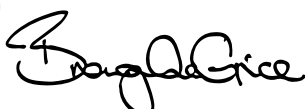


ASX Market Announcements  
ASX Limited  
Level 4  
North Tower, Rialto  
525 Collins Street  
Melbourne VIC 3000

#### INTERIM CONSOLIDATED FINANCIAL REPORT – INVESTOR PRESENTATION

Attached is an investor presentation prepared to accompany Adherium's Interim Report for the period ended 31 December 2015. The presentation will be used in meetings with Shareholders over the coming days.

Yours faithfully



Bronwyn Le Grice

Joint Company Secretary

#### [ASX: ADR](#)

#### ABN

24 605 352 510

#### Company Overview

Adherium is a global leader in digital health technologies which address sub optimal medication use in chronic disease.

#### Directors

Dr J Doug Wilson (Chair)  
Mr Garth Sutherland (Group CEO)  
Prof. John Mills  
Mr Jeremy Curnock Cook  
Mr Bruce McHarrie  
Mr Bryan Mogridge  
Dr Bill Hunter

#### Joint Company Secretaries

Mr Rob Turnbull  
Ms Bronwyn Le Grice

#### Registered Office

Level 12, 15 William Street  
Melbourne VIC 3000  
Australia

#### NZ Office

Level 2, 204 Quay Street  
Auckland 1010  
New Zealand

#### Investor Relations Contact

Ms Bronwyn Le Grice  
+61 424 862 600

#### Email

[investors@adherium.com](mailto:investors@adherium.com)

#### Websites

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

For personal use only

For personal use only

# Adherium<sup>®</sup> Investor Presentation

---

March 2016



## Forward Looking Statement

---

The following material is of a general nature and has only been prepared as a presentation aid. This presentation does NOT contain all of the information that may be required for evaluating Adherium Limited ACN 605 352 510 (**Adherium**<sup>®</sup>), its assets, prospects or potential opportunities.

This presentation may contain budget information, forecasts and forward looking statements in respect of which there is NO guarantee of future performance and which of themselves involve significant risks (both known and unknown). Actual results and future outcomes will in all likelihood differ from those outlined herein.

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, statements regarding future results, regulatory approvals, production targets, sales, staffing levels etc. All of such statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

These risks and uncertainties include, but are not limited to: (i) the possible delays in and the outcome of product development, (ii) risks relating to possible partnering or other like arrangements, (iii) the potential for delays in regulatory approvals, (iv) the unknown uptake and market penetration of any potential commercial products and (vi) other risks and uncertainties related to the Company’s prospects, assets / products and business strategy. This is particularly the case with companies such as Adherium which operate in the field of developing and commercializing devices. You are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

Additionally there are a number of factors, both specific to Adherium and of a general nature, which may affect the future performance of Adherium. There is no guarantee that Adherium will achieve its stated objectives/milestones, that any of its forecasts will be met or that forward looking statements will be realized.

Neither Adherium nor any other entity or person in or associated with the Adherium group of companies guarantees any return (whether capital or income) or generally the performance of Adherium or the price at which its securities may trade. Any investment in Adherium is subject to investment risks including the possibility of loss of capital invested and no return of income or payment of any dividends.

This presentation is not for general distribution or third party reliance or use. While it has been prepared from sources Adherium believe to be reliable, Adherium cannot guarantee its accuracy or completeness and, other than as required by law, Adherium undertakes NO obligation to advise of changes or updates to any such materials. These materials do NOT take into account any specific objectives, financial situation or needs of potential recipient/user. In addition, the past performance of Adherium cannot be assumed as indicative of the future performance of the Company.

For these and other reasons, before undertaking any evaluation of Adherium, its assets, prospects or opportunities you are strongly recommended to obtain your own up to date independent legal, financial and commercial advice – those acting without such advice do so at their own risk. Except as otherwise expressly stated in this presentation, Adherium has not authorized any person to give any information or make any representation which is not contained in this presentation. Any such information or representation not contained in this presentation must not be relied upon as having been authorized by, or on behalf of, Adherium.



## About Adherium®

### Transforming Chronic Disease Management

Adherium® designs, develops and manufactures digital health solutions which address sub-optimal medication use in chronic disease

#### Our Vision

Our vision is to be the largest global provider of medication use data, empowering patients, healthcare professionals, and payers in the effective management of chronic disease

## The Solution: Adherium® Smartinhaler™

The leading range of medication sensors for inhaled medications globally

---

### Disease Management Solutions

Smartinhaler™ provides a sophisticated disease management solution for the treatment of chronic respiratory diseases

### Advanced Sensor Technologies

Advanced sensor technologies that provide the doctor and patient with objective data and interventions regarding patient medication usage and drug delivery technique

### Pharmaceutical Brand Extension

Provides pharmaceutical companies with brand-extension for blockbuster drugs, including those drugs that are coming off patent





## Leading Digital Health Solutions

Adherium's 1st solution, Smartinhaler™, is the leading digital health solution for inhaled medicines used in the treatment of chronic respiratory diseases

## Proven in Clinical Trials

Smartinhaler™ technology has been supplied to more than 63 clinical projects in over 30 countries. There are currently 31 new clinical projects underway.

## The Only Solution With Robust Clinical Outcomes Data

Adherium's Smartinhaler™ platform is the only product available for the digitisation of respiratory medication that can point to robust, independent clinical outcomes data, demonstrating a profound positive impact on patient health

## Positioned for Growth

A\$31m Cash in hand, no debt and executing on plans for international expansion including AstraZeneca Supply & Development Agreement and increasing demand from clinical trial and commercial channels

# Highlights of the Period

## International Expansion Underway

---

## REVIEW OF OPERATIONS

Transitioning to commercial supply, volume manufacturing and international expansion as the Company focuses on building out the necessary infrastructure to support its growth plans.

## REVIEW OF OPERATIONS

Key Metrics for the Period to 31 December 2015

48k

Devices Sold, primarily commercial supply under AstraZeneca Agreement (71% increase on comparative period 2014)

32%↓

Per Device Manufacturing Costs – as manufacturing shifts to commercial volumes & contract manufacturer

A\$1.6m

Revenue from sales of devices and associated software and services

48%

Gross Margin on devices sold





## FINANCIAL SUMMARY

### Nine Months to 31 December 2016

|  | AUD (31 Dec '15) |
|--|------------------|
| <b>Revenue</b> <ul style="list-style-type: none"> <li>• 48,000 devices, majority for commercial</li> </ul>   | \$1,602,000      |
| <b>Gross profit</b> <ul style="list-style-type: none"> <li>• Transfer of volume manufacturing operations to our Asian-based contract manufacturer to achieve ~ 50% margin</li> </ul>   | \$769,000        |
| <b>Research and development</b> <ul style="list-style-type: none"> <li>• Product development costs written off</li> <li>• Increased IP and regulatory programme</li> <li>• Senior industry experience hired in software, hardware and regulatory</li> </ul>  | \$1,323,000      |
| <b>Sales and marketing</b> <ul style="list-style-type: none"> <li>• Focus on clinical transitioned to sales and BD</li> <li>• Increased level of international customer meetings</li> </ul>  | \$523,000        |
| <b>Administrative</b> <ul style="list-style-type: none"> <li>• Expenses associated with securing the AstraZeneca agreement, the ASX listing and establishment of the share register</li> <li>• Recruitment of senior R&amp;D staff, and US/UK VP sales and marketing underway</li> <li>• Secured suitable office and production space in Auckland</li> </ul> | \$2,260,000      |
| <b>Cash on hand</b>  | \$30,780,000     |



## FINANCIAL SUMMARY

### Normalised Loss After Tax

---

|  | AUD                |
|--|--------------------|
| Net loss after tax   | \$3,840,000        |
| Product development costs written off  | \$166,000          |
| Expenses associated with securing the AstraZeneca agreement, the ASX listing and establishment of the share register | \$784,000          |
| Non-cash fair value/interest on Convertible Notes  | \$378,000          |
| <b>Normalised net loss after tax</b>   | <b>\$2,472,000</b> |



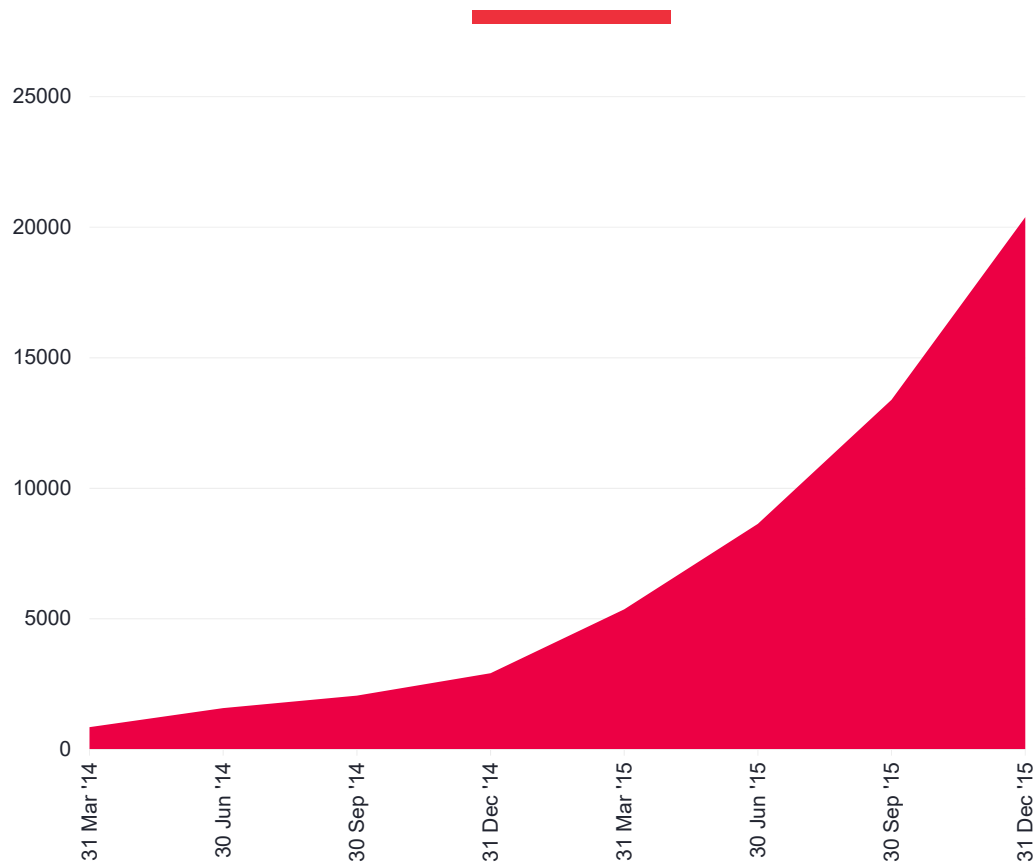
## Outlook

International Growth & Expansion



## The Expanding Reach of the Smartinhaler™ Platform

Cumulative Activated Devices (Average Quarterly Growth 59%)



## OUTLOOK Clinical Outcomes

Adherium is the **only** company active in the digitisation of inhaled medications for respiratory disease that can point to robust, independent clinical outcomes data from studies of end users utilising the technology in a real world setting.

### Our Clinical Outcomes Data Sets us Apart

Improved Adherence, Reduced Exacerbations, Reduced use of Steroids & Reliever Medications all point to Healthier Patients



**Adherence**  
59% Adults  
180% Children



67% Severe exacerbations (Adults)  
45% Reliever Medication Use (Children)  
37% Prescribed Oral Steroids (Children)



**Patient Health & Quality of Life**



**New Data to become available in 2016**



## OUTLOOK

### AstraZeneca Agreement

---

# 01

## Expansion of Commercial Programme

---

Into Major Pharmaceutical Markets

- Europe
- North America
- Asia

# 02

## Multiple Projects Spanning Entire Operations

---

Product Development

Regulatory Approvals

Supply Chain & Logistics

Clinical Operations

Product Internationalisation

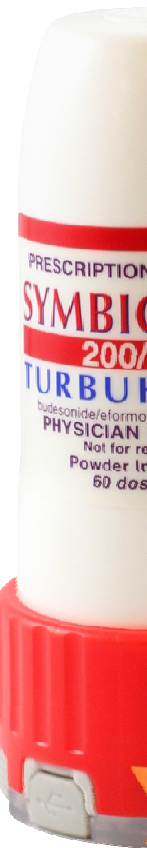
# 03

## Projects Include

---

Embedded and external devices for both new & existing inhalers

Major new clinical studies in major markets



## OUTLOOK

### Product Development & Sales Cycle

The pathway to another commercial supply agreement with a large pharma co is well understood:



**Development** – Research, development, prototyping, testing and validation

**Clearance to Market** – Regulatory approvals and certifications

**Clinical Trial** – Initial deployment in a clinical trial setting as a platform for electronic capture of accurate medication use data

**Soft Commercial Launch** – Initiate commercial roll out in one country to identify and assess the best methods for scaling up

**Expansion into Major Markets** – Launch in major pharmaceutical markets such as Europe, North America and China

**Global Deployment** – The product becomes embedded into the product suite of the customer and is deployed globally.



## OUTLOOK

### Market Leaders Through Innovation and Product Development

---

#### 01 Innovation & Development under AstraZeneca Agreement

---

New devices for AstraZeneca including seeking required regulatory approvals for international markets

#### 03 Smaller, Sleeker, Faster, Better

---

Next generation devices in flagship product ranges

#### 02 Smartinhaler™ inside

---

Embedded solution for blockbuster treatments in beta testing within the year

#### 04 New Devices for New Inhalers

---

Retain market leadership by developing new devices for new inhalers



## OUTLOOK Clinical Trials Market

> US\$30 billion is spent each year on clinical trials

Adherium is the global leader in the supply of digital technologies for monitoring medication use in respiratory clinical trials

### Adherium Smartinhaler™ Platform

The most widely used platform for monitoring medication use in the clinical trials market

31

Clinical Projects Underway

89k

Devices to be deployed over the life of these projects

>30

Countries around the world

63

Clinical projects completed

33

Peer reviewed journal Articles



## OUTLOOK Clinical Trials Market

---

The Clinical Trials Segment offers access to potential commercial clients as well as key opinion leaders in both research & industry

Clinical trial sales are a higher price, higher margin market opportunity

### Adherium Smartinhaler™ Platform

---

Current trial sponsors include leaders of research and industry

---

AstraZeneca (Global)

GSK (USA)

Philips (UK, USA)

University of Western Australia (Australia)

The Royal Brompton Hospital (UK)

University of Calgary (Canada)

Cincinnati Children's Hospital (USA)

Canton Hospital (Switzerland)

University of Auckland (New Zealand)

Medical Research Institute of New Zealand (New Zealand)

---



## OUTLOOK

### Sales & Marketing | Channels to Market



# 01

## Appointment of Industry Leaders in Sales & Marketing

Executive search & recruitment process underway for experienced EU & US Sales & Marketing personnel

# 02

## Progress Pipeline Opportunities

Market evaluation study in progress with multinational client

Distribution to Hospital, Physicians, Pharmacies and Patients

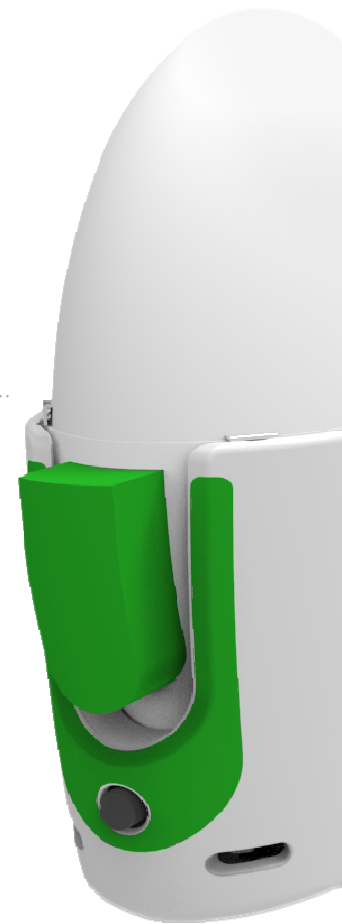
# 03

## Expand Sales Channels

Payers/ Insurers

Disease Management Organizations

Governments



For personal use only

# A Brave New World

The Digitisation of Respiratory Medicine

---



## Compelling Clinical Need

In chronic respiratory disease, adherence is poor leading to poor health outcomes for patients, and to impaired commercial outcomes for pharma

<sup>1</sup> Horne, R. (2006). Compliance, adherence, and concordance: implications for asthma treatment. *CHEST Journal*, 130(1\_suppl), 65S-72S

<sup>2</sup> Royal College of Physicians. (2014). *Why asthma still kills: the National Review of Asthma Deaths (NRAD) Confidential Enquiry Report*. London: RCP

<sup>3</sup> Williams et al. (2004). Relationship between adherence to inhaled corticosteroids and poor outcomes among adults with asthma. *Journal of Allergy and Clinical Immunology*, 114(6), 1288-1293.

### The Market Need

Medication Adherence is a key issue facing healthcare providers & pharmaceutical companies

<50%

Children adhere to prescribed treatment plans<sup>1</sup>

34%

Asthma deaths linked to sub-optimal adherence<sup>2</sup>

60%

Reduction in hospitalizations from increased adherence<sup>3</sup>

## THE DIGITISATION OF RESPIRATORY MEDICATIONS

Fast moving M&A and partnering activities

---

### 01 Astra Zeneca & **Adherium**

Master Supply and Development Agreement July 2015

**Currently the only commercial supply agreement in the public domain**

### 02 Teva & Gecko

Teva acquired Gecko Health September 2015.

### 03 Novartis & Qualcomm

Development agreement for an embedded solution for the Breezhaler™

Product not expected to hit the market until 2019 or later

## MARKET OPPORTUNITY – MANAGED CARE & DISEASE MANAGEMENT

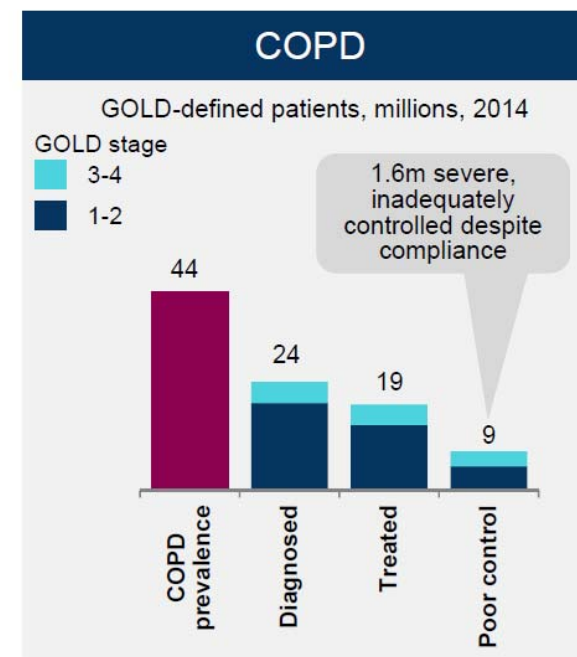
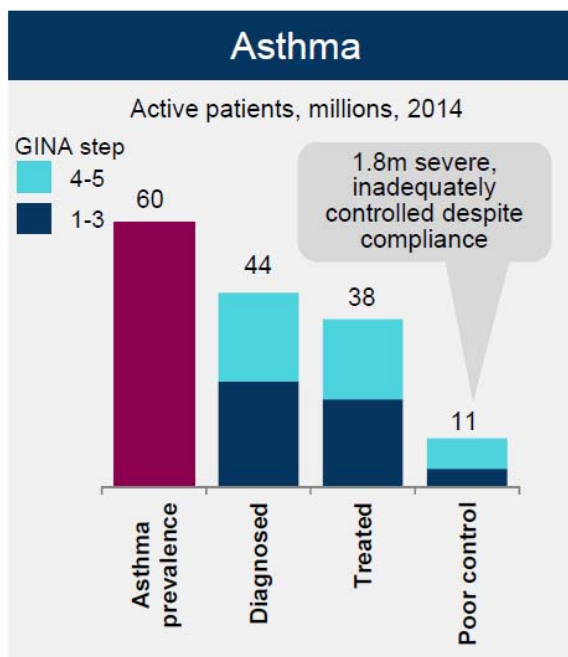
### Substantial Unmet Needs in Asthma & COPD

Disease Management market opportunity is enormous

**70** million active patients diagnosed

**57** million active patients currently receiving treatment

**20** million active patients poorly controlled.



Note: G7 markets = US, France, Germany, Italy, Spain, UK, Japan  
 Source: Decision Resources; Adelphi DSP 2012; other

Source: AstraZeneca Investor Relations Presentation, March 2015



For personal use only

## Beyond the Inhaler

New Chronic Diseases | New Drug Delivery Modalities | Monetising Data

---





## The Healthcare Internet of Things

Huge opportunity for a new class of healthcare company

---

**8/10** healthcare dollars are spent on chronic disease

---

**54%** Americans 50-64 & 27% of Americans older than 65 use smartphones

Total US Healthcare Savings from Digital Technologies estimated at **US\$300B+**

---

The Healthcare Internet of Things can create a **\$30B+** market by 2025



## Adherium® Threefold Approach

### Three Business Verticals Addressing Major Unmet Market Needs

| RESPIRATORY  | DATA   | OTHER CHRONIC DISEASES   |
|--|--|--|
| Market Dominance in Chronic Respiratory Disease Management with Smartinhaler™  | Monetise exponentially growing database (driven by proliferation of data generating devices in market)                 | Application of Adherium® technology to new chronic diseases and drug delivery modalities   |
| Smartinhaler™ the key platform, rolling out internationally  | Significant quantities of incoming data arriving daily   | Smartinhaler™ Platform building blocks are directly transposable   |
| Global distribution channel agreement in place and expanding   | Establishing a dedicated data team to mine and extract value from data   | Experience in design, development, regulatory approvals, manufacturing, pricing and commercialization, all directly applicable                                     |
| EU & US sales & marketing hubs to be established   | Existing commercial agreements enable monetization of data through value added reporting                               | Existing and new channel partnerships provide multiple opportunities   |
| Full pipeline of innovation that will generate more, new, valuable data  | Control over sensor through to back end databases provide Adherium® with agility to add new sensor data                | Target applications include precision and personalized medicine and chronic diseases costing > \$5K per patient p.a.   |
| Multinational Pharmaceutical & Medical Technology Companies<br>Payers – Governments & Insurers<br>Hospitals<br>Disease Management Organizations<br>Clinical Trials | Multinational Pharmaceutical & Medical Technology Companies<br>Payers – Governments & Insurers<br>Technology Companies | Multinational Pharmaceutical & Medical Technology Companies<br>Payers – Governments & Insurers<br>Hospitals<br>Disease Management Organizations<br>Clinical Trials |

## Data

### Monetising an Exponentially Growing Data Asset

---

#### 01 **Smartinhaler™ data ownership resides with Adherium®**

Tens of thousands of devices deployed globally report data back to our servers on a daily basis

#### 03 **Develop & deploy new market leading devices into international markets**

Data generating devices contribute to the Adherium® Internet of Things, exponentially growing the data asset base of the company.

#### 02 **Expand Smartinhaler™ databases through international commercialization**

Substantial and rapidly growing respiratory data sets

#### 04 **Leverage data to realize value**

New commercial and scientific breakthroughs only achievable through a critical mass of data  
Data Analytics and provision of large dataset reports to key channels to market

## New Applications

### Application of Adherium® Platform to Other Chronic Diseases

# 01

## Targeting New Disease Areas

Target new disease areas where annual disease costs are >\$5k per patient per annum e.g. Cardiovascular disease, Diabetes

# 02

## Leverage Whole-of-Platform Knowledge

Leverage whole-of-platform knowledge

Key skill sets in understanding of patient behavior

Sensors, design, validation

Software, applications and data analytics

# 03

## Accelerate Commercialisation through Partnerships

Leverage existing and new commercial relationships beyond the inhaler

Identify and secure key development partners

Growth by acquisition



For personal use only

## Financial & Shareholder Information

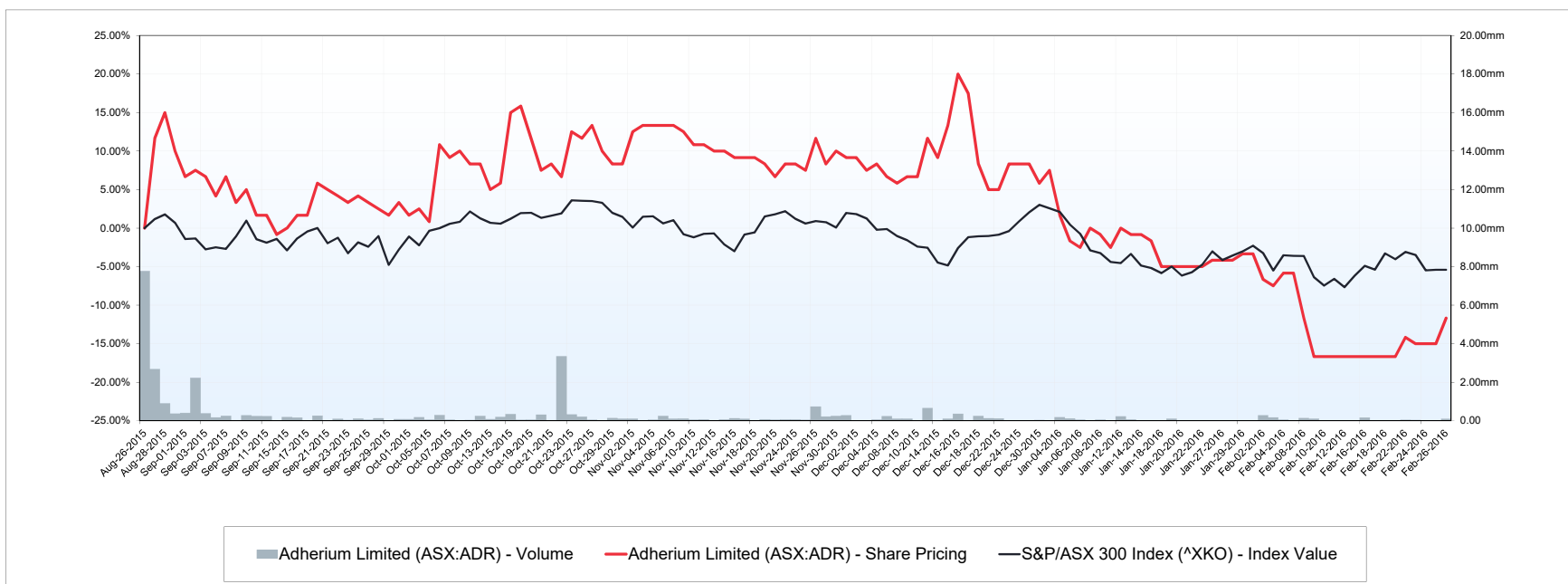
—



# Adherium® Trading Summary

August 2015 Listing through to February 26, 2016

| TICKER             | ADR         | IPO PRICE           | A\$ 0.50             |
|--------------------|-------------|---------------------|----------------------|
| Price              | A\$0.53     | 52-Week High        | A\$0.72              |
| A\$ Market Cap     | A\$75.875m  | 52-Week Low         | A\$0.475             |
| US\$ Market Cap    | US\$55.297m | Cash in Hand 31 Dec | A\$30.8m / US\$21.4m |
| Shares Outstanding | 143,161,230 | Fiscal Year End     | 30 June              |



# Adherium<sup>®</sup> Leadership

## Experienced Team and Board

### 01 Executive team

**Garth Sutherland**

Group Chief Executive Officer

**Rob Turnbull**

Chief Financial Officer

**Bronwyn Le Grice**

Head of Commercial Development

**Nigel Devine**

VP Production & Development

**Maggie Scott**

Head of Clinical Operations

**Nancy She**

Head of Procurement & Logistics

**Chris Mander**

Head of Regulatory & Quality

### 02 Board of Directors

**Dr Doug Wilson** MB, ChB, PhD, FRACP, FRCPA

Chairman

**Jeremy Curnock Cook** MA

Non Executive Director

**Prof John Mills** AO SB MD FACP FIDSA FRACP ARCPA

Independent Non Executive Director

**Dr William (Bill) Hunter** BSc, MSc, MD

Independent Non Executive Director

**Bruce McHarrie** BCom, FCA, GAICD

Independent Non Executive Director

**Bryan Mogridge** BSc, ONZM, FNZIOD

Independent Non Executive Director

**Garth Sutherland** MSc.

Group CEO, Executive Director

For personal use only

## Our Shareholders

Top 20 Shareholders December 31, 2015

| RANK | NAME   | %     |
|------|--|-------|
| 1.   | ONE FUNDS MANAGEMENT LIMITED   | 16.64 |
| 2.   | K ONE W ONE LTD  | 7.68  |
| 3.   | CITICORP NOMINEES PTY LIMITED  | 7.63  |
| 4.   | MR GARTH SUTHERLAND  | 7.06  |
| 5.   | ASTRAZENECA AB   | 5.64  |
| 6.   | NATIONAL NOMINEES LIMITED  | 5.60  |
| 7.   | ICE ANGELS NOMINEES LTD  | 4.12  |
| 8.   | NZVIF INVESTMENTS LIMITED  | 3.13  |
| 9.   | UBS NOMINEES PTY LTD   | 2.96  |
| 10.  | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED                                  | 2.81  |
| 11.  | J P MORGAN NOMINEES AUSTRALIA LIMITED                                      | 2.58  |
| 12.  | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA                         | 2.44  |
| 13.  | CURE KIDS VENTURES LTD   | 2.42  |
| 14.  | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3                          | 1.99  |
| 15.  | UBS NOMINEES PTY LTD   | 1.77  |
| 16.  | NATIONAL NOMINEES LIMITED <DB A/C>   | 1.68  |
| 17.  | BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE NO 1 A/C>                     | 1.50  |
| 18.  | UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD                           | 1.10  |
| 19.  | MOGRIDGE & ASSOCIATES LTD  | 1.05  |
| 20.  | ROSS ALAN SUTHERLAND + VALERIE MARY SUTHERLAND + GARTH CAMPBELL SUTHERLAND | 0.75  |



For personal use only

**Thank You**

**<http://www.adherium.com/investors>**

---

