering, the Hailie® Smartinhaler® system, combines sensor technology with mobile and desktop applications to enable remote monitoring of medication usage and adherence. The platform is designed to assist healthcare providers in managing patient treatment and may support reimbursement for eligible patient management programs.

The Hailie® system includes:

- Sensors that attach to inhalers and track medication usage;
- Bluetooth-enabled connectivity for real-time data transmission;
- Mobile and desktop applications for patients and clinicians; and
- Integration tools such as software development kits (“SDKs”) and application programming interfaces (“APIs”) to facilitate data sharing.

The solution provides healthcare professionals with access to medication usage history, supporting the identification of adherence patterns and informing treatment decisions. It is intended to enhance disease management and reduce the burden of respiratory conditions on patients and healthcare systems.

Adherium was established in 2001 and is headquartered in Auckland, New Zealand. The company was listed on the Australian Securities Exchange (ASX) on 26 August 2015.

The Adherium group of companies comprises the Company and the following wholly-owned subsidiaries:

- Adherium (NZ) Limited;
- Adherium North America, Inc.;
- Adherium Europe Ltd; and
- Nexus6 Limited (dormant).

3.2 Directors and management

The directors and key management of Adherium are summarised in the table below.

Table 7 Adherium directors and key management

Name	Title	Experience
Mr Lou Panaccio	Independent Non-executive Chair	Mr Panaccio currently sits on the boards of ASX and NASDAQ listed Avita Therapeutics Inc., ASX50 company Sonic Healthcare Limited and ASX-listed Rhythm Biosciences Limited. He is also a Non-executive director of Unison Housing Limited and Non-executive Chair of Magellan Stem Cells Pty Ltd. Mr Panaccio was the Chief Executive Officer (CEO) and Executive Director of Melbourne Pathology for ten years to 2001, the Chief Executive Officer of Monash IVF until 2009 and the Executive Chairman of Health Networks Australia until 2017. Mr Panaccio holds a Bachelor of Economics from Monash University and is a Member of the Australian Institute of Company Directors.
Ms Dawn Blitz	Chief Executive Officer	Ms Blitz is an experienced executive with nearly 30 years’ experience spanning medical technology, respiratory care and digital health. Ms Blitz has successfully launched multiple medical technologies and led product lines generating revenues between US\$25m and US\$150m. She has overseen regulatory and clinical strategies across Pre Market Approval (PMA), 510(k), and De Novo pathways, led Merger & Acquisition transactions, and secured substantial funding through federal and state grants alongside equity financing. Based in the US, Ms Blitz is leading the expansion of Adherium’s Hailie® platform in key global markets, with a particular focus on accelerating adoptions across the US.

Mr George Baran	Non-executive Director	Mr Baran has over 35 years of experience in the medical device industry and serves as Executive Chair of the Trudell Medical Limited Board of Directors as well as being a significant shareholder of Adherium. In addition to his role at Trudell, Mr Baran is an active investor in and director of several medical device and e-health/connected care companies including Sensory Technologies, Mozzaz Corporation, and Sky Medical Technology Inc. Mr Baran has been responsible for the marketing of new drug delivery technologies to medical opinion leaders and major pharmaceutical companies. This has included collaboration with business and clinical partners in the design and coordination of clinical studies. He has also been granted several US and international patents for medical devices for drug delivery and minimally invasive surgery. Mr Baran holds an MBA from the Richard Ivey School of Business, Western University, London (ON) where he currently serves on the Advisory Board of the Lawrence National Centre for Policy and Management.
Mr Jeremy Curnock Cook	Independent Non-executive Director	Mr Curnock Cook was previously interim CEO of Adherium Limited in 2019 and is an active investor in the Australian life science sector. He was formerly head of the life science private equity team at Rothschild Asset Management in the UK. At Rothschild, Mr Curnock Cook was responsible for the launch of the first dedicated biotechnology fund for the Australian market. Over his 40-year career, Mr Curnock Cook has specialised in creating value in emerging biotech enterprises, through active participation with management. He has served on over 40 boards in various roles, including chair of private and public biotechnology companies listed on NASDAQ, AMEX, LSE, TSX and ASX. Mr Curnock Cook received his MA in Natural Sciences from Trinity College in Dublin, Ireland. He is currently Managing Director of BioScience Managers Pty Ltd (PAM), and sits on the board of Avita Medical, Rex Bionics Pty Ltd, Humanetix Ltd, Marine Department Ltd, Cambridge Respiratory Innovations Ltd, and Sea Dragon Ltd. As noted, Mr Curnock Cook has an association with significant shareholder PAM through his capacity as Managing Director of BioScience Managers Pty Ltd. The board of directors is of the opinion that this does not compromise the independence of Mr Curnock Cook as, to the best of the Board's knowledge and based on advice received, he is not involved in decision making by the shareholders, and also does not control BioScience Managers Pty Ltd.
Mr Keven Gessner	Non-executive Director	Mr Gessner has more than 25 years' experience in key leadership roles for Pfizer, Teva, AstraZeneca and GlaxoSmithKline (GSK). He brings specialist expertise in leading digital health transformation in global respiratory health markets.
Mr Bruce McHarrie	Non-executive Director	Mr McHarrie is a company director and adviser in the health and life sciences sectors with over 30 years' experience. He was formerly with Telethon Kids Institute in Perth, Western Australia for 15 years, where his roles included Chief Financial Officer, Director of Operations and Director of Strategic Projects. Prior to joining Telethon Kids, Mr McHarrie was a Senior Manager at Deloitte in London before moving to Rothschild Asset Management as Assistant Director of the Bioscience Unit, a life sciences private equity group investing in early-stage biotechnology and healthcare companies. Outside his role at Adherium, he is currently an advisor to BioScience Managers (PAM). Mr McHarrie is a Fellow of the Institute of Chartered Accountants Australia and New Zealand. He holds a Bachelor of Commerce from the University of Western Australia and is a graduate member of the Australian Institute of Company Directors. Mr McHarrie was previously a director at AusCann Group Holdings Ltd and Pharmamark Nutrition Pty Ltd. As noted, as an advisor to BioScience Managers, Mr McHarrie has an association with a significant shareholder of the Company. The board of directors is of the opinion that this does not compromise Mr McHarrie's independence as to the best of the board's knowledge he is not involved in decision making by BioScience Managers and the value of the advisory services provided is not material.

Source: Company

3.3 Financial information

The information in the following section provides a summary of the consolidated financial performance of Adherium for the financial years ended 30 June 2023 ("FY23"), 30 June 2024 ("FY24") and 30 June 2025 ("FY25"), (collectively the "Historical Period"), extracted from the audited financial statements of Adherium.

3.4 Financial performance

The table below sets out a summary of the consolidated financial performance of Adherium for the Historical Period.

Table 8 Consolidated historical financial performance

Consolidated statement of profit or loss and other comprehensive income (\$)	30-Jun-23 Audited	30-Jun-24 Audited	30-Jun-25 Audited
Sales	3,195,530	840,982	817,237
Cost of sales	(669,681)	(573,279)	(705,863)
Gross profit	2,525,849	267,703	111,374
<i>Gross profit margin (%)</i>	<i>79%</i>	<i>32%</i>	<i>14%</i>
Other income	1,837,636	1,522,085	1,222,436
Operating expenses			
Manufacturing expenses	(833,152)	(908,538)	(655,379)
Research and development expenses	(4,725,231)	(4,144,960)	(3,441,138)
Sales and marketing expenses	(4,006,309)	(2,138,032)	(4,290,344)
Administrative expenses	(4,662,961)	(4,953,392)	(5,382,470)
Total operating expenses	(14,227,653)	(12,144,922)	(13,769,331)
EBITDA	(9,864,168)	(10,355,134)	(12,435,521)
Depreciation and amortisation	(190,872)	(108,091)	(103,330)
EBIT	(10,055,040)	(10,463,225)	(12,538,851)
Finance income	203,527	241,124	88,188
Finance expenses	(6,073)	(2,072)	(228,686)
Loss before income tax	(9,857,586)	(10,224,173)	(12,679,349)
Income tax credit /(expense)	-	-	-
Loss for the period attributable to equity holders	(9,857,586)	(10,224,173)	(12,679,349)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss when certain conditions are met: Foreign exchange differences on translation of foreign operations	6,096	(93,157)	1,365
Total comprehensive loss for the period	(9,851,490)	(10,317,330)	(12,677,984)
Total comprehensive loss attributable to:			
Equity holders of Adherium Limited	(9,851,490)	(10,317,330)	(12,677,984)

Source: Audited financial statements

We note the following in relation to Adherium's historical financial performance:

- Adherium disclosed total sales of \$3.2m for FY23, with sales comprising sensor sales and monitoring services, and new product design and engineering services of \$1.9m and \$1.3m, respectively.
- Total sales decreased to \$841k for FY24, due primarily to lower levels of sensor sales and monitoring services, with total sales comprising sensor sales and monitoring services, and new product design and engineering services of \$355k and \$486k, respectively, with total sales for FY25 reasonably consistent with FY24 levels.
- Over the Historical Period, the Company has advanced its commercial strategy by concentrating on scalable partnerships and customer relationships, aiming to achieve positive cashflows from operations in the medium to long term by growing its remote patient monitoring ("RPM") services, particularly in the US. Prior to FY24, the Company's core business market approach involved engaging with medical groups and remote monitoring companies, generating revenue through device sales and recurring data fees. Since July 2023, the Company has undergone a strategic shift towards offering remote patient monitoring services directly through Adherium's platform, with the Company continuing to focus on expanding its customer base through strategic partnerships with group purchasing organisations and value-based care programs.

- Amongst other partnerships and collaborations, the Company currently collaborates with SENTA Partners (“SENTA”, a large specialty allergy and asthma group in the US) and Allergy Partners (a large allergy and asthma practice in the US), integrating their patient populations into Adherium's remote monitoring system. Significant digital campaigns have been undertaken to prioritise conversion opportunities from a pipeline of identified RPM candidates.
- Other income of \$1.8m, \$1.5m and \$1.2m for FY23, FY24 and FY25, respectively, comprised government grant income and research and development (R&D) tax credits.
- Operating expenses comprise manufacturing, research and development costs, sales and marketing and administrative expenses.
- Operating expenses totalled \$14.2m, \$12.1m and \$13.8m for FY23, FY24 and FY25, respectively. Research and development activities for FY25 totalled \$3.4m, a decrease compared to \$4.1m and \$4.7m for FY24 and FY23, respectively, with the decreased expenditure reflecting the shift from clinical trials and product development to commercialisation of existing devices and software platform.
- Sales and marketing costs increased from \$2.1m for FY24 to of \$4.3m for FY25 due primarily to the expansion in the US market resulting in increases in staff and facilities expenses.
- The increase in administrative expenses from \$5.0m in FY24 to \$5.4m in FY25 was primarily due to consulting fees incurred from executive recruitment and team management programs.
- The Company disclosed net losses before income tax of \$9.9m, \$10.2m and \$12.7m for FY23, FY24 and FY25, respectively.

3.5 Financial position

The table below sets out a summary of the consolidated financial position of Adherium as at 30 June 2023, 30 June 2024 and 30 June 2025.

Table 9 Consolidated historical financial position

Consolidated statement of financial position \$	30-Jun-23 Audited	30-Jun-24 Audited	30-Jun-25 Audited
Current assets			
Cash and cash equivalents	9,077,258	6,197,538	43,255
Trade and other receivables	1,968,416	1,797,416	1,078,776
Prepayments	228,256	151,221	439,921
Inventories	1,238,401	1,582,298	1,838,371
Total current assets	12,512,331	9,728,473	3,400,324
Non-current assets			
Property, plant and equipment	126,676	65,092	69,781
Intangibles	459	264	36
Right-of-use assets	41,771	93,325	45,293
Total non-current assets	168,906	158,681	115,110
Total assets	12,681,237	9,887,154	3,515,434
Current liabilities			
Trade and other payables	1,799,298	1,963,857	3,087,265
Employee provisions	959,684	772,018	1,220,243
Deferred revenue	655,284	566,788	824,170
Convertible notes	-	-	1,958,589
Borrowings	-	-	1,115,108
Lease liabilities	44,149	46,933	46,953
Total current liabilities	3,458,415	3,349,595	8,252,329
Non-current liabilities			
Employee provisions	8,912	10,891	26,356
Lease liabilities	-	46,272	-
Total non-current liabilities	8,912	57,163	26,356
Total liabilities	3,467,327	3,406,758	8,278,685
Net assets	9,213,910	6,480,396	(4,763,251)
Equity			
Issued capital	123,617,236	131,003,209	132,134,776
Reserves	(93,286,684)	(103,510,857)	(116,190,205)
Accumulated losses	(21,116,642)	(21,011,956)	(20,707,822)
Total equity	9,213,910	6,480,396	(4,763,251)

Source: Adherium's audited financial statements

We note the following in relation to Adherium's financial position:

- Adherium disclosed net assets of \$9.2m and \$6.5m as at 30 June 2023 and 30 June 2024, respectively, and net liabilities of \$4.8m at 30 June 2025. With the decline in net assets due primarily to net losses disclosed for both FY24 and FY25 offset by capital raisings undertaken.
- Subsequent to 30 June 2025, Adherium completed the ANREO in July, raising \$4.492m (before costs) and a placement of \$0.35m on 4 August 2025 on the same terms as the ANREO via a placement with institutional investors. Mr Keven Gessner, a director of Adherium has committed subject to shareholder approval (Resolution 12 of the Notice) to subscribe for \$20k in this placement.

- The Company disclosed total assets of \$3.5m at 30 June 2025, primarily comprising trade and other receivables (\$1.1m), inventories (\$1.8m) and prepayments (\$440k).
- Property, plant and equipment primarily comprised manufacturing equipment, computer equipment, fixture and fittings and office equipment.
- Intangible assets comprised acquired software and intellectual property. Adherium has not capitalised material development expenditure in relation to the development of the Hailie® platform.
- At 30 June 2025, total liabilities of \$8.3m primarily comprised trade and other payables (\$3.1m), employee provisions (\$1.2m), deferred revenue (\$824k), convertible notes (\$2.0m) and current borrowings (\$1.1m).
- During FY25 the Company issued the 2025 Convertible Notes (approved by shareholders on 29 April 2025) to raise \$2.6m (before costs) (with Trudell and PAM subscribing for \$1.2m each), with an interest rate of 10% per annum, and a maturity date being 9 months from the issue date (with conversion features as set out in further detail in Section 1.1 ([Table 4](#)).
- On 20 June 2025, PAM converted \$266,000 2025 Convertible Notes to Shares, and on 27 June 2025, Trudell converted 215,350 2025 Convertible Notes to Shares.
- Current borrowings of \$1.1m comprised the \$900k Trudell and PAM Loans plus accrued interest, as well as short-term related party borrowings of \$200k.

3.6 Capital structure

At the date of this Report, Adherium has c. 1.9b ordinary shares on issue, of which 90.0% were held by the top 20 shareholders as summarised in the table below.

Table 10 Adherium shareholder summary

Shareholder	Number	%
Citicorp Nominees Pty Limited	355,530,914	19.1%
Trudell Medical Ltd	343,776,885	18.5%
Phillip Asset Management Limited	343,770,320	18.5%
J P Morgan Nominees Australia Pty Limited	221,180,000	11.9%
K One W One Ltd	106,836,248	5.7%
HSBC Custody Nominees (Australia) Limited	98,093,037	5.3%
Alianda Oaks Pty Ltd <Resource Surveys Invest A/C>	38,600,000	2.1%
Buttonwood Nominees Pty Ltd	19,928,061	1.1%
Mr Carlsen Wilson Henry Marks + Mrs Edwina Mary Marks	18,500,000	1.0%
Neweconomy Com Au Nominees Pty Ltd <900 account>	16,543,152	0.9%
Scintilla Strategic Investments Limited	16,000,000	0.9%
Vilmos Pty Ltd <Pannaccio Investment A/C>	15,333,336	0.8%
Auraria Group Pty Ltd	13,888,046	0.7%
Vanhop Pty Ltd <Vanhop Super Fund A/C>	12,560,000	0.7%
Mr Andrew Rhys Jackson	11,772,006	0.6%
Mr Paul Mastoridis	11,600,000	0.6%
Mr James Christmas Douglas Hansen	10,256,572	0.6%
Eshuys Super Pty Ltd <Resource Surveys SF A/C>	8,200,000	0.4%
Mr George Baran	7,500,000	0.4%
G & A Eshuys Superannuation Pty Ltd < G & A ESHUYS S/F A/C>	7,000,000	0.4%
	1,676,868,577	90.0%
Other Shareholders	186,306,018	10.0%
Total	1,863,174,595	100.0%

Source: Securities register as at 15 September 2025

As at the date of this Report, Adherium has c. 1.1b unlisted options and SARs on issue on the terms summarised below.

Table 11 Summary of options and SARs

Type	No.	Exercise price	Expiry date	Vested
ANREO Options	964,678,812	\$0.005	31-Jul-26	Yes
Bonus Options	4,176	\$0.005	15-Nov-26	Yes
Current 2025 Convertible Note Options	70,146,936	\$0.01	28-Feb-28	Yes
SARs 1	4,611,203	\$0.24	20-Sep-31	Yes
SARs - FY23 STI	1,968,780	\$0.00	17-Apr-29	Yes
SARs - FY24 STI	7,500,012	\$0.06	28-Jul-29	Yes
SARs - FY25 STI	6,056,227	\$0.06	28-Jul-29	Yes
SARs - FY26 LTI	6,009,980	\$0.06	28-Jul-29	Yes
Other unlisted options - OP6	1,834,635	\$0.3285	29-Jan-27	Yes
Other unlisted options - OP7	1,145,105	\$0.60	14-Apr-27	Yes
Other unlisted options - UO8	7,585,800	\$0.04	01-Jul-27	Yes
1,071,541,666				

Source: Securities register as at 15 September 2025 and ASX

Trudell and PAM hold 22.1m and 27.5m 2025 Convertible Note Options, respectively (49.6m out of the 70.1m 2025 Convertible Note Options currently on issue as set out in the table above).

Trudell and PAM currently hold \$985k and \$934k 2025 Convertible Notes, respectively, and would each be issued a further \$450,000 additional 2025 Convertible Notes if Resolutions 6 and 8 are approved.

If all 2025 Convertible Notes were converted to Shares, Trudell and PAM would be issued 143.5m and 138.4m 2025 Convertible Note Options, respectively (totalling 281.9m).

At the date of this Report, Trudell and PAM also both hold 165m each in ANREO Options.

Trudell also holds 699k of unlisted options (OP6 listed above), exercisable at \$0.3285 per option and expiring on 29 January 2027.

If Resolutions 6 and 8 are not approved, and assuming no other changes to the current capital structure, both Trudell and PAM could exercise approximately 47m each of their ANREO Options held without breaching the 20% rule.

We have included the potential dilutionary impact of the above unlisted options on issue (excluding 236m ANREO Options and 49.6m of 2025 Convertible Note Options currently held by Trudell and PAM) in our assessment of the value of an Adherium Share prior to the Proposed Transactions as set out in Section 5.2 of this Report. We have assumed the ANREO Options would be exercised in priority to conversion of the 2025 Convertible Notes or the exercise of the 2025 Convertible given the lower exercise price.

Assuming either of Resolutions 6 and 7 or Resolutions 8 and 9 are approved, either Trudell or PAM could convert all 2025 Convertible Notes held and would be issued 143.5m and 138.4m 2025 Convertible Note Options, respectively (totalling 281.9m additional 2025 Convertible Note Options).

If Resolutions 6 and 7 are approved, Trudell would be entitled to convert all remaining 118m ANREO and all 2025 Convertible Note Options held/issued.

Accordingly, we have considered the potential dilutionary impact of all unlisted options on issue at the date of this Report (including all the remaining 118m ANREO Options held by Trudell, as well as the potential dilutionary impact of the 165.6m 2025 Convertible Note Options held by Trudell), in our assessment of an Adherium Share post the Proposed Transaction under Scenario 1 as set out in Section 6 of this Report.

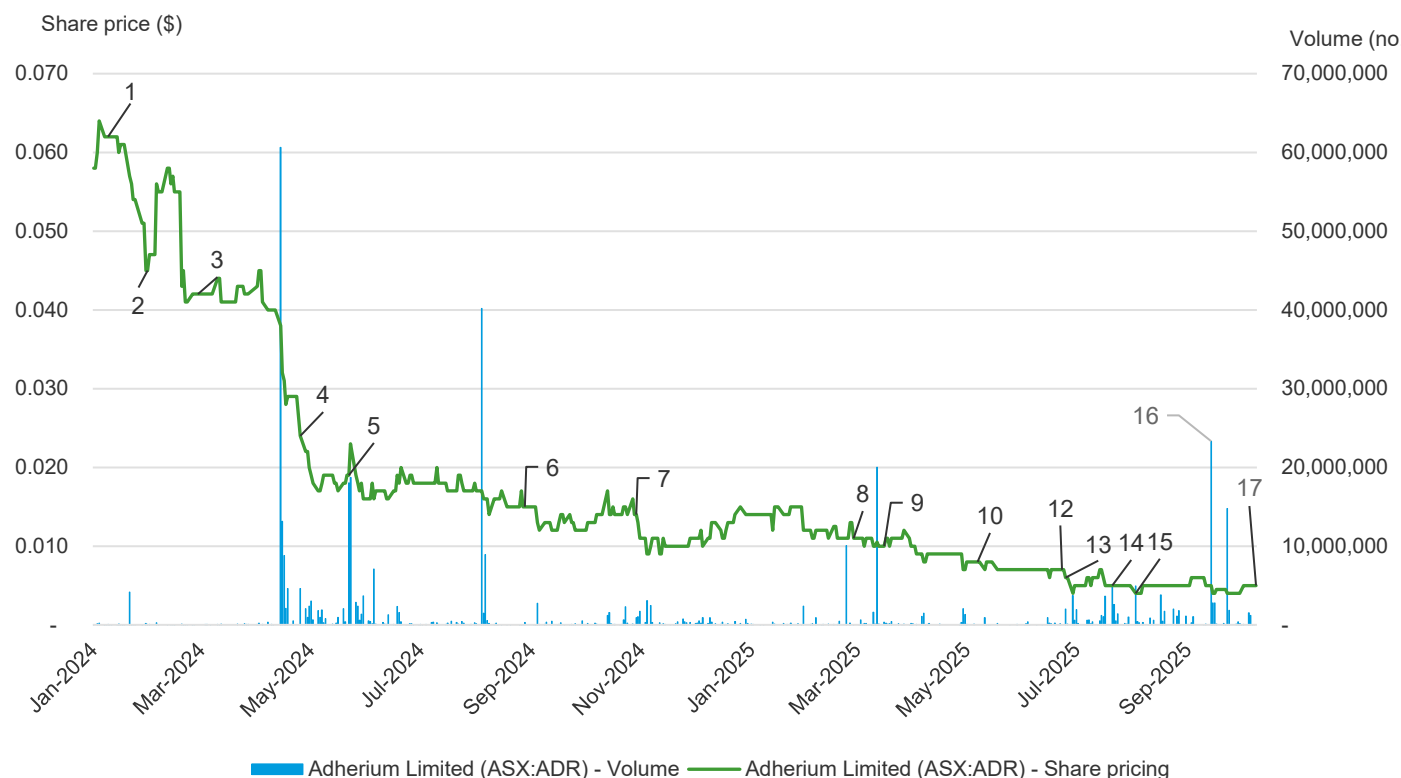
Under Scenario 2, we have included the additional potential dilutionary impact of all remaining 236m ANREO and all 331.5m 2025 Convertible Note Options if both the Proposed Transactions are approved.

Further details on the assumptions and inputs we have used to value the potential dilutionary impact of the options are set out in Appendix D.

3.7 Share Price Performance

A summary of ADR's recent share price movement for the period from 1 January 2024 to 10 October 2025 is set out in the figure below.

Figure 3 Adherium historical share price and traded volumes



Source: S&P Capital IQ and ASX

Over the period between 1 January 2024 and 10 October 2025, Adherium shares traded at a low of \$0.004 to a high of \$0.064.

Significant announcements made over the period 1 January 2024 to the date of this Report are summarised in the table below.

Table 12 ADR selected announcements

Ref	Date	Comment
1	16-Jan-2024	ADR announced the resignation of Rick Legleiter as Chief Executive Officer.
2	1-Feb-2024	The Company announced the appointment of new Chief Executive Officer ("CEO"), Dr Paul Mastoridis. As part of his appointment, Dr Mastoridis would contribute his expertise to bolster the Company's commercialisation and market penetration strategy for its lead product, the Hailie® Smartinhaler® system, with an immediate focus on the US market.
3	29-Feb-2024	The Company released its half-yearly report and financial statements for the half-year ended 31 December 2023, reporting a net loss from ordinary activities of \$4.7m for the period.
4	26-Apr-2024	ADR announced the Company had received binding commitments to raise up to \$1.57m before costs via a placement. The placement would be undertaken in two tranches with the second tranche including the CEO and director participation. On the same day, ADR also announced that the Company proposed to undertake a fully underwritten non-renounceable entitlement offer of new shares and new options to eligible shareholders to raise up to approximately \$6.8m before costs. Funds raised under the placement and non-renounceable entitlement offer of \$8.37m (before costs) would be used to advance US commercialisation of Adherium's Hailie® Smartinhaler® technology noting that 12 US Food and Drug Administration (FDA) (510k) cleared inhalation sensors on market.

5	23-May-2024	ADR announced that the non-renounceable entitlement offer to raise approximately \$6.8m (before costs) at \$0.02 per new share had closed. Under the terms of the non-renounceable entitlement offer, approximately 340m new shares would be issued, together with 1 new attaching unlisted option for every new share subscribed under the offer, exercisable at \$0.03 per option and expiring 30 June 2025.
6	29-Aug-2024	ADR released its annual report, disclosing net losses after tax of \$10.2m for the year ended 30 June 2024.
7	30-Oct-2024	ADR announced the termination of Dr Paul Mastoridis as the Company's Chief Executive Officer, effective on 7 January 2025.
8	28-Feb-2025	ADR released its half-yearly report and accounts, reporting a net loss from ordinary activities of \$5.8m for the half-year ended 31 December 2024.
9	18-Mar-2025	ADR announced firm commitments received for a \$2.6m capital raising by means of the issue of the 2025 Convertible Notes. Cornerstone investors included international healthcare investment firm, Bioscience Managers (PAM), and global respiratory device manufacturer, Trudell, each contributing \$1.2m to the capital raise.
10	8-May-2025	ADR announced key leadership appointments to support strategic marketing and sales efforts for its product in the US. Mr Keven Gessner has been appointed in a key advisory role as Non-Executive Director. Mr Jason Hochman was appointed Head of US Commercial/GTM, and Mr David Haddad was appointed Head of Product.
11	19-May-2025	ADR announced that the Company had raised \$900k through the issue of the Trudell Convertible Notes and the PAM Convertible Notes via a subscription agreement (subject to shareholder approval) and had advanced the subscription amount by way of the Trudell Loan and the PAM Loan.
12	24-Jun-2025	ADR announced that the Company proposed to undertake the partially underwritten accelerated non-renounceable entitlement offer of new shares and new options to eligible shareholders to raise up to \$4m (capped) before costs (ANREO). Funds raised would be used to engage employees and contractors in the US to onboard more customers and data scientists to conduct impact evidence, recruit a CEO, and general working capital.
13	26-Jun-2025	ADR announced that it had successfully closed the institutional component of the ANREO. In response to strong institutional demand, the Board had elected to accept full subscriptions and upscale the offer to \$4.492m. The successful completion of the retail component of the ANREO was announced on 17 July 2025.
14	22-Jul-2025	The Company announced the appointment of Dawn Bitz as CEO, effective immediately.
15	4-Aug-2025	ADR announced firm commitments received for a \$0.35m institutional placement (before costs) at \$0.005 per share and (and on the same terms as the ANREO). The proceeds, together with existing cash reserves and proceeds from the ANREO would be used to advance the Company's growth plan and strengthen the balance sheet.
16	15-Sep-25	The Company announced preliminary results from its iCARE study, conducted in partnership with Intermountain Health, a nonprofit US health provider, and CareCentra, an AI-driven prevention as-a-service remote monitoring platform, showing positive clinical outcomes, including significant adherence rates and consistent patient engagement for patients with COPD and asthma. The Company considered that the preliminary results were material under Listing Rule 3.1 as these results demonstrated the scalability of the Hailie® platform in the US health system.
17	10-Oct-25	Adherium Limited announced an Early Exercise Incentive Offer for eligible option holders who participated in its recent placement and ANREO. Option holders who exercise their existing options by 15 November 2025 will receive one bonus option for each option exercised (on the same terms as the Bonus Options announced on 26 June 2025). Each Bonus Option will have an exercise price of \$0.005 and expire on 15 November 2026. The company encourages early exercise before 16 October 2025 to assist with processing and cash-flow management. All resulting shares and bonus options will be issued simultaneously to ensure compliance with the 19.9% voting power limit under the Corporations Act 2001 (Cth).

Source: S&P Capital IQ and ASX announcements

4. Valuation Approach

4.1 Valuation methodologies

RG 111 proposes that it is generally appropriate for an expert to consider using the following valuation methodologies:

- the discounted cash flow (“DCF”) method and the estimated realisable value of any surplus and non-operating assets and liabilities;
- the application of earnings multiples to the estimated future maintainable earnings added to the estimated realisable value of any surplus assets surplus and non-operating assets and liabilities;
- the amount which would be available for distribution on an orderly realisation of assets;
- the quoted price for listed securities; and
- any recent genuine offers received.

We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market based methods

Market based methods estimate the fair value by considering the market value of a company’s securities or the market value of comparable companies. Market based methods include;

- the quoted price for listed securities; and
- industry specific methods.

The recent quoted price for listed securities method provides evidence of the fair value of a company’s securities where they are publicly traded in an informed and liquid market.

Industry specific methods usually involve the use of industry rules of thumb to estimate the fair value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the fair value of a company than other market-based valuation methods because they may not account for company specific risks and factors.

Income based methods

Income based methods estimate value by calculating the present value of a company’s estimated future stream of earnings or cash flows. Income based methods include:

- discounted cash flow;
- capitalisation of future maintainable earnings (“CFME”).

The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company’s cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

CFME is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings (“FME”) of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable target companies and the trading multiples of comparable listed companies. This methodology is commonly applied where earnings are stable and a FME stream can be established with a degree of confidence. Capitalisation multiples can be applied to either estimates of future maintainable operating cash flows, EBITDA, EBIT or net profit after tax (“NPAT”). The earnings from any surplus and non-operating assets and liabilities are excluded from the estimate of FME and the value of such assets and liabilities is separately added/subtracted to the value of the business in order to derive the total value of the company. The appropriate multiple to be applied is usually derived from an analysis of stock market trading multiples of comparable companies (which do not include a control premium) and the implied multiples paid in comparable transactions (which include a control premium).

Asset based methods

Asset based methodologies estimate the fair value of a company’s securities based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method;
- liquidation of assets method; and
- net assets on a going concern basis.

The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.

The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where a company is not valued on a going concern basis.

The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

4.2 Selection of valuation methodologies

Valuation of a Share prior to the Proposed Transactions

In assessing the Fair Value of an Adherium Share prior to the Proposed Transactions, we have selected the following valuation methodologies:

- Quoted market price of listed securities ("QMP") (primary methodology); and
- Net assets on a going concern methodology ("net assets") (secondary methodology).

Primary methodology – quoted market price of listed securities

Income based methods are appropriate where earnings of a business are maintainable and sufficient to justify a value exceeding the value of underlying assets. Adherium is at the early stages of commercialisation of its Hailie® Smartinhale® system, the Company is loss making and has actively sought funding over the last three years to fund existing research, marketing and its growth strategy.

Regulatory Guide 170 – Prospective financial information ("RG 170") gives detailed guidance on what is considered a reasonable basis for stating prospective financial information. While RG 170 is expressed to apply to fundraising documents under Chapters 6 and 7 of the Corporations Act, it provides useful guidance for inclusion of and use of prospective financial information in expert reports.

RG 170 states that indicative factors that may amount to reasonable grounds for stating prospective financial information include when:

- the information relates to options on forward-sales contracts or leases that lock in future expenses and revenue;
- the information is underpinned by independent industry experts' reports and/or independent accountants' reports; and
- the information includes reasonable short-term estimates (not exceeding two years).

Having regard to RG 170 and that the Company does not have forward-sales contracts at the date of this Report, we do not consider that there are sufficiently reasonable grounds to rely on financial forecasts under the requirements of RG 111, and therefore, we have not utilised an income-based methodology in our assessment of a Fair Value of an Adherium Share.

Notwithstanding the low liquidity of the Company's shares (discussed in further detail in Section 5), we have utilised the QMP methodology as our primary methodology in valuing an Adherium Share, noting that the Company has undertaken a number of placements over the last two years.

Secondary methodology – net assets on a going concern

The Company disclosed net liabilities at 30 June 2025 and Adherium does not capitalise material development expenditure in relation to the development of the Hailie® platform. Nonetheless, we have utilised the net assets basis as our secondary valuation methodology. In utilising this methodology, we have relied upon the net book value of assets and liabilities as set out in Adherium's audited financial statements as at 30 June 2025, adjusted for material movements post 30 June 2025.

Valuation of a Share immediately after the Proposed Transactions

We have utilised our assessed Fair Value of an Adherium Share using the QMP methodology in our assessment of the Fair Value of an Adherium Share immediately following completion of the Proposed Transactions, adjusted for the terms of the Proposed Transactions.

Our assessment of the Fair Value of an Adherium Share post the Proposed Transactions has been undertaken by considering two scenarios, being our assessment of the Fair Value of an Adherium Share if one of the Proposed Transactions is approved, and if both the Proposed Transactions are approved.

If the Proposed Transactions are approved, and all 2025 Convertible Notes held by Trudell and PAM are converted to Shares, Trudell and PAM's relevant interest in the Company would increase to 26.0% and 25.6%, respectively, with a corresponding dilution in Non-Associated Shareholders' interests from 63.1% to 48.4% (on an undiluted basis).

If the Proposed Transactions are approved and all options held by Trudell and PAM (including ANREO and 2025 Convertible Note Options) are exercised, Trudell and PAM's relevant interest would increase to 31.1% and 30.8%, respectively, with a corresponding dilution in Non-Associated Shareholders' interests to 38.1% (and assuming no other capital raisings and/or exercise of options held by Non-Associated Shareholders).

In our valuation of an Adherium Share immediately post the Proposed Transactions, we have assumed that all 2025 Convertible Notes will be converted to Shares in accordance with the conversion terms of the 2025 Convertible Notes (refer to Section 1.1 of this Report and Annexure B of the Notice) which specifies that the Notes automatically convert upon either a capital raising of \$5 million, at the Maturity Date, or otherwise, at the election of the Noteholder.

In accordance with RG 111, we have ascribed a discount for lack of control to the value of an Adherium share immediately after the Proposed Transactions.

5. Valuation of an Adherium Share prior to the Proposed Transactions

5.1 Quoted price of listed securities methodology

As set out in Section 4, we have assessed the Fair Value of an Adherium Share prior to the Proposed Transactions using the QMP methodology as our primary valuation methodology.

Accordingly, we have considered the recent quoted market price for Adherium Shares on the ASX prior to the announcement of the Proposed Transactions.

RG 111.69 indicates that for the quoted market share price methodology to represent a reliable indicator of Fair Value, there needs to be an active and liquid market for the securities.

The following characteristics may be considered to be representative of a liquid and active market:

- regular trading in the company's securities;
- approximately 1% of a company's securities traded on a weekly basis;
- the bid/ask spread of a company's shares must not be so great that a single majority trade can significantly affect the market capitalisation of the company; and
- there are no significant but unexplained movements in share price.

The Proposed Transactions was announced on 19 May 2025. To provide further analysis of the quoted market prices for Adherium's Shares, we have considered the Volume Weighted Average Price (VWAP) for the 5, 10, 30, 60, 90, 120 and 180 calendar days, as summarised in the table below.

Table 13 VWAP of Adherium Shares

Calendar days	Share price Low \$	Share price High \$	No. of days traded	Volume traded	Value traded \$	VWAP \$	Percentage of issued capital %
5 days	0.008	0.008	2	3,250	26	0.008	0.00%
10 days	0.007	0.008	4	940,150	6,595	0.007	0.12%
30 days	0.007	0.009	10	4,829,730	34,705	0.007	0.64%
60 days	0.007	0.012	25	9,059,970	73,330	0.008	1.19%
90 days	0.007	0.013	43	43,514,530	440,456	0.010	5.74%
120 days	0.007	0.015	56	47,801,410	493,143	0.010	6.30%
180 days	0.007	0.015	87	56,525,540	594,154	0.011	7.45%

Source: Capital IQ and RSM analysis

As set out in the table above, the Company's shares traded between \$0.007 to \$0.015 over the 180-day period prior to 19 May 2025, and the VWAP ranged from \$0.007 to \$0.011 over the same period.

We note the following:

- during the 180 days leading up to 19 May 2025, 7.45% of the issued capital was traded, and in the 90 days leading up to 19 May 2025, 5.74% of the issued capital was traded;
- shares were traded on 87 days in the 180-day period leading up to 19 May 2025;
- the bid/ask spread is often used to measure efficiency. For the 180-day period, the closing bid/ask spread of Adherium averaged 12.8% of the midpoint price. On the basis, over a comparable period, all stocks trading on the ASX had an effective average bid/ask spread of 0.1832%¹, we consider the bid/ask spread of the Company to be large; and
- notwithstanding the level of liquidity, Adherium complies with full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of the Company.

Based on the recent trading in the Company's shares and having particular regard to the 10- to 30-day VWAP, we have assessed the value of a Share on a minority interest (non-controlling interest) basis to be \$0.007.

¹ Equity market data for the quarter ended 30 June 2025 - ASIC

Control premium

Obtaining control of an entity usually provides the acquirer with a number of advantages including the following:

- access to potential synergies
- control over decision making and strategic direction;
- access to underlying cash flows; and
- control over dividend policies.

In the case of publicly traded securities, given the advantages control of an entity provides an acquirer, they are usually expected to pay a premium to the quoted market price to achieve control, which is often referred to as a control premium. Earnings multiples for listed companies do not reflect the market value of a controlling interest in the company as they are derived from market prices which usually represent the buying and selling of non-controlling portfolio holdings (small parcels of shares).

As the Proposed Transactions represent a control transaction, in assessing the value of a Share, we have applied a premium for control.

RSM has conducted a study on 605 takeovers and schemes of arrangement involving companies listed on ASX over the 15.5 years ended 31 December 2020 ("RSM Control Premium Study"). In determining the control premium, RSM compared the offer price to the closing trading price of the target company 20, 5 and 2 trading days pre the date of the announcement of the offer. Where the consideration included shares in the acquiring company, RSM used the closing share price of the acquiring company on the day prior to the date of the offer.

The table below sets out a summary of average control premiums of the RSM Control Premium Study (which are all disclosed the equity level).

Table 14 RSM Control Premium Study

	Number of transactions	20 days pre	5 days pre	2 days pre
Average control premium (all industries)	605	34.7%	29.2%	27.1%

Source: RSM Control Premium Study

Based on the above, we consider that a control premium in the range of 25% to 35% is appropriate in assessing the Fair Value of an Adherium Share on a controlling basis.

Conclusion

The table below sets out our assessment of the Fair Value of an Adherium Share on a controlling basis utilising the QMP methodology.

Table 15 Assessed Fair Value of an Adherium Share – QMP methodology

	Low	High	Midpoint
Quoted market price (non-controlling basis)	\$0.007	\$0.007	\$0.007
Control premium	25.0%	35.0%	30.0%
Assessed Value of a Share (controlling basis)	\$0.0088	\$0.0095	\$0.0091

Source: RSM analysis

As set out above, we have assessed the Fair Value of an Adherium basis on a control basis using the QMP method to be in the range of \$0.0088 to \$0.0095, with a midpoint value of \$0.0091.

5.2 Net assets on a going concern basis

We have assessed the Fair Value of an Adherium Share using the net assets methodology as our secondary valuation methodology and relied upon the net book value of assets and liabilities as set out in the Company's consolidated audited statement of financial position as at 30 June 2025, adjusted for material transactions subsequent to 30 June 2025 to the date of this Report.

We have also had regard to research and development expenses incurred by the Company over the last three financial years in our assessment of the Fair Value of an Adherium Share. We consider the expenses incurred from FY23 to FY25 to be reasonably reflective of expenses necessarily incurred to facilitate the development and commercialisation of the current Hailie® ecosystem, including obtaining US FDA clearances for OTC sales of various Hailie® sensors in the US and other countries globally. Whilst we have had regard to research and development expenses incurred prior to FY22 in our adjustment, we consider that costs incurred prior to FY22 would likely be considered obsolete due to the passage of time.

Our assessment of the Fair Value of an Adherium Share prior to the Proposed Transactions is set out below.

Table 16 Assessed Fair Value of Adherium prior to the Proposed Transactions (controlling basis)

	As at 30-Jun-25 Audited \$	Note	Adjustments \$	Assessed Value Prior to the Proposed Transaction \$'000
Adherium Limited				
Current assets				
Cash and cash equivalents	43,255	1	3,023,436	3,066,691
Trade and other receivables	1,078,776		-	1,078,776
Prepayments	439,921		-	439,921
Inventories	1,838,371		-	1,838,371
Current tax assets	-		-	-
Total current assets	3,400,324		3,023,436	6,423,759
Non-current assets				
Property, plant and equipment	69,781		-	69,781
Intangible assets	36	2	11,900,000	11,900,036
Right-of-use assets	45,293	4	(45,293)	-
Total non-current assets	115,110		11,854,707	11,969,818
Total assets	3,515,434		14,878,143	18,393,577
Current liabilities				
Trade and other payables	3,087,265		-	3,087,265
Employee provisions	1,220,243		-	1,220,243
Deferred revenue	824,170		-	824,170
Convertible notes	1,958,589		-	1,958,589
Borrowings	1,115,108		-	1,115,108
Lease liabilities	46,953	4	(46,953)	-
Potential dilutionary impact of Options	-	3	990,260	990,260
Total current liabilities	8,252,329		943,307	9,195,635
Non-current liabilities				
Employee provisions	26,356		-	26,356
Lease liabilities	-		-	-
Total non-current liabilities	26,356		-	26,356
Total liabilities	8,278,685		943,307	9,221,991
Net assets	(4,763,251)		13,934,836	9,171,586
Number of Shares on issue (no.)	898,479,081	1	964,695,514	1,863,174,595
Assessed Fair Value per Share (controlling basis)	(\$0.0053)			\$0.0049

Source: RSM analysis

Adjustments

1. We have adjusted cash and cash equivalents as at 30 June 2025 for the following:
 - \$4.492m raised under the ANREO completed in July 2025, as well as the exercise of 8,351 ANREO Options on 8 September 2025;
 - \$331k raised from the placement undertaken on 4 August 2025 (Keven Gessner's subscription for the remaining \$20k is subject to shareholder approval of Resolution 12 of the Notice); and
 - having regard to the Company's budgeted financial performance for the year ending 30 June 2026 provided by Management as well as the Company's net losses of \$12.7m FY25, we also included a decrease in net assets, through a decrease in cash to account for estimated net losses after tax for the two months ended 31 August 2025 of \$1.8m.

We have also adjusted the number of Shares on issue for the 898,479,081 new shares issued under the ANREO, the 66,208,082 shares issued for the \$331k placement on 4 August 2024, as well as 8,351 shares issued following exercise of ANREO Options.
2. We have adjusted intangible assets by \$11.9m based on the following:
 - Adherium has not capitalised development expenditure in relation to the Hailie® solution but has consistently incurred research and development expenditure to develop the Hailie® ecosystem which comprises both sensors (hardware and related firmware) and software (mobile applications, software development, desktop connection and the cloud platform); and
 - we have been provided with a breakdown of the Company's historical research and development expenditure incurred for FY23, FY24 and FY25. Management considers that the \$11.9m in expenditure has been attributed to overall development of the current Hailie® ecosystem. Accordingly, we have adjusted intangible assets for an additional \$11.9m in our assessment of a more accurate reflection of the Company's underlying intellectual property and value.
3. As set out in Section 3.6, if Resolutions 6 and 8 are not approved, and assuming no other changes to the current capital structure, Trudell and PAM could each exercise approximately 47m of ANREO Options held without breaching the 20% rule under Section 606 of the Corporations Act.

We have included the potential dilutionary impact of unlisted options on issue at the date of this Report, excluding the 118m ANREO Options currently held by Trudell and PAM each (totalling 236m ANREO Options) as well as the 22.1 and 27.5m 2025 Convertible Notes held by Trudell and PAM, respectively (totalling 49.6m), in our assessment of the Fair Value of an Adherium Share prior to the Proposed Transactions using the net assets on a going concern basis. Further details on the assumptions and inputs we have used to value the potential dilutionary impact of the unlisted options is set out in Appendix D.

We have not made any adjustments for the potential dilutionary impact of unlisted options in our valuation using the QMP methodology prior to the Proposed Transactions as the market is fully informed about the existing options on issue, and accordingly, we consider the share price would have factored in the potential dilutionary impact.
4. We have excluded right-of-use assets and corresponding lease liabilities as we consider that, absent of any impairment of the right-of-use assets, or leases being at non-market rates, a market participant would value the right-of-use assets and corresponding lease liabilities at the same value.

Conclusion

Based on the above, our assessed Fair Value of an Adherium Share prior to the Proposed Transactions using the net assets on a control basis is \$0.0049. As the net assets methodology assumes 100% ownership, no further premium is considered necessary.

5.3 Valuation summary of an Adherium Share prior to the Proposed Transactions

A summary of our assessed values of an Adherium Share prior to the Proposed Transactions is set out in the table below.

Table 17 Valuation of an Adherium Share prior to the Proposed Transactions

	Low	High	Midpoint
Quoted price of listed securities - primary methodology	\$0.0088	\$0.0095	\$0.0091
Net assets on a going concern - secondary methodology	\$0.0049	\$0.0049	\$0.0049

Source: RSM analysis

In our opinion, we consider the QMP methodology provides a better indicator of the Fair Value of an Adherium Share having regard to the most recent capital raising under the ANREO (and the placement on 4 August 2025) at \$0.005 per share, which represented a 28.6% discount to the traded share price of \$0.007 prior to the announcement of the ANREO on 24 June 2025.

Accordingly, we consider the Fair Value of an Adherium Share prior to the Proposed Transactions to be in the range of \$0.0088 to \$0.0095, with a midpoint value of \$0.0091.

6. Valuation of an Adherium Share immediately after the Proposed Transactions

Our assessment of the Fair Value of an Adherium Share immediately after the Proposed Transactions (on a non-controlling basis) and derived under the QMP methodology is set out in the table below.

Table 18 Assessed Fair Value of an Adherium Share immediately after the Proposed Transactions (non-controlling basis)

\$	Note	Low	High	Midpoint
Scenario 1 - if one of the Proposed Transactions is approved				
Fair Value per Share prior to the Proposed Transactions (controlling basis)		\$0.0088	\$0.0095	\$0.0091
Number of Shares on issue (a)		1,863,174,595	1,863,174,595	1,863,174,595
Fair Value of Adherium prior to the Proposed Transactions		16,395,936	17,700,159	16,954,889
Add: extinguishment of 2025 Convertible Notes (\$)	1	1,463,234	1,463,234	1,463,234
Less: potential dilutionary impact of 165.6m 2025 Convertible Note Options (\$)	2	(509,999)	(509,999)	(509,999)
Less: potential dilutionary impact of 118m ANREO Options able to be exercised by Trudell/PAM (\$)	3	(375,240)	(375,240)	(375,240)
Fair Value of Adherium if one of the Proposed Transactions is approved (\$)		16,973,931	18,278,153	17,532,884
Number of Shares issued after the conversion of 1.43m in 2025 Convertible Notes (no.) (b)		286,930,000	286,930,000	286,930,000
Number of Shares on issue if one of the Proposed Transactions is approved (no.) (a) + (b)		2,150,104,595	2,150,104,595	2,150,104,595
Fair Value per Share (controlling basis)		\$0.0079	\$0.0085	\$0.0082
Discount for minority interest	4	(25.9%)	(20.0%)	(23.1%)
Fair Value per Share (non-controlling interest)		\$0.0058	\$0.0068	\$0.0063
Scenario 2 - if both Proposed Transactions are approved				
Fair Value of Adherium prior to the Proposed Transactions		16,395,936	17,700,159	16,954,889
Add: extinguishment of 2025 Convertible Notes (\$)	1	2,873,698	2,873,698	2,873,698
Less: potential dilutionary impact of the additional 331.5m 2025 Convertible Note Options	2	(1,021,027)	(1,021,027)	(1,021,027)
Less: potential dilutionary impact of 236m ANREO Options able to be exercised by Trudell and PAM (\$)	3	(750,480)	(750,480)	(750,480)
Fair Value of Adherium if both the Proposed Transactions are approved (\$)		17,498,127	18,802,349	18,057,079
Number of Shares issued after the conversion of 2.82m in 2025 Convertible Notes (no.) (c)	1	563,730,000	563,730,000	563,730,000
Number of Shares on issue if both of the Proposed Transactions are approved (no.) (a) + (c)		2,426,904,595	2,426,904,595	2,426,904,595
Fair Value per Share (controlling basis)		\$0.0072	\$0.0077	\$0.0074
Discount for minority interest	4	(25.9%)	(20.0%)	(23.1%)
Fair Value per Share (non-controlling interest)		\$0.0053	\$0.0062	\$0.0057

Source: RSM analysis

The assessment of the Fair Value of an Adherium Share immediately after the Proposed Transactions (based on 2 scenarios as set out above) is based on our assessed Fair Value of an Adherium Share prior to the Proposed Transactions utilising the QMP methodology and the following pro forma adjustments.

Adjustments

1. Under the terms of the 2025 Convertible Notes, the notes will automatically convert into Shares in the Company immediately upon the occurrence of any of (i) the delivery of a conversion notice by the noteholder to Adherium; (ii) the completion of a capital raising by the Company of at least 45m; or (iii) on the Maturity Date (being 9 months from the issue date of the convertible notes). For this reason, we have assumed that if either Resolutions 6 and 7 or Resolutions 8 and 9 are approved, either Trudell or PAM will convert all their 2025 Convertible Notes held and would be issued a further 143.5m or 138.4m 2025 Convertible Note Options, respectively. If both Proposed Transactions are approved, both Trudell and PAM would convert all the 2025 Convertible Notes held and be issued a total of 281.9m additional 2025 Convertible Note Options.

Trudell has the greater number of 2025 Convertible Notes outstanding (1.43m compared to 1.41m held by PAM). However, we note that reversing the scenarios where Scenario 1 assumes the conversion of 2025 Convertible Notes held by PAM rather than Trudell, would not result in a material difference to our valuation.

2. Under Scenario 1, we have included the potential dilutionary impact of the 165.6m 2025 Convertible Note Options held by Trudell (22.1m existing 2025 Convertible Note Options plus the 143.5m additional 2025 Convertible Note Options). Under Scenario 2, we have included the potential dilutionary impact of both the 165.6m 2025 Convertible Note Options held by Trudell and the 165.9m 2025 Convertible Note Options held by PAM (27.5m existing 2025 Convertible Note Options plus 138.4m additional 2025 Convertible Note Options). Further details on the assumptions and inputs we have used to value the potential dilutionary impact of the 2025 Convertible Note Options is set out in Appendix D.
3. If Resolutions 6 and 8 are not approved, and assuming no other changes to the current capital structure, both Trudell and PAM could exercise approximately 47m of their ANREO Options held without breaching the 20% rule under Section 606 of the Corporations Act. We consider that utilising the QMP method to value an Adherium Share prior to the Proposed Transactions would include market adjustments for options exercisable without breaching the 20% rule. Accordingly, in our valuation of an Adherium Share immediately post the Proposed Transactions, we have included the potential dilutionary impact of the remaining 118m and 236m ANREO Options exercisable under Scenarios 1 and 2, respectively.
4. If the Proposed Transactions are approved, and all 2025 Convertible Notes held by Trudell and PAM are converted to Shares, Trudell and PAM's relevant interest in the Company would increase to 26.0% and 25.6%, respectively, with a corresponding dilution in Non-Associated Shareholders' interests from 63.1% to 48.4% (on an undiluted basis). In accordance with RG 111, we have ascribed a discount for lack of control to the value of an Adherium Share immediately after the Proposed Transactions.

A discount for a minority interest (non-controlling interest) is the inverse of a premium for control. We have therefore applied a discount of 20.0% to 25.9% (rounded), being the inverse of the control premium (25.0% to 35.0%) utilised in our assessment of the Fair Value of an Adherium Share on a QMP basis.

Conclusion

Based on the above, our assessed Fair Value of an Adherium Share immediately after the Proposed Transactions as follows:

- \$0.0058 to \$0.0068, with a midpoint value of \$0.0063 under Scenario 1 (one of the Proposed Transactions is approved); and
- \$0.0053 to \$0.0062, with a midpoint value of \$0.0057 under Scenario 2 (both the Proposed Transactions are approved).

7. Are the Proposed Transactions Fair to Non-Associated Shareholders?

In assessing whether we consider the Proposed Transactions are fair and reasonable to Non-Associated Shareholders, we have compared the Fair Value of an Adherium Share (including a premium for control) to the Fair Value of an Adherium Share immediately after the Proposed Transactions (including a discount for lack of control).

Our assessed values are summarised in the table below.

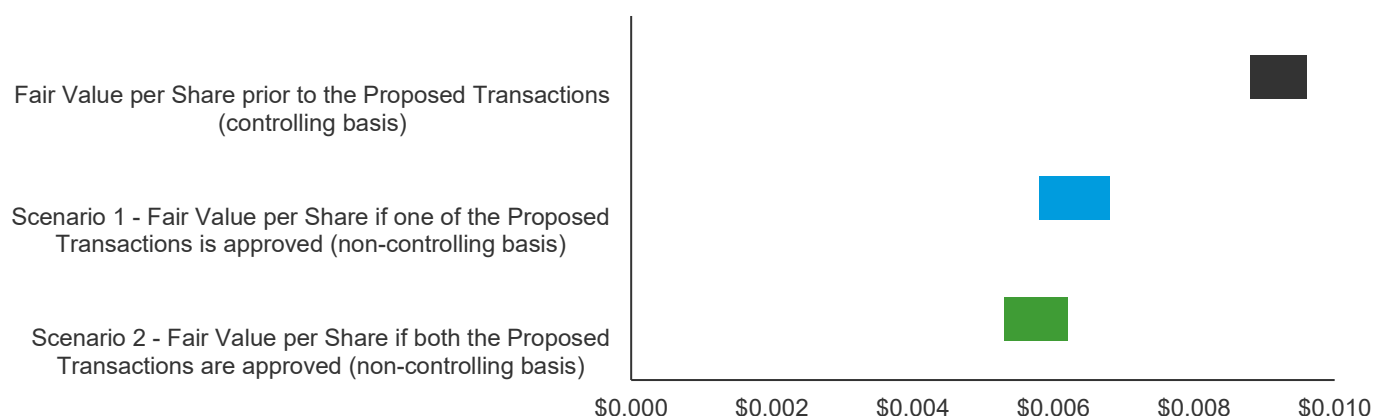
Table 19 Valuation summary

	Low	High	Midpoint
Fair Value per Share prior to the Proposed Transactions (controlling basis)	\$0.0088	\$0.0095	\$0.0091
Scenario 1 - Fair Value per Share if one of the Proposed Transactions is approved (non-controlling basis)	\$0.0058	\$0.0068	\$0.0063
Scenario 2 - Fair Value per Share if both the Proposed Transactions are approved (non-controlling basis)	\$0.0053	\$0.0062	\$0.0057

Source: RSM analysis

The above comparison is presented graphically below.

Figure 4 Valuation summary



Source: RSM analysis

In our opinion, as the Fair Value of an Adherium Share (on a non-controlling basis) immediately after one and both of the Proposed Transactions are approved is less than the Fair Value of an Adherium Share (on a controlling basis) prior to the Proposed Transactions, we consider:

- Resolution 7 is not fair to Non-Associated Shareholders;
- Resolution 9 is not fair to Non-Associated Shareholders; and
- collectively, the Proposed Transactions are not fair to Non-Associated Shareholders.

Accordingly, in accordance with the guidance set out in RG 111, and in the absence of any other relevant information, for the purposes of Section 611, Item 7 of the Corporations Act, we consider the Proposed Transactions to be **not fair** to Non-Associated Shareholders.

8. Are the Proposed Transactions Reasonable to Non-Associated Shareholders?

RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of a higher bid before the offer closes. As such, we have also considered the following factors in relation to the reasonableness aspect of the Proposed Transactions:

- the future prospects of the Company if the Proposed Transactions do not proceed;
- the trading of Adherium's Shares following the announcement of the Proposed Transactions;
- commercial advantages and disadvantages of the Proposed Transactions for the Non-Associated Shareholders, including the specific terms of the Proposed Transactions; and
- the existence of alternative proposals.

8.1 Future Prospects of Adherium if the Proposed Transactions do not proceed

If the Proposed Transactions are not approved, Adherium will not be able to issue the Shares or Options proposed under Resolution 7 and 9, and the Company will be required to repay both the Trudell Loan and the PAM Loan by 20 February 2026 (being the date this is 9 months after the Subscription Agreements with Trudell and PAM were entered into) including accrued interest.

Adherium disclosed net losses after tax of \$12.7m for FY25, and cash and cash equivalents of \$43k at 30 June 2025.

The audited financial statements for FY25 included an emphasis of matter in the independent auditor's report issued by RSM Australia Partners that stated that a material uncertainty existed that may cast significant doubt on the Company's ability to continue as a going concern. Whilst the auditor's opinion was not modified in respect of this matter, it was noted that Adherium's ability to continue as a going concern was dependent on whether Adherium could raise additional capital until the Company is supported by cash flows from operations.

The Company raised \$4.492m (before costs) in July 2025 through the completion of the ANREO and issuing c. 898.5m new Shares at \$0.005 per share.

The Company also conducted a \$0.35m capital raising on 4 August 2025 at \$0.005 per share (on the same terms as the ANREO) via a placement with institutional investors. Mr Keven Gessner, a director of Adherium has committed subject to shareholder approval (Resolution 12 of the Notice) to subscribe for \$20k in this placement.

However, given the Company's significant cash burn, approval of the Proposed Transactions would allow Trudell and PAM to increase their relevant interest in Shares in the Company to more than 20% of Adherium's issued Shares resulting from the conversion or exercise (as the case may be) of the convertible notes (including the Trudell Convertible Notes contemplated under Resolution 6 and the PAM Convertible Notes contemplated under Resolution 8) and options held by Trudell and PAM.

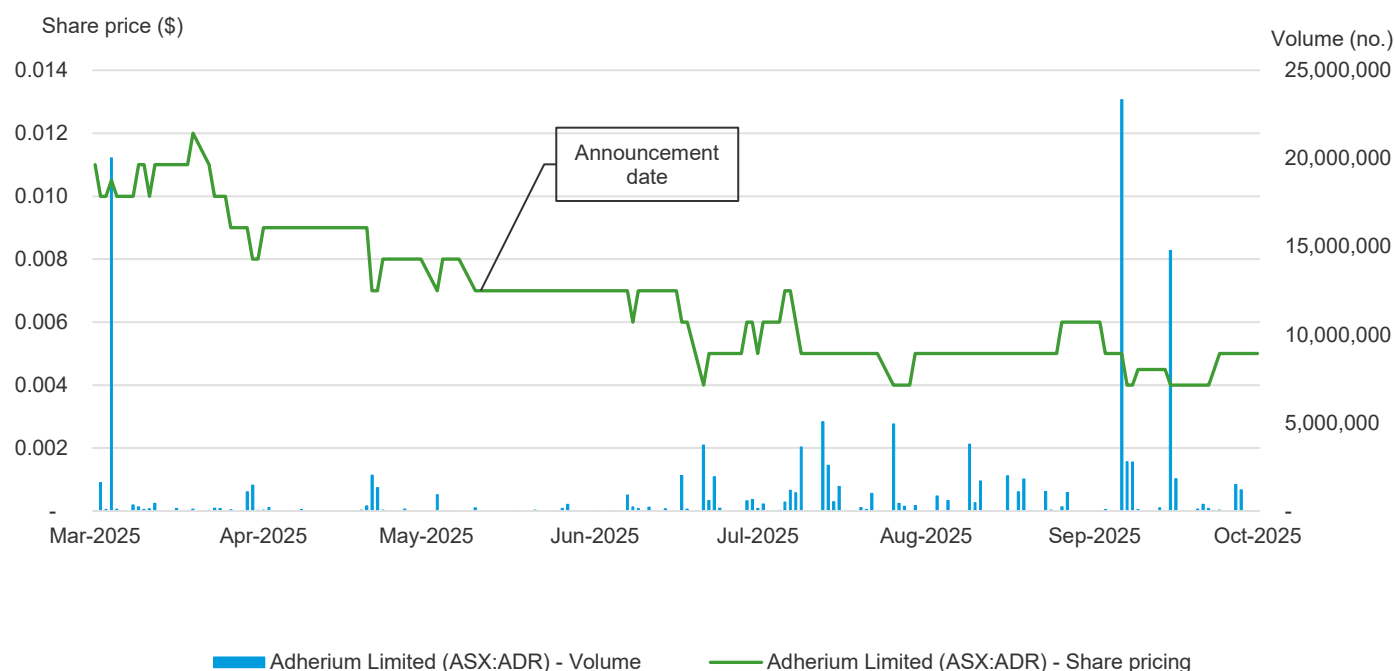
Adherium's current operations are dependent on the Company continuing to raise capital to provide long-term funding for the commercialisation of existing devices and software platform, as well as sales and marketing costs to fund expansion in the US market. If the Proposed Transactions are not approved, it is likely that Adherium will need to undertake a further capital raising at an earlier date than if the Proposed Transactions do not proceed.

8.2 Response of the market to the announcement of the Proposed Transactions

The Proposed Transactions are connected to the Company's issue of the 2025 Convertible Notes in March and April 2025. Shareholder approval for the issue of the Trudell Convertible Notes and PAM Convertible Notes contemplated under Resolutions 6 and 8, respectively, are on the same terms as the 2025 Convertible Notes. Accordingly, for the purposes of our analysis, we have assumed the Proposed Transactions were announced on 19 May 2025.

A graph of the closing share price prior to the announcement of the Proposed Transactions and the period following the announcement to the date of this Report is set out below.

Figure 5 Adherium share price and volumes traded pre and post announcement of the Proposed Transactions



Source: S&P Capital IQ

The share price closed at \$0.007 on 19 May 2025 and in the period since, has traded in the range of \$0.004 to \$0.007.

The table below sets out the VWAP of Adherium from 19 May 2025 to 10 October 2025 (being the last practical date shares were traded to the date of this Report).

Table 20 VWAP post announcement of the Proposed Transactions

	Share price Low \$	Share price High \$	No. of days traded	Volume traded	Value traded \$	VWAP \$	Percentage of issued capital %
<i>Calendar days prior to 19 May 2025</i>							
10 days	0.007	0.008	4	940,150	6,595	0.0070	0.12%
30 days	0.007	0.009	10	4,829,730	34,705	0.0072	0.64%
60 days	0.007	0.012	25	9,059,970	73,330	0.0081	1.19%
90 days	0.007	0.013	43	43,514,530	440,456	0.0101	5.74%
<i>Calendar days from 19 May 2025</i>							
149 days	0.004	0.007	79	101,016,520	486,519	0.0048	6.83%

Source: S&P Capital IQ and RSM analysis

The Company's VWAP of \$0.0048 post the announcement of the Proposed Transactions was c. 31.4% and 33.3% lower than the 10- and 30-day VWAP prior to the announcement of \$0.0070 and \$0.0072, respectively, and c. 40.7% lower than the 60-day VWAP prior to the announcement of \$0.0081.

In the period after 19 May 2025, the ANREO was announced on 24 June 2025 to raise capital at \$0.005 per share (representing a discount of 28.6% to the Company's share price of \$0.007 immediately prior to the announcement of the ANREO. Further the Company announced the further placement on 4 August 2025 raising \$0.35m at an issue price of \$0.005 per share.

Given the slight increase in the VWAP to \$0.0048, we consider the market has reacted negatively to the announcement of the Proposed Transactions.

8.3 Advantages and disadvantages

In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transactions are approved, than if they are not, we have also considered various advantages and disadvantages that are likely to accrue to Non-Associated Shareholders.

The key advantages and disadvantages of the Proposed Transaction are outlined below.

Advantages

The key advantages of the Proposed Transaction are:

Table 21 Advantages of the Proposed Transactions

Advantage	Details
No cash payment/outflow required by the Company	If the Proposed Transactions are approved and Trudell and PAM convert all 2025 Convertible Notes held, the Company would not be required to repay the amounts advanced under the Trudell and PAM Loans plus accrued interest.
Potential for future additional funding from both Trudell and PAM	The Company may receive future additional funding from Trudell and PAM in the event that Trudell and PAM elect to exercise some or all of their 2025 Convertible Note Options (and ANREO Options).
The issue of Trudell Convertible Notes and PAM Convertible Notes are consistent with the previous issue of 2025 Convertible Notes approved by shareholders on 29 April 2025	Notwithstanding the dilution of Non-Associated Shareholders', the issue of Trudell Convertible Notes and PAM Convertible Notes are on the same terms as the other 2025 Convertible Notes approved by shareholders on 29 April 2025.
Aligning long term interests of Trudell and/or PAM	Trudell and PAM continue to be key funders and supporters of Adherium and its operations. If the Proposed Transactions are approved and Trudell and PAM convert all 2025 Convertible Notes held, Trudell and PAM will no longer hold debt and will subsequently only be equity holders in the Company, further aligning their interests with the long term success of the Company.

Source: RSM analysis

Disadvantages

The key disadvantages of the Proposed Transaction are:

Table 22 Disadvantages of the Proposed Transactions

Disadvantage	Details
The Proposed Transactions are not fair	As set out above, as the Fair Value of an Adherium Share (on a non-controlling basis) immediately after one and both of the Proposed Transactions are approved is less than the Fair Value of an Adherium Share (on a controlling basis) prior to the Proposed Transactions, we consider: - Resolution 7 is not fair to Non-Associated Shareholders; - Resolution 9 is not fair to Non-Associated Shareholders; and - collectively, the Proposed Transactions are not fair to Non-Associated Shareholders.

Trudell and/or PAM will hold a significant interest in the Company	If the Proposed Transactions are approved, and all 2025 Convertible Notes held by Trudell and PAM are converted to Shares, Trudell and PAM's relevant interests would increase to 26.0% and 25.6%, respectively (on an undiluted basis). If the Proposed Transactions are approved and all options held by Trudell and PAM (including ANREO and 2025 Convertible Note Options) are exercised, Trudell and PAM's relevant interests would increase to 31.1% and 30.8%, respectively (assuming no other capital raisings and/or exercise of options held by Non-Associated Shareholders). Accordingly, we consider that both Trudell and PAM will have significant influence on the strategic direction of the Company including the ability to block takeover offers and proposed special resolutions of the Company.
Dilution of Shareholders' interest	Non-Associated Shareholders' interests will be diluted from 63.1% to 48.4% immediately following the approval of the Proposed Transactions (assuming all 2025 Convertible Notes held by Trudell and PAM are converted to Shares and no other share issues or other options exercised). If the Proposed Transactions are approved and all options held by Trudell and PAM (including ANREO and 2025 Convertible Note Options) are exercised, Non-Associated Shareholders would be further diluted to 38.1% (and assuming no other capital raisings and/or exercise of options held by Non-Associated Shareholders). The dilution of Non-Associated Shareholders' interests reduces the ability of existing shareholders to influence the strategic direction of the Company, including acceptance or rejection of takeover or merger proposals.

Source: RSM analysis

8.4 Alternative proposals to the Proposed Transactions

We are unaware of any alternative proposals at the date of this Report which may provide greater benefit to Non-Associated Shareholders at the date of this Report.

8.5 Conclusion on Reasonableness

In our opinion, the position of the Non-Associated Shareholders if the Proposed Transactions are approved is more advantageous than the position if it is not accepted. Therefore, in the absence of any other relevant information and/or a superior offer, for the purposes of Section 611, Item 7 if the Corporations Act, we consider that:

- Resolution 7 is reasonable for Non-Associated Shareholders;
- Resolution 9 is reasonable for Non-Associated Shareholders; and
- collectively, the Proposed Transactions are reasonable for Non-Associated Shareholders.

An individual Shareholder's opinion in relation to the Proposed Transaction may be influenced by their individual circumstances. If in doubt, Shareholders should consult an independent advisor.

Appendices

Appendix A - Declarations and disclaimers

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM), a large national firm of chartered accountants and business advisors.

Andrew Clifford and Albert Meintjes are directors of RSM Corporate Australia Pty Ltd. Both Andrew Clifford and Albert Meintjes are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of Adherium in considering the Proposed Transactions. We do not assume any responsibility or liability to any party as a result of reliance on the Report for any other purpose.

Reliance on Information

The statements and opinions contained in the Report are given in good faith. In the preparation of this report, we have relied upon information provided by the directors and management of the Company, and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of the Report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of the Report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

RSM Australia Partners is the independent auditor for Adherium Limited. The Audit partner is not a director of RSM Corporate Pty Ltd and none of the Audit engagement team has had involvement in the preparation of this Report.

At the date of the Report, none of RSM Corporate Australia Pty Ltd, RSM, Andrew Clifford, Albert Meintjes, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Proposed Transactions, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of \$28,750 (excluding goods and services tax ("GST")) based on time occupied at normal professional rates for the preparation of the Report. The fees are payable regardless of whether the Company receives Shareholder approval for the Proposed Transactions, or otherwise.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of the Report in the form and context in which it is included with the Proposed Transaction Booklet to be issued to Shareholders. Other than the Report, neither of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd has been involved in the preparation of the Notice of Annual General Meeting and Explanatory Memorandum. Accordingly, we take no responsibility for the content of the Notice of Annual General Meeting and Explanatory Memorandum.

Appendix B - Sources of information

In preparing the Report, we have relied upon the following principal sources of information:

- Drafts and final copies of the Notice of Meeting;
- Audited financial statements for Adherium for the years ended 30 June 2022, 30 June 2023, 30 June 2024 and 30 June 2025;
- Consolidated budget for Adherium for the year ending 30 June 2026;
- Securities register of the Company as at 15 September 2025;
- ASX announcements of Adherium;
- S&P Capital IQ database;
- IBISWorld; and
- Information provided to us throughout correspondence with the Directors and Management of Adherium.

Appendix C - Glossary of terms and abbreviations

Term or Abbreviation	Definition
\$ or AUD	Australian dollar
2025 Convertible Notes	Convertible notes issued during 2025 in accordance with the terms set out in Section 1.1 of this Report
2025 Convertible Note Options	1 unlisted option issued for every 2 Shares issued on conversion of the 2025 Convertible Notes on terms set out in Section 1.1 of this Report
Act or Corporations Act	Corporations Act 2001 (Cth)
Adherium, ADR or Company	Adherium Limited
Adherium Shares or Shares	Ordinary shares in Adherium
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
ANREO	Accelerated Non-Renounceable Rights Entitlement Offer announced in June 2025 and completed in July 2025 to raise \$4.492m (before costs) through the issue of c. 898.5m new Shares at \$0.005 per share.
ANREO Options, Bonus Options	1 new share option for every 1 new share issued under the ANREO defined above, exercisable at \$0.005 per option with an expiry date of 31 July 2026. Further, subscribers are entitled to 1 bonus option with an exercise price of \$0.005 per bonus option and expiring 15 November 2026 for every 1 new option issued under the ANREO that is exercised prior to 15 November 2025 ("Bonus Options").
APES	Accounting Professional & Ethical Standards
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of the Australian Stock Exchange amended from time to time
CAGR	Compound annual growth rate
CFME	Capitalisation of future maintainable earnings
CGT	Capital gains tax
Control or controlling basis	As assessment of the Fair Value of an equity interest, which assumes the holder or holders have control of the entity in which the equity is held.
Control premium	An amount or percentage by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest in a business enterprise, to reflect the power of control
COPD	Chronic obstructive pulmonary disease
DCF	Discounted Cash Flow
DLOC	Discount for lack of control
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Enterprise Value or EV	The market value of a business on a cash free and debt free basis
Fair Value or Market Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
FME	Future Maintainable Earnings
FSG	Financial Services Guide
FYXX	Financial year ended 30 June 20XX

Term or Abbreviation	Definition
Going concern	An ongoing operating business enterprise
GST	Goods and services tax
Historical Period, the	FY23, FY24, and FY25
k	Thousands
m	Millions
Management	The management of Adherium
Minority or Non-Controlling Interest	A non-controlling ownership interest, generally less than 50.0% of a company's voting shares
Non-Associated Shareholders or Shareholders	Shareholders who are not a party, or associated to a party, of the Proposed Transactions
Notice	Notice of Annual General Meeting and Explanatory Memorandum accompanying this IER
Options	Unlisted options on issue in the Company
PAM or Bioscience Managers	Phillip Asset Management Limited (in its capacity as trustee of the BioScience Managers Translation Fund I)
PAM Loan	Current principal loan of \$450k provided by PAM, the conversion into 2025 Convertible Notes (or PAM Convertible Notes) is the subject of Resolution 8
Proposed Transactions	Collectively, Resolution 7 and Resolution 9 as set out in the Notice accompanying this Report
QMP	Quoted market price of listed securities
Report or IER	This Independent Expert's Report prepared by RSM Corporate Australia Pty Ltd
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 112	ASIC Regulatory Guide 112 Independence of experts
RSM Control Premium Study	RSM study on 605 takeovers and schemes of arrangement involving companies listed on ASX over the 15.5 years ended 31 December 2020
RSM, we, us or our	RSM Corporate Australia Pty Ltd
SARs	Stock appreciation rights
S&P Capital IQ or Capital IQ	An entity of Standard and Poor's which is a third-party provider of company and other financial information
SENTA	SENTA Partners
Trudell	Trudell Medical Limited
Trudell Loan	Current principal loan of \$450k provided by Trudell, the conversion into 2025 Convertible Notes (or Trudell Convertible Notes) is the subject of Resolution 6
VWAP	Volume weighted average share price

Appendix D - Assessment of impact on Fair Value of the potential dilutive impact of Options

Existing unlisted options

The Company has c. 1.1b unlisted options and SARs currently on issue.

If Resolutions 6 and 8 are approved, a further 143.5m and 138.4mm 2025 Convertible Note Options each will be issued to Trudell and PAM, respectively. Trudell and PAM also currently hold 22.1m and 27.5m 2025 Convertible Note Options, respectively, with another Shareholder holding the remaining 20.5m 2025 Convertible Note Options on issue at the date of this Report.

As the unlisted options and SARs are American Options (may be exercised at any time before the expiration date), we have utilised the binomial options valuation model to enable expected early exercise of the options to be factored into the valuation).

The binomial model uses either a binomial or a trinomial distribution process to derive value by separating the total maturity period of the option into discrete periods. When progressing from one time period, or node, to another, the underlying common stock price is assumed to have an equal probability of increasing and/or decreasing by upward and downward price movements.

The inputs and assumptions we have used in the binomial model to value the potential dilutionary impact of the options are set out in the table below.

Table 23 Key valuation inputs and assumptions in the valuation of Options and SARs

Input	ANREO Options	2025 Convertible Note Options	SARs	SARs - FY23 STI	SARs - FY24 LTI	SARs - FY25 LTI	SARs - FY26 LTI	Unlisted Options - O6	Unlisted Options - O7	Unlisted Options - UO8	Trudell and PAM 2025 Convertible Note Options
Number of options	964,682,988	20,509,589	4,611,203	1,968,780	7,500,012	6,056,227	6,009,980	1,834,635	1,145,105	7,585,800	331,502,347
Valuation date	13-Oct-25	13-Oct-25	13-Oct-25	13-Oct-25	13-Oct-25	13-Oct-25	13-Oct-25	13-Oct-25	13-Oct-25	13-Oct-25	13-Oct-25
Expiry date	31-Jul-26	28-Feb-28	20-Sep-31	17-Apr-29	28-Jul-29	28-Jul-29	28-Jul-29	29-Jan-27	14-Apr-27	1-Jul-27	28-Feb-28
Exercise price	\$0.0050	\$0.0100	\$0.2400	\$0.0000	\$0.0600	\$0.0600	\$0.0600	\$0.3285	\$0.6000	\$0.0400	\$0.0100
Initial share price (QMP basis)	\$0.0070	\$0.0070	\$0.0070	\$0.0070	\$0.0070	\$0.0070	\$0.0070	\$0.0070	\$0.0070	\$0.0070	\$0.0070
Initial share price (net assets basis)	\$0.0042	\$0.0042	\$0.0042	\$0.0042	\$0.0042	\$0.0042	\$0.0042	\$0.0042	\$0.0042	\$0.0042	\$0.0042
Maximum option life in years	0.83	2.42	6.00	3.58	3.83	3.83	3.83	1.33	1.58	1.75	2.42
Assessed volatility	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Risk free rate	3.492%	3.374%	3.812%	3.480%	3.480%	3.480%	3.480%	3.365%	3.365%	3.365%	3.374%
Dividend yield	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Vesting condition	Vested	Vested	Vested	Vested	Vested	Vested	Vested	Vested	Vested	Vested	Vested
Early exercise factor	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5

Source: Company and RSM analysis

Valuation date and option life – we have valued the options as at the 13 October 2025 and accordingly, have calculated remaining option life in years based on the date of this Report to the expiry date under the terms of each of the options on issue.

Exercise price – subject to the terms of the various options on issue as set out above.

Initial share price – when assessing the value of the potential dilutionary impact of options to be included in our valuation of an Adherium share using the QMP methodology, we have adopted a share price of \$0.007, being our assessment of the fair value of an Adherium share prior to the Proposed Transactions on a non-controlling basis at the midpoint of our range using the QMP methodology.

When assessing the value of the potential dilutionary impact of options to be included in our valuation of an Adherium share using the net assets on a going concern methodology, we have adopted a share price of \$0.0042, being our assessment of the fair value of an Adherium share prior to the Proposed Transactions on a non-controlling basis at the midpoint of our range using the net assets methodology. We assessed the value of an Adherium share on a controlling basis to be \$0.0055 (before adjustment for potential dilutionary impact of the options). Consistent with our assessment of a discount for minority interest in our valuation of an Adherium share post the Proposed Transactions, we applied a discount of 20.0% to 25.9%, resulting in an assessed value per share of \$0.0041 to \$0.0044, with a preferred value of \$0.0042.

Volatility – the volatility of the share price is a measure of the uncertainty about the returns provided by Adherium shares. Generally, it is possible to predict future volatility of a stock by reference to its historical volatility. A share with a greater volatility has a greater time component of the total value.

Our assumption is predicated on the fact that historical volatility is representative of expected future volatility.

Based on the above, and, having regard to the liquidity and historical volatility of Adherium's shares, we have included a volatility of 100% for the Company in our assessment, based on the average weekly share price volatility of Adherium for the last 4 years.

Risk free rate – we have determined this based on the yield of Commonwealth bond rates at 15 September 2025 that cover the period that best match the life of the options as at the respective valuation date as set out above.

Dividend yield – we have utilised a dividend yield of 0% on the basis that Adherium has no current plans to issue dividends.

Vesting condition – we have assumed all options and SARs have vested based on the terms of the options on issue.

Early exercise factor – Expected early exercise is factored into the valuation by our application of the binomial model. The model incorporates an exercise factor, which determines the conditions under which an option holder is expected to exercise their options. It is defined as a multiple of the exercise price (e.g. 2.5 would mean that on average employees tend to exercise their options when the stock price reaches 2.5 times the exercise price).

This is considered more reliable than trying to guess the average time to exercise. For example, trying to estimate an average time after which employees exercise is likely to be inaccurate as during periods when the market is high employees are more likely to exercise early as opposed to times when the market is low. Using an exercise multiple, which is based on a robust theory of stock price behaviour/distribution overcomes these problems.

We have assumed that the exercise factor for these options is 2.5. There have been a number of historical studies that indicate that option holders early exercise options generally at between 2 to 3 times the exercise price, with the higher multiples generally attributable to more senior employees within the company.

Based on the inputs and assumptions above, our assessed value of the potential dilutionary impact of the unlisted options prior to the Proposed Transactions (utilising the valuation of a share on a net assets on a going concern basis) are set out in the table below.

Table 24 Valuation summary - potential dilutive impact of Options and SARs prior to the Proposed Transactions

Options valuation - utilising valuation of an Adherium Share using the net assets on a going concern methodology				
Option type	Number of options	Exercise price (\$)	Value of one option (\$)	Total dilutionary impact (\$)
ANREO Options	728,682,989	\$0.0050	\$0.00126	\$918,141
Current 2025 Convertible Note Options (not held by Trudell and PAM)	20,509,589	\$0.0100	\$0.00197	\$40,404
Stock Appreciation Rights (SARs)	4,611,203	\$0.2400	\$0.00089	\$4,104
SARs - FY23 STI	1,968,780	\$0.0000	\$0.00420	\$8,269
SARs - FY24 STI	7,500,012	\$0.0600	\$0.00088	\$6,600
SARs - FY25 STI	6,056,227	\$0.0600	\$0.00088	\$5,329
SARs - FY26 LTI	6,009,980	\$0.0600	\$0.00088	\$5,289
Other unlisted options - OP6	1,834,635	\$0.3285	\$0.00000	\$0
Other unlisted options - OP7	1,145,105	\$0.6000	\$0.00000	\$0
Other unlisted options - UO8	7,585,800	\$0.0400	\$0.00028	\$2,124
Total dilutionary impact prior to the Proposed Transactions (excluding 236m ANREO Options held by Trudell and PAM)				\$990,260

Source: Securities register as at 15 September 2025 and RSM analysis

We note that the Company has 4,176 Bonus Options at the date of this Report (following the exercise of existing ANREO Options on issue), exercisable at \$0.005 and expiring 15 November 2026. For the purposes of assessing the potential dilutionary impact, we have grouped the Bonus Options with the ANREO Options as the valuation of a Bonus Option is materially consistent with our valuation of an ANREO Option.

Our assessed value of the potential dilutionary impact of the unlisted options immediately after the Proposed Transactions (utilising the valuation of a share on a QMP basis) are set out in the table below.

Table 25 Valuation summary - potential dilutive impact of Options immediately after the Proposed Transactions

Options valuation - utilising valuation of an Adherium Share using the QMP methodology				
Option type	Number of options	Exercise price (\$)	Value of one option (\$)	Total dilutionary impact (\$)
Trudell ANREO Options exercisable if Resolution 7 is approved	118,000,000	\$0.005	\$0.00318	\$375,240
PAM ANREO Options exercisable if Resolution 9 is approved	117,999,999	\$0.005	\$0.00318	\$375,240
2025 Convertible Note Options - Trudell	165,584,100	\$0.010	\$0.00308	\$509,999
2025 Convertible Note Options - PAM	165,918,247	\$0.010	\$0.00308	\$511,028
Total dilutionary impact post the Proposed Transactions	1,353,406,666			\$1,771,507

Source: Securities register as at 15 September 2025 and RSM analysis

Appendix E - Industry overview

The Company's operations are aligned to the growth in the US digital health market (and globally), as well as the smart inhalers market and the respiratory device market, with its target market primarily comprising the US and Europe.

Digital Health Market²

Digital health (also called eHealth) is an umbrella term for all healthcare-related applications, technologies and delivery systems that have been utilised to support improvements in patients' wellbeing and healthcare. Grand View Research estimated the global digital health market size to reach US\$946.0 billion by 2030, growing at a compound annual growth rate (CAGR) of 22.2% from 2025 to 2030. The market is driven by several factors, such as strong domestic digital health market for telehealthcare platforms developers, mHealth app providers, wearable device manufacturers, and e-prescription systems. In the US, key players in the market industry are involved in developing advanced healthcare products, such as innovative and secure data storing and sharing platforms of EHR, building network infrastructure, and promoting the adoption of various remote health and telemedicine services.

Research and Markets estimated the global digital health market would reach circa US\$1,230 billion in 2034, citing increasing adoption of digital health solutions through smartphones, tablets, and other mobile platforms and rising cases of chronic diseases as major drivers. Statista expects the global digital health market to reach circa US\$258.3 billion by 2029 due to customer preferences for convenient and accessible healthcare solutions, adoption of telemedicine services and wearable devices for health monitoring, local regulations and infrastructure, as well as underlying macroeconomic factors such as healthcare expenditure and smartphone penetration.

North America Smart Inhalers Market to 2032³

Smart inhaler devices are connected digitally, enabling patients to get advice from their healthcare providers remotely. The North America Smart Inhalers Market is expected to have 67.54% CAGR from 2024 to 2032 and be worth US\$3733.9 million by 2032 from US\$60.2 million in 2024.

The growing prevalence of respiratory disorders in North America primarily fuels the growth of the smart inhaler market in North America. Approximately 5.6% of adults in the United States were afflicted by chronic obstructive pulmonary disease (COPD) in 2020. Factors such as heightened smoking rates, exposure to smoke from various sources, genetic predisposition to asthma, and vulnerable lung conditions contribute to COPD incidence. To address these concerns, healthcare providers recommend the utilisation of smart inhalers to manage respiratory challenges effectively.

The growing geriatric demographic and increasing awareness of smart inhalers promote the growth of North American market. Asthma remains prevalent among adults aged 64 and above, affecting approximately 8% of the older US population. Continuous advancements in the manufacturing of smart inhalers and increasing R&D activities by the key market participants propel the smart inhalers market growth in North America. Manufacturers are dedicated to enhancing smart inhalers by integrating cutting-edge technologies like sensors and cloud computing, resulting in improved iterations for widespread adoption.

Major primary and secondary sources for smart inhalers include Vectura Group plc, Teva Pharmaceutical Industries Ltd, GlaxoSmithKline plc, Boehringer Ingelheim GmbH, AstraZeneca plc, Adherium Limited, Cohero Health LLC, Propeller Health, and OPKO Health, Inc.

North America Respiratory Devices Market 2023 - 2033⁴

The North America respiratory devices market is expected to reach US\$16.2 billion by 2033 from US\$7.9 billion in 2025, growing at a CAGR of 9.35% during the forecast period. The market is experiencing substantial growth due to the increase in respiratory diseases, such as COPD and asthma. This surge in cases has prompted increased demand for respiratory devices, including ventilators, inhalers, CPAP machines, and oxygen therapy equipment. Healthcare providers and manufacturers are investing in advanced respiratory technologies to meet this demand. These technological advancements are reshaping the landscape by introducing more efficient, user-friendly, and patient-centric respiratory devices.

The cost factor poses a substantial restraint in the North America Respiratory Devices Market. The advanced technologies and innovations that have brought about significant improvements in respiratory devices often come with a high price tag. This cost can act as a barrier for both healthcare institutions and patients. Healthcare providers, like hospitals and clinics, often clash with budget constraints, and the significant initial investment required for acquiring advanced respiratory equipment can strain their financial resources. This decreases their capacity to offer respiratory care to the patients.

² Grand View Research – Digital Health Market Size and Share, Industry Report, February 2025

³ Market Data Forecast – North American Smart Inhalers Market to 2032, January 2025

⁴ Research and Markets – North American Respiratory Devices Market Forecast, June 2025

The US is dominating the North America Respiratory Devices Market share due to its advanced healthcare infrastructure, a large population requiring respiratory care, and a steadfast dedication to research and innovation. COPD and asthma are prevalent respiratory diseases in the US, driving substantial demand for respiratory devices to enhance patient well-being. Consequently, the market features prominent industry leaders and a continuous drive for technological advancement. With its robust healthcare system and focus on respiratory health, the US is at the forefront of shaping the future of respiratory care in North America.

Additionally, the market is characterised by the presence of several players that are providing respiratory devices. Some of the key players of the market include ResMed Inc., Philips Respironics Inc., Fisher & Paykel Healthcare Corporation Ltd, Medtronic Plc, and Vyaire Medical Inc.

RSM Corporate Australia Pty Ltd

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Australian Financial Services Licence No. 255847



Adherium Limited
ABN 24 605 352 510

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact

ADR

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Adherium Limited Annual General Meeting

The Adherium Limited Annual General Meeting will be held on Tuesday, 18 November 2025 at 9:00am (AEDT). You are encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 9:00am (AEDT) on Sunday, 16 November 2025.



ATTENDING THE MEETING VIRTUALLY

To watch the webcast, ask questions and vote on the day of the meeting, please visit:
<https://meetnow.global/MGTRXYF>

For instructions refer to the online user guide www.computershare.com.au/virtualmeetingguide

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



Adherium Limited
ABN 24 605 352 510

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Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:00am (AEDT) on Sunday, 16 November 2025.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

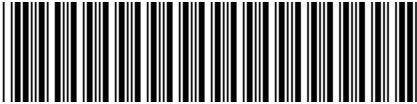


PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Adherium Limited hereby appoint

☐ the Chairman of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Adherium Limited to be held as a virtual meeting via the Computershare Platform on Tuesday, 18 November 2025 at 9:00am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5 and 12- 18 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5 and 12- 18 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5 and 12- 18 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain		For	Against	Abstain
1 Adoption of Remuneration Report	☐	☐	☐	10 Ratification of issue of Shares and Options under Placement	☐	☐	☐
2 Re-Election of Lou Panaccio as Chairman and Director	☐	☐	☐	11 Approval of issue of Joint Lead Managers Options	☐	☐	☐
3 Election of Mr Keven Gessner as a Director	☐	☐	☐	12 Approval of issue of Shares and Options to Keven Gessner under Placement	☐	☐	☐
4 Approval of additional 10% Placement Facility	☐	☐	☐	13 Approval of issue of Shares to George Baran in lieu of payment of past director fees	☐	☐	☐
5 Approval of Employee Share Scheme	☐	☐	☐	14 Approval of issue of Shares to Jeremy Curnock Cook in lieu of payment of past director fees	☐	☐	☐
6 Approval of issue of convertible notes to Trudell Medical Limited re May 2025 proposed placement	☐	☐	☐	15 Approval of issue of Shares to Lou Panaccio in lieu of payment of future director fees	☐	☐	☐
7 Corporations Act Chapter 6 approval re Trudell Medical Limited	☐	☐	☐	16 Approval of issue of Shares to Keven Gessner in lieu of payment of future director fees	☐	☐	☐
8 Approval of issue of convertible notes to Phillip Asset Management Limited	☐	☐	☐	17 Approval of issue of Shares to Jeremy Curnock Cook in lieu of payment of future director fees	☐	☐	☐
9 Corporations Act Chapter 6 approval re Phillip Asset Management Limited	☐	☐	☐	18 Approval of issue of Shares to George Baran in lieu of payment of future director fees	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically