

## Appendix 4C

### Quarterly Cash Flow Report to 31 March 2022

*All figures are stated in Australian dollars and are unaudited.*

**Melbourne, Australia – 29 April 2022:** Adherium Limited (“Adherium” or “the Company”; ASX: ADR), a provider of integrated digital health solutions and a world leader in connected respiratory medical devices, presents its Appendix 4C cash flow report for the quarter ended 31 March 2022.

#### Summary

- Cash on hand at the end of the quarter to 31 March 2022 was \$7,966,000 compared to \$10,651,000 in the preceding quarter.
- Receipts from customers for sensor sales, engineering services, and clinical trial services were \$397,000 in the March quarter compared to \$92,000 for the preceding quarter. The increase relates to customer clinical trial activity, which varies quarter to quarter.
- Payments for third-party R&D activities were \$629,000 compared to \$675,000 in the preceding quarter. The change reflects normal variability in the quarterly R&D development cycle.

Mr Rick Legleiter, Adherium Chief Executive Officer, commented: “As a respiratory innovator, Adherium continues to make great progress in the development of its Hailie® sensors and integrated digital platform. Our product strategy remains strong as we began manufacturing of our next-generation Hailie® sensor for the AstraZeneca’s Symbicort® pMDI and submitted application to US FDA for 510(k) clearance for Ellipta® medications.”

Bringing innovation to the market, the next generation sensors deliver physiological parameters that improve patient care and clinical workflow by capturing advanced data supporting patient management and treatment. The addition of physiological parameters to the Hailie range of products enhances the opportunity for remote patient monitoring services - a powerful outlet for healthcare providers to detect disease

exacerbations, facilitate proactive management and implement effective treatment plans for patients with chronic conditions.

As part of its market expansion, Adherium continues to evolve on the development of its range of sensors with the submission to the US Food and Drug Administration (FDA) of a 510(k) clearance to market application to connect Ellipta® inhaler users with its next generation Hailie® sensor with physiological parameters. This is the second in Adherium's series of new sensors, following AstraZeneca's Symbicort® pMDI inhaler, specifically designed to capture physiological parameters such as respiratory flow rate in litres per minute.

“The submission to the FDA is another important milestone in the extension of our digital respiratory management ecosystem as we intend to take our Asthma and COPD medication coverage in the US to over 80% of the addressable market volume supporting 18 medications. Our focus on execution, and time to market is how we generate revenue and top-line growth creating the results and returns expected by our shareholders” added Mr Legleiter.

During the period, Adherium announced it received the Medicines and Healthcare products Regulatory Agency (MHRA) Registration confirmation as a medical devices manufacturer of inhaler dose sensors in the United Kingdom (UK). “This represents a key regulatory achievement for Adherium ensuring market access beyond the transition of the UK's exit from the European Union”, commented Mr Legleiter. The UK is an important target market for the Company and Adherium is working with MD Healthcare to build a UK-based advisory board and NHS team to lead commercial pilots for the next-generation Hailie® sensor products.

Subsequent to the quarter end, the Company has announced the appointment of Mr Francis White as Vice President of Global Business Development based in the UK. This appointment has significantly strengthened Adherium's international commercial leadership team representing a pivotal milestone for a new strategic sales approach to acquiring new customers. Mr White brings more than 20 years of experience, including key account management (KAM), sales and marketing expertise. Most recently, Adherium released the latest Hailie® platform integration tools comprised of

an advanced Rest application programming interface (API) and a new, updated software development kit (SDK) to improve connection with partner and customer patient management systems. The Company continues to implement new technologies and improve the software infrastructure along with its next generation digital sensors.

Adherium today also announces that Mr James Ward-Lilley has stepped down as Chairman of the Adherium Board as he manages an increasing workload in his full-time position with Aerogen. Mr Ward-Lilley remains on the Board as an independent Non-Executive director. In February, the Adherium Board welcomed Mr Lou Panaccio as a Non-executive director, and has today appointed him as the new Chairman of the Board. Mr Panaccio brings more than 30 years of leadership experience in healthcare services, ASX and NASDAQ listings, and has extensive global commercial experience including in the United States.

#### **Other components of cash flow**

- Product manufacturing and operating costs were \$84,000 in the March quarter compared to \$79,000 in the December quarter largely as a result of the Company continuing to prepare to manufacture the new sensor for AstraZeneca's Symbicort® pMDI.
- Advertising and Marketing costs were \$117,000 in the March quarter compared to \$184,000 in the December quarter. These costs represent continued activity in the United States and the United Kingdom targeting Asthma industry groups and the NHS.
- Staff payments of \$1,329,000 were paid in the March quarter compared with \$1,412,000 in the December quarter the quarter. The difference relates predominately to short term recruitment timing for the replacement of vacant roles.

- Administration and Corporate costs were \$752,000 in the March quarter compared to \$537,000 in the December quarter and included related party payments of Directors fees of \$30,000 (December quarter: \$53,000). The quarter-on-quarter difference in Administration and Corporate costs relates predominately to one-off costs paid in the March quarter including the annual insurance program of \$420,000.

**-ENDS-**

### **About Adherium (ASX: ADR)**

Adherium is a provider of integrated digital health solutions and a worldwide leader in connected respiratory medical devices, with more than 180,000 sold globally. Adherium's Hailie® platform solution provides clinicians, healthcare providers and patients access to remotely monitor medication usage parameters and adherence, supporting reimbursement for qualifying patient management.

The Hailie® solution includes a suite of integration tools to enable the capture and sharing of health data via mobile and desktop apps, Software Development Kit (SDK) and Application Programming Interface (API) integration tools, and Adherium's own broad range of sensors connected to respiratory medications. Adherium's Hailie® solution is designed to provide visibility to healthcare providers of medication use history to better understand patterns in patient respiratory disease.

Learn more at [www.adherium.com](http://www.adherium.com)

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

**Enquiries:** WE Communications  
WE-AUAdherium@we-worldwide.com

## Appendix 4C

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

**Name of entity**

Adherium Limited

**ABN**

24 605 352 510

**Quarter ended ("current quarter")**

31 March 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	397	501
1.2 Payments for		
(a) research and development	(629)	(2,378)
(b) product manufacturing and operating costs	(84)	(211)
(c) advertising and marketing	(117)	(336)
(d) leased assets	-	-
(e) staff costs	(1,328)	(4,441)
(f) administration and corporate costs	(782)	(2,132)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	16
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,997
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,539)</b>	<b>(6,985)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(125)	(214)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(125)</b>	<b>(214)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	10,651	15,178
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,539)	(6,985)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(125)	(214)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(21)	(13)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>7,966</b>	<b>7,966</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	303	367
5.2	Call deposits	7,663	10,284
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,966</b>	<b>10,651</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	30
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;">                     Nil                 </div>	

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,539)
8.2 Cash and cash equivalents at quarter end (item 4.6)	7,966
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	7,966
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	3.1
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	<div style="border: 1px solid black; padding: 5px;">                     N/A                 </div>
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	<div style="border: 1px solid black; padding: 5px;">                     N/A                 </div>
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	<div style="border: 1px solid black; padding: 5px;">                     N/A                 </div>
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	



## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2022  
.....

By the board

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.