



CEO Address to 2022 Adherium AGM

Good morning, ladies and gentlemen, I am pleased to welcome you to our Adherium 2022 Annual General Meeting and provide an update on the significant opportunity for Adherium to improve health outcomes in chronic respiratory disease as a world leader for remote patient monitoring data and technology. We are in a strong position to capitalise on the financial, regulatory, patient, and clinical environments and I am pleased to report that we are making significant progress.

It has been a transformative year for Adherium as we progressed commercial opportunities toward revenue growth following new distribution agreements, major regulatory achievements, operational milestones, and executive team appointments all toward executing on our strategy as a leader in respiratory eHealth, remote patient monitoring and data management solutions.

This year manufacturing started for Hailie® for Symbicort® sensors with physiological parameters allowing Adherium to enter this market segment for the first time and in Q1 FY23 receipts from customers included the first remote patient monitoring revenue. While we are just starting the remote patient monitoring business, the prospects are outstanding with new and existing partners to drive scale up through FY23 and into FY24 and FY25.

Our commercial strategy is focused on the US while leveraging additional market opportunities in the UK and Australia for Adherium's technology of generating and transmitting patient data enabling doctors to improve patients' quality of life and address the high unmet need of patients with severe and 'difficult-to-treat' asthma and chronic obstructive pulmonary disease (COPD). The goal is to improve patient management and clinical outcomes and to reduce the frequency of exacerbations and the number of emergency visits and hospital admissions, which represent a very high-cost burden to healthcare systems worldwide. There is an estimated preventable healthcare cost of US\$34 billion in the U.S. alone.

This year, we set out clear pathways to demonstrate commercial execution with new

distribution partnerships. In the U.S. our new partnership with Perigon Health 360 and their proprietary Medesto platform consolidates remote monitoring services into one portal enabling healthcare providers to pursue reimbursement for respiratory and chronic care management services. Additionally in the U.S., Dulcian Health is a leader in Chronic Care Management (CCM) for physician practices, focusing on developing software that adds functionality to electronic health record (EHR) systems. As another new partner, Dulcian's software is being integrated with the Hailie platform to accurately capture all clinical staff time spent performing non-face-to-face care activities, billable under U.S. Medicare codes for care management services. Also in North America, our Trudell Medical Limited partnership includes utilizing the strength and expertise of Trudell's US operation, Monaghan Medical, and its wholly owned subsidiary Aetonix's aTouchAway® platform for preventing readmissions following discharge from hospital with improved home-based care. Another new partner is Helicon Health which is a UK-based medical technology development company. Helicon supports integrated care systems by enabling the ethical collection of real-world data for analysis and interpretation of real-world evidence for better patients outcomes.

We know there is an unmet need. COPD and asthma are large markets, and as chronic diseases are costly to health systems. More so, patient quality of life is compromised with an estimated 92% of patients using inhalers incorrectly. As a result, doctors are left to focus on reactive treatment plans.

UNMET NEED: SIGNIFICANT BURDEN TO HEALTH SYSTEMS AND RESPIRATORY PATIENTS FROM PREVENTABLE GAPS IN INHALER TECHNIQUE AND ADHERENCE



The environment is right for technology intervention and for revenue generation. U.S. Medicare reimbursement for remote patient monitoring - as much as US\$1,270 - US\$1,760



per year per patient - is in place and our technology enables doctors to access these reimbursement codes and allows them to review and act on the data generated by our Hailie platform. Adherium gets paid for generating and transmitting patient data and insights to the doctors.

Our commercial path is clear. We are engaged in multiple customer channels to include US hospital systems, medical groups, payors, and remote monitoring companies to generate scale. And with this supportive reimbursement environment allowing doctors to proactively improve patient care, adoption of our products is well positioned to drive multiple revenue streams.

The business models include customers who are charged, for example, data fees based upon per-patient per-month plus devices charges and for private insurance with risk-share savings in a per member per month model. As the respiratory remote patient monitoring ecosystem develops, we will pivot and adapt to follow the optimum revenue generating approaches which are most advantageous for our investors and shareholders. Even capturing as little as 1% of the serviceable market with 80,000 patients will deliver positive cash flows with a recurring revenue stream to Adherium. This builds on the revenue we are already deriving from our clinical trial services which are the Company's historic roots.

As before, in my opinion, healthcare is at a global tipping point for smart medicine. This means the Company is in the best position ever for the opportunities ahead. There is a convergence underway in healthcare which has been stimulated and accelerated over the past three years by the SARS-CoV-2 pandemic. This includes a paradigm shift in medical technology and in the way in which patients interact with medical providers including telemedicine and remote monitoring and the methods in which medicine is practiced and patients are managed by their doctors. The technology risk is gone. This is being proven every day. In this respect, COVID-19 is putting wind in our sails as a helpful driver even accelerating our business. As a highly respected U.S. pulmonologist recently told me, two years ago the prediction for respiratory remote patient monitoring was three to four years away and the current prediction is the timing is now!

As we all know from news reports and from personal experience, the COVID-19 pandemic has put an incredible strain on the healthcare system. This has included burn-out and resignations of doctors and nurses. Digital health, telemedicine and remote monitoring are making it possible to keep these patients safer and more efficiently in their homes by avoiding unnecessary in-person office and emergency room visits, improving engagement and overall health, and providing more direct communication between patients and their healthcare providers.

Remote monitoring and telemedicine are quickly becoming a new, additive standard of care. Continued expansion of telemedicine and remote monitoring services, especially for products in the respiratory diseases category, is essential for reducing health care costs while improving patient management.

Above all, the potential is there to predict exacerbations which ultimately will reduce emergency visits, hospital admissions and poor quality of life. Recently published clinical studies using digital physiological sensors refined predictive model showed that it can predict an impending exacerbation over the five days before an asthma exacerbation occurred.

A very recent exciting development is that Adherium partnered with CareCentra Inc. to improve COPD and asthma care by creating a truly transformative disease management suite. CareCentra will integrate Adherium's Hailie platform, including our next generation U.S. FDA cleared digital sensors capturing physiological data and technique parameters into their Artificial Intelligence (AI) Driven Behaviour Shaping platform, MyMoBeMap™. CareCentra's AI platform uses a range of data points to sense rising health risks to nudge the patient and respiratory care teams to control exacerbations and improve outcomes. This collaboration will leverage previously unavailable data for patients that need assistance before they have exacerbations that potentially result in emergency hospital admissions.

Globally healthcare systems both public and private are increasingly under cost and performance pressures. Payors want to lower risk and reduce the total cost of care and



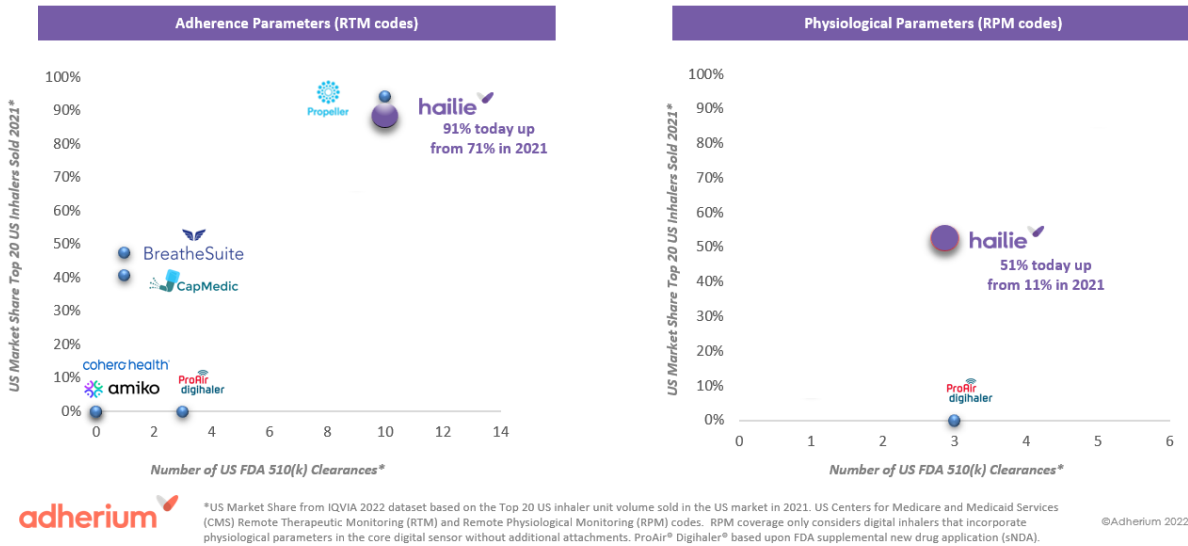
they demand that biotechnology companies demonstrate brand value. Adherium's complementary suite of current respiratory digital devices and our next generation sensors in development builds on and extends our brand value. We are stepping up to payor demands and demonstrating value creation. With more than 180,000 sensors sold globally, we are uniquely positioned with the history and experience to benefit from the rapidly developing remote patient monitoring and telemedicine trends and positive reimbursement environment. With this outlook we are transforming respiratory care.

Despite the significant business challenges of the COVID-19 pandemic, Adherium continued to drive a strong development program of its cutting-edge Hailie platform. As shown in the graphic below, Adherium increased its US Food and Drug Administration (FDA) 510(k) clearances to covering 91% of the US top 20 branded inhaler medications by sales volume in 2022, up from to 71% in 2021 for inhaler usage enabling the new 2022 U.S. Medicare Remote Therapeutic Monitoring reimbursement codes.

Even more impactful is our new 510(k) cleared sensors with physiological parameters progressed to 51% in 2022, up from 11% in 2021 of inhaled medication coverage for enabling the 2019 U.S. Medicare Remote Physiological Monitoring reimbursement codes. This progress was driven by the 510(k) clearance for Hailie sensors designed for use with GlaxoSmithKline's Breo®, Anoro®, Incruse®, Trelegy® and Arnuity® Ellipta dry powder inhalers, and just recently the 510(k) clearance for GlaxoSmithKline's Ventolin®, Advair®, and Flovent® pressurised metered dose inhalers. These new, next generation inhalers capture physiological parameters including inspiratory flow rate, inhalation duration, volume, and peak inhalation flow.

Our Hailie® solution is transforming respiratory care with physiological data driving a focus on preventative care. The Hailie platform is a clinically proven chronic respiratory management solution and is the only 510(k) cleared digital sensor available today to offer physiological data insights for inhaler technique at medication use. It sets a new standard for treatment of severe asthma and COPD with integrated data insights.

Competitor Analysis – FDA 510(k) clearances vs Top 20 US branded inhalers by inhaler sales volume



Clinical studies have clearly shown improved adherence to preventative medication increase by 180% in children and reduce severe exacerbations by 60% in adults. The effectiveness of our Hailie technology has been demonstrated in more than 85 clinical studies involving over 13,000 patients.

Importantly, our technology is the only one that provides drug agnostic physiological data and allows clinicians to use this data to better manage their asthma, inform preventative treatment programs improving patient technique and outcomes, and reducing the burden on the healthcare system.

From an organization design and capabilities standpoint in FY22 we recruited and staffed a software engineering and project management team. This is important to have in-house staff with skills and capabilities to be directly engaged on channel partner integration and support, get closer to the patient experience, sustaining engineering support, and better manage and control costs. In addition, we have significantly strengthened the senior management team bringing highly qualified and relevant experience to the business. Mr Francis White was appointed Vice President of Global Business Development based in the UK, bringing a wealth of knowledge with over 20 years of healthcare leadership experience, including key

account management, sales and marketing expertise. Mr Keven Gessner, based in the U.S., joined the leadership team as Executive Vice President Advisor with 25 years of experience in the pharmaceutical industry including positions heading digital health, marketing and market access. Ms Tara Creaven-Capasso joined as Vice President of Quality, Regulatory and Clinical Affairs based in Melbourne to focus on developing regulatory strategies and quality management systems to drive Adherium's market expansion forward. Tara is a certified regulatory and quality professional with over 20 years of health technology product development and commercial experience across the US, Europe, and Asia Pacific. And our most recent appointment is Mr Daniel Kaplon as Chief Financial Officer. Mr Kaplon is a Chartered Accountant and brings more than 25 years of experience, including finance, operations and commercial expertise. Having worked in ASX-listed and private entities in healthcare, health technology and manufacturing. His appointment has significantly strengthened Adherium's senior management team here in Melbourne.

At this pivotal time in the Company's growth, we started first remote patient monitoring revenue this new financial year establishing foundational customers to drive more significant scale up in FY24 and FY25. In Q1 FY23 Adherium secured A\$13.5 million in share and option placement subscription commitments from the Company's Chairman, new and existing institutional and sophisticated investors, including cornerstone investments from existing shareholders Trudell Medical and BioScience Managers Translation Fund 1. We are already observing an increase in new partnerships and product development milestone success, and we look forward to continuing this momentum over the coming year.

We believe we have technological superiority, and we are developing and launching solutions with our development of next generation sensors with physiological parameters and data analytics to answer the demands of the providers, payors and partners to deliver every step in the value chain. This is how we generate revenue and top-line growth.

To close I would like to thank all our dedicated employees for their support and, on behalf of the Management, for their contribution to the Company over the past year as we



managed through COVID-19 pandemic with lockdowns, staff infections, remote working and travel restrictions. I wish to also thank the Board of Directors for your engagement and determination to guide the Company to this point. Finally, I wish to thank our investor community for your support during 2022 including the fund raising as we continue our journey into an exciting 2023.

Rick Legleiter

Chief Executive Officer