



Adherium Limited Annual General Meeting

29 November 2017

CEO presentation

Arik Anderson

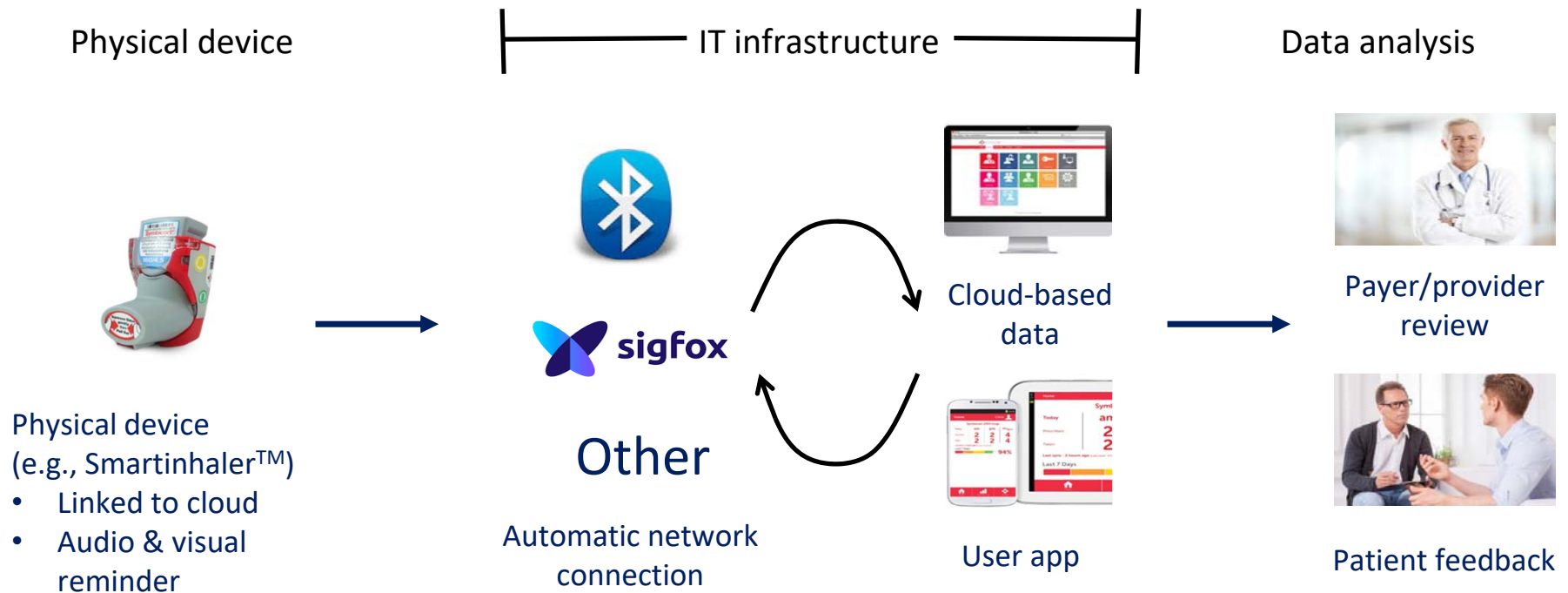
Vision

Adherium will **maximize our enterprise value** by **becoming the adherence company** in Digital Health through employing device data to ensure proper patient use of medication, resulting in:

- **reducing costs** of healthcare,
- **enhancing** comprehensive care,
- and **improving** the quality of **patients' lives**.

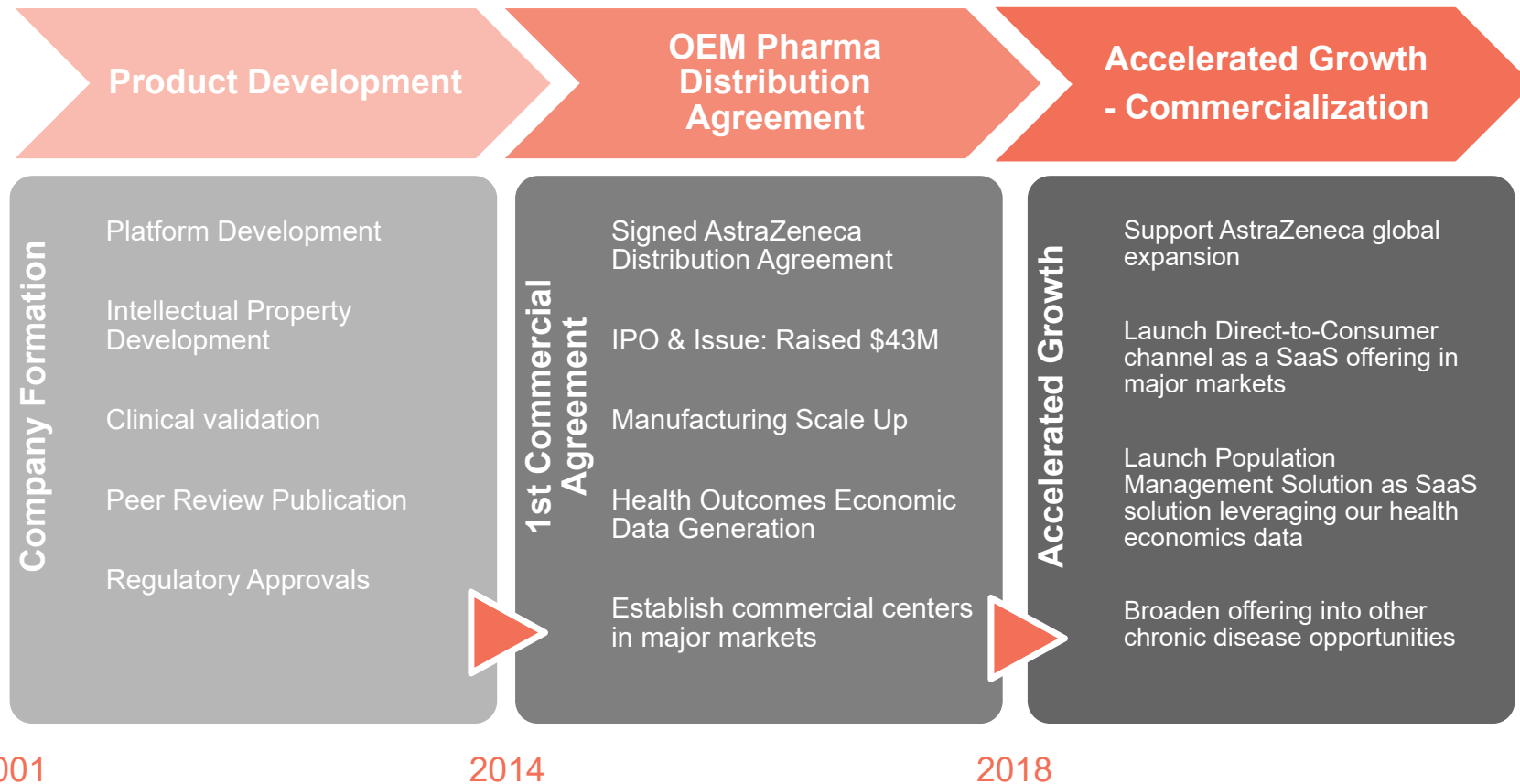


The Adherium Solution



Result: Interactive patient care for the 21st century

Company Development



2001

2014




2018

Market Opportunities for Asthma and COPD

Healthcare Economic Burden of Asthma

	Patients	Economic Burden
Worldwide 	334M	US\$ 100B+
U.S. 	25M	US\$ 56B

Adherium's Clinically Proven Outcomes

-  **3.4x** More patients achieving 80% adherence to preventative medication¹
-  **5x** Reduction in asthma-related hospitalization¹
-  **61%** Reduction in oral steroid use¹

Source: [1] Morton et al, Thorax, 2015

Sale Strategies

Aggressive commercialization strategy focuses on building from the OEM channel, leveraging Direct to Consumer channel to grow active user number, creating a market pull to Payer while developing undeniable healthcare economic data.

The FY18 sales strategy priorities are listed below and are to (i) Continue to build the AZ business, (ii) Create the DTC channel, and (iii) do the preparation work for payer / provider growth in FY19.

OEM Pharma Partners

1. Transition to AZ funded engineering projects and software support. FY18 revenues to exceed \$1M.
 2. Drive ongoing commercial roll-out and new pilot countries. FY18 minimum of 25K devices.
- ✓ First commercial agreement in the market (AZ)
 - ✓ Validated technology, add users & revenue

Direct to Consumer

3. Launch New Zealand (NZ) ecommerce offering in Q1.
4. Using SaaS model and metrics, add minimum 1,300 new users from NZ by end of Q4.
5. Based on NZ experience, launch in US in second-half FY18.

Pay for Performance

6. Based on clinical outcome data and US patient results, target payers / providers for revenue growth in FY19.
- ✓ Best clinical outcome data, key USP for payers & providers
 - ✓ est. \$1500 (40%) savings per US asthma patient
 - ✓ SaaS/risk share disease management model

AstraZeneca Partnership

OEM ➤ DTC ➤ P4P

Pharma partnerships...

... leading to

AstraZeneca partnership

- ✓ First commercial agreement in the market
- ✓ Over 100,000 devices sold
- ✓ Multiple market and product launches in 2017/18
- ✓ New clinical trials and drugs being explored across asthma and COPD



Potential to expand partnership to other form factors and disease conditions

User Acquisition



Commercial roll-out
bringing users to the platform

More users → more data
To support Pay for Performance

AZ's Revenue Potential



AZ Symbicort '16 revenue
US\$4bn

Symbicort '16 patients
> 6mn worldwide

FY17 Summary – Investing for growth

	12 months to June 30, 2017	15 months to June 30, 2016	Change % on comparable period basis
Revenue	\$2.3m	\$2.6m	12% increase
Gross profit	\$1.2m 49% margin	\$1.3m 49% margin	13% increase
Other income (grants and interest)	\$1.0m	\$0.9m	50% increase
Operating expenses	\$15.0m	\$10.0m	87% increase
Net loss	\$12.8m	\$7.9m	103% increase
Capital raised (net)	\$7.5m	\$31.7m	
Cash at balance date	\$22.8m	\$27.2m	\$4.4m net use of funds

Operational Review

- ✓ Delivered 18,000 connected devices in the year, compared with 30,000 in the 15 months to June 2016 (prior year included initial market launch volume from AZ). Total devices sold now exceed 100,000.
- ✓ Sales highlights related to:
 - AstraZeneca's deployments of Adherium's SmartTurbo™ in Europe throughout the year
 - the Australian commercial rollout by AstraZeneca involving over 130 respiratory clinicians and several channels to distribute the Smartinhaler™ asthma management solution to consumers
- ✓ Development activities for year included:
 - a new version of Adherium's SmartTurbo™ to incorporate new sensors to provide patients and caregivers with information to be able to better manage their asthma or COPD. This device was transferred to volume production in H2 and the first batches of devices have been delivered to AstraZeneca for European roll-out;
 - development of the next generation of our mobile apps (iOS and Android) and cloud software platform;
 - preparation and submission of an FDA 510(k) application for Adherium's SmartTouch™ for Symbicort®. This is currently under review by the US FDA with clearance expected by the end of 2017;
 - grant by the US Patent and Trademark Office (USPTO) of a key patent covering medication adherence monitoring devices that include an optical dose counter, further strengthening the Company's growing intellectual property portfolio;

FY18 Guidance and Mid-Quarter Projections

	FY18 Goals	Progress
✓ AZ		
	<input type="checkbox"/> Ship a minimum of 25,000 Devices	Projected to ship over 12,500 devices by 31-Dec-2017
	<input type="checkbox"/> Obtain FDA 510(k) clearance to market SmartTouch for Symbicort pMDI in the USA	Received FDA clearance in September 2017
	<input type="checkbox"/> Expand Adherium's offering beyond AZ's Symbicort medication	This work is ongoing and expect to have more to announce in 2H FY18
✓ Launch medication adherence service solution		
	<input type="checkbox"/> NZ: Obtain 1,300 active users in FY18	NZ Direct to Consumer business launched, VP of Marketing hired who has taken responsibility for this
	<input type="checkbox"/> USA: 1,000 users in first 3 months after launch in 2 nd half of FY18	On track for launch in 2H FY18
✓ Revenue		
	<input type="checkbox"/> Increase revenue to between \$5.7M and \$7M based on: <ul style="list-style-type: none"> – Support of AZ's continued global adherence roll-out along with engineering, regulatory and software services – Beginning direct to consumer medication adherence service in NZ and USA 	On track to meet guidance to exceed \$5.7M for FY18. Projected \$2.6M 1H FY18 revenue.
✓ Cash Utilization		
	<input type="checkbox"/> Hold net cash burn at no more than \$12M, with FY18 closing cash of >\$10M	We remain on track to meet or exceed this goal

Q2 revenue projected to exceed A\$2.0, 1H FY18 Revenue projected to exceed \$2.6M

Summary

- Adherium's **transition from** being an **R&D and Clinically based** company **to a commercially focused** company is making excellent progress
- The **AstraZeneca commercial business** is **growing** and **tracking** to Adherium's projections.
- We are **reaffirming** our **FY18 guidance**.
- Our Q2 **revenue** will **exceed A\$2.0M** for the first time, resulting in a **1H FY18 revenue** above **A\$2.6M**.

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