

Placement and Non-Renounceable Entitlement Offer to raise up to a total of approximately \$8.37 million

Highlights:

- **Adherium Limited (ADR) is pleased to announce the company has received binding commitments to raise up to \$1.57 million before costs (Placement). The placement will be undertaken in two tranches with the second tranche including the CEO and director participation.**
- **ADR proposes to undertake a fully underwritten non-renounceable entitlement offer of new shares and new options to eligible shareholders to raise up to approximately \$6.8 million before costs**
- **Funds raised will be used for research and product development, sales, marketing and business development, overseas expansion & staffing, customer onboarding and scale up, working capital and the cost of the offer.**
- **Certain Directors and the Chief Executive Officer have committed to participate in the Placement (subject to shareholder approval where required), representing an investment of \$570,000.**
- **Funds raised will be used to fast track US commercialisation of Adherium's Hailie® Smartinhaler® technology – with multiple FDA clearances and US reimbursement codes now in place.**

Melbourne, Australia – 26 April 2024: Leading digital health company Adherium Limited (ASX: ADR) (**Adherium** or the **Company**) is pleased to announce that it has firm commitments for a capital raising of up to \$1.57 million before costs, by way of a placement of new shares to sophisticated and professional investors at an issue price of \$0.02 (2 cents) per share (**New Share**), with one free attaching unlisted option (exercisable at 3 cents each, expiring on 30 June 2025 (**New Option**)) for every 1 New Share (**Placement**). The Company is also conducting a non-renounceable entitlement offer of New Shares on a 1 for 1 basis to eligible shareholders, together with free attaching New Options to eligible shareholders at the same issue terms as the Placement, to raise up to approximately \$6.8 million before costs (**Entitlement Offer** and collectively the **Capital Raising**).

MST Financial Services Pty Ltd (**MST**) is acting as underwriter and lead manager to the Capital Raising. The Entitlement Offer is fully underwritten.

Adherium CEO, Dr. Paul Mastoridis, said: "Adherium is entering a defining phase in its commercial development. We are extending the reach and impact of our world-class respiratory health product portfolio within the US, the largest healthcare market in the world. Our Company has a clear and focused US engagement and market penetration strategy, which prioritises manufacturing activities and sales via established pharmaceutical and payor groups in this market.

"Adherium is now a global leader in the provision of digital health solutions, with 12 US FDA (510K) cleared inhalation sensors now on market. These drug-agnostic sensors cover the U.S. top 20 branded inhaler medications by sales volume – bringing a truly competitive advantage to the Adherium product portfolio."

ASX Release

Use of funds

Proceeds from the Capital Raising will be used primarily to fund:

- Research and product development
- Sales, marketing & business development
- Australian and overseas personnel resourcing
- Customer onboarding and scale up
- General administration and working capital
- Costs of the offer

Placement

The placement to sophisticated and professional investors will raise up to approximately \$1.57 million (before costs) via the issue of up to approximately 78.5 million new fully paid ordinary shares in the Company (**New Shares**) at \$0.02 per New Share (**Offer Price**) together with 1 New Option for every New Share subscribed under the Placement.

The Placement will comprise two tranches as follows:-

- An upfront issue of 50 million New Shares utilising the Company's existing Listing Rule 7.1 placement capacity, expected to be issued on 3 May 2024; and
- Subject to receiving shareholder approval at a meeting expected to be held in mid-June 2024, the following securities are to be issued:-
 - a second tranche of 28.5 million New shares and 28.5 million New Options (**Second Tranche Placement**);
 - issue of approximately 7.6 million options to the Lead Manager as consideration for Capital Raising services, with options exercisable at 4 cents each and expiring three years from the date of issue.

Subject to necessary shareholder approvals, Directors, Lou Panaccio and George Barran have agreed to subscribe under the Second Tranche Placement for a total of \$250,000. Trudell Medical Limited, a substantial shareholder of the Company and a company associated with Mr Barran, has agreed to subscribe for a further \$220,000. Finally, the new Chief Executive Officer of the Company, Dr Paul Mastoridis has agreed to subscribe for \$100,000, for a total Second Tranche Placement to raise \$570,000 before costs.

The highest and lowest closing market prices of the Shares on ASX during the 3 months of trading up to and including 22 April 2024 and the respective dates of those sales, are:

Highest:	\$0.093 on 15 April 2024
Lowest:	\$0.028 on 18 April 2024

The volume weighted average sale price on ASX of the Shares during the 3 months immediately preceding the date of this announcement is \$0.051.

The Issue Price represents a discount of:

- 31% to the Company's closing price on 22 April 2024 of \$0.029;
- 60% to the Company's 10 day VWAP of \$0.051; and
- 60% to the Company's 30 day VWAP of \$0.051.

Allotment and issue of the New Shares under the upfront Placement is expected to occur on 3 May 2024, with normal trading of the New Shares issued under the upfront Placement expected to commence on 6 May 2024.

Entitlement Offer

In addition to the Placement, the Company is undertaking a non-renounceable entitlement offer on a 1 for 1 basis to eligible shareholders at the same Offer Price as under the Placement, to raise up to approximately \$6.8 million by the issue of up to approximately 340 million New Shares together with 1 New Option for every New Share subscribed under the Entitlement Offer.

Eligible shareholders with a registered address in Australia or New Zealand, as well as investors in certain other jurisdictions where it is lawful for the Company to make this offer, will be invited to participate in the offer of 1 New Share for every share held as at the Record Date of 7.00pm (AEST) on 2 May 2024 at the Offer Price of \$0.02 (0.2 cents) per New Share, together with 1 New Option for every New Share subscribed under the Entitlement Offer.

Each New Option will be an unlisted option to acquire 1 fully paid ordinary share in the Company with an exercise price of \$0.03 and an expiry date of 30 June 2025.

Eligible shareholders who subscribe for their full entitlement under the Entitlement Offer will also be able to apply for Additional Securities on the same terms (**Top Up Offer**).

There is no minimum amount to be raised under the Entitlement Offer (including the Top Up Offer) and no shareholder approval required for the Entitlement Offer or the Top Up Offer.

The Entitlement Offer is fully underwritten by MST in accordance with the underwriting agreement between the Company and MST dated on or around 26 April 2024 (**Underwriting Agreement**). If there remains any shortfall after allocation of Entitlements to eligible shareholders under the Entitlement Offer and Top-Up Offer, the Underwriter will subscribe or procure subscriptions for the shortfall in accordance with the terms of the Underwriting Agreement. The material terms of the Underwriting Agreement are provided in the Entitlement Offer Prospectus to be lodged with the ASIC and ASX today.

The Directors also reserve the right for up to 3 months after the close of the Entitlement Offer, subject to agreement by the Underwriter, to place the balance of any New Shares and New Options not taken up by eligible shareholders under the Entitlement Offer (including the Top Up Offer).

The table below sets out, for illustrative purposes only, the existing share capital structure of the Company (before the Placement and the Entitlement Offer) together with the impact of the issue of the New Shares and New Options under the Placement and Entitlement Offer. It assumes that no options currently on issue are exercised prior to the Record Date of the Entitlement Offer.

Shares	Number
Existing Shares as at date of the Capital Raising	340,039,981
Existing unlisted options	2,979,740
Existing stock appreciation rights	8,353,524
Number of New Shares to be issued under the Placement	78,500,000
Maximum number of New Shares to be issued under the Entitlement Offer (approximately subject to rounding)	340,039,981
Total issued Shares following completion of the Placement and Entitlement Offer (assuming full subscription and no exercise of any of the options)	758,579,962
Maximum number of New Options (unlisted) to be issued under the Placement and the Entitlement Offer (approximately subject to rounding)	418,539,981
Total unlisted options on issue following completion of the Placement and Entitlement Offer (assuming full subscription) (before issue of the Underwriter Options)	421,519,721

Further information pertaining to the Entitlement Offer will be provided to eligible shareholders in a Prospectus to be lodged with the ASIC and ASX today and to be dispatched to Eligible Shareholders on or around 6 May 2024.

Timetable

The following is an indicative timetable for the Placement and Entitlement Offer:

Indicative Placement and Entitlement Offer Timetable¹

Event	Date
Trading halt commences	Tuesday 23 April 2024
Capital Raising announcement	Friday 26 April 2024
Lodgement of Prospectus with ASIC and ASX	Friday 26 April 2024
Record Date to determine entitlements under the Entitlement Offer	7.00pm on Thursday 2 May 2024
Allotment and issue of New Shares under the (upfront) Placement	Friday 3 May 2024
Dispatch of Prospectus and Entitlement Offer opens	Monday 6 May 2024
Last day to extend Entitlement Offer Closing Date	Wednesday 15 May 2024
Entitlement Offer closes	5.00pm on Monday 20 May 2024
Announcement of the results of the Entitlement Offer	Thursday 23 May 2024

Indicative Placement and Entitlement Offer Timetable (continued)¹

Event	Date
Allotment and issue of New Shares and New Options under Entitlement Offer	Monday 27 May 2024
Expected normal trading of New Shares under Entitlement Offer	Tuesday 28 May 2024
Expected date of Shareholder General Meeting and issue of Second Tranche Placement Shares and all Placement Options	Mid-June 2024

1. Dates / times are indicative and subject to change. All times / dates are in reference to Melbourne Time

The release of this announcement was authorised by the Board of Adherium Limited.

- ENDS -

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

Investor Enquiries

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About Adherium (ASX: ADR)

Adherium is a provider of integrated digital health solutions and a worldwide leader in connected respiratory medical devices. 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 adherium.com