

ASX Market Announcements
ASX Limited
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Adherium Shareholder Update Teleconference Today

11.30am Friday 18 December AEDT

Conference ID: 454749

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Press * then 1 on your telephone keypad to enter the Q&A queue
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[ASX: ADR](#)

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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

Joint Company Secretaries

Mr Rob Turnbull

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Shareholder Update December 2015

Attached is the Adherium shareholder update highlighting the Company's progress since its IPO in August.

Key points include:

1. Adherium is providing Smartinhaler™ devices, software and data management to 31 new clinical projects and programs around the world, building on our existing database of more than 63 projects and 33 peer reviewed publications. These will involve the deployment of more than 89,000 devices over time and are being used by academic groups, hospitals, pharmaceutical clients and distributors around the globe.
2. Discussions are also underway for supply of Smartinhaler technology to a further 35 clinical projects
3. Adherium is rapidly expanding its team, recruiting new staff in product development, project management, software development and regulatory advisory roles. In addition, Adherium is currently recruiting a senior executive to manage its European operations.
4. The Company is establishing offices in the US and the UK. These are expected to be operational by the end of the first half of 2016.
5. Adherium is advancing discussions with several large multinational pharmaceutical and medical technology companies with a view to expanding commercial partnerships and anticipates signing one or more major collaboration agreements over the next six to 18 months.
6. Adherium is working closely with AstraZeneca to support its international roll out of the Smartinhaler technology in key markets. AstraZeneca demonstrated Adherium's Smartinhaler technology at the 2015 ERS Meeting in Amsterdam in October generating strong interest.
7. Adherium has received the final certification necessary for clearance to market the SmartTurbo in China.
8. A new validation study has found that SmartTurbo demonstrates a 99.7% accuracy level over 2800 actuations.
9. Eight new registered designs have been secured in Australia including registrations for SmartHandy (for Boehringer Ingelheim's Handihaler®).

Yours faithfully



Rob Turnbull

Joint Company Secretary

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Chairman's Message

Adherium has been a hive of activity since our IPO in August, which successfully raised A\$35 million after being heavily oversubscribed. Our Group CEO, Garth Sutherland, and his team have been busy keeping the various arms of the business moving forwards – with growing evidence that our technology is achieving real market relevance and clinical success.

At Adherium we seek to use technology to transform the lives of those with chronic disease. This purpose is at the heart of what we do, and every day the team is focused on improving the products and services we offer for the benefit of those that use them.

Below, we have outlined a number of activities which are underway, as the Company rapidly expands its team and activities, to capitalise on its market leadership in digital interventions that can dramatically transform the lives of those with chronic respiratory disease via its Smartinhaler™ platform.

On behalf of the Board of Directors and all the team at Adherium, I wish our shareholders and partners a very happy holiday season and a prosperous New Year.

Dr Doug Wilson
Chairman

New Projects, New Prospects

Adherium is currently providing Smartinhaler™ devices, software and data management to 31 new clinical projects and programs around the world, building on our existing database of more than 63 projects and 33 peer reviewed publications. Projects currently underway involve the deployment of more than 89,000 devices over time and are supported by a variety of academic groups, hospitals, pharmaceutical clients and distributors around the globe. Discussions are also underway for supply of Smartinhaler technology to a further 35 clinical projects.

In parallel the Company is advancing discussions with a number of large multinational pharmaceutical and medical technology companies with a view to expanding our commercial partnerships.

We anticipate signing one or more major collaboration agreements over the next six to 18 months. These agreements will provide significant additional distribution channels for the sale of our devices, software and services.

We are seeking new commercial channels to market including direct distribution to pharmacies, hospitals and disease management organisations to provide new value enhancing streams. A number of existing programs are also expanding in different countries as Adherium moves toward greater global distribution.

A Growing Global Presence

Adherium has established itself as a major leader in the world of digital health monitoring. Our 14-year history has enabled us to ride the rollercoaster of technological advances and to demonstrate a persistent and creative energy in developing transmission and sensor technologies, alongside major regulatory approvals, to create a significant breakthrough in digital health.

As our international commercialisation accelerates, new staff have been recruited to support product development, project management, software development, and increased regulatory activity.

In addition, an international search has begun to appoint a senior executive, responsible for marketing and sales, based in the UK and able to manage the European side of the operation. A similar satellite operation will be established in the United States. We expect both offices to be operational by the end of the first half of 2016.

These offices and executives will be essential to support our existing commercial contracts and to convert our sales pipeline into firm orders.

AstraZeneca

Work is steadily progressing in the commercialisation of Adherium Smartinhaler™ platform for our cornerstone investor and key commercial client, AstraZeneca. Adherium is providing a sophisticated suite of management and technical skills covering compliance, communications, privacy and interoperability considerations to the AstraZeneca relationship, in support of the transition to commercial rollout.

Each country has specific requirements for a successful commercial deployment and Adherium is actively supporting many of these activities centrally and in different jurisdictions. There are now multiple projects underway or in development with AstraZeneca as part of our 10-year Master Supply and Development Agreement.



Adherium Technology Promoted on the Global Stage by AstraZeneca

AstraZeneca showcased its innovative Turbu+ program, which utilises Adherium Smartinhaler™ technology as a key component, at the European Respiratory Society Meeting (ERS 2015) in Amsterdam in October.

The demonstration generated intense interest among the 20,000 respiratory specialists attending the conference. It was the first time this audience had had the opportunity to see the Smartinhaler™ technology in action with its ability to present a patient's actual medication use, objectively and accurately in real time, with general feedback suggesting it is viewed as a "game changer" for the management of respiratory disease.

Adherium also had its own commercial booth at the event – the world's largest respiratory conference – where four of our senior managers experienced an unprecedented level of interest in our technology from industry professionals, commercial distributors, physicians, hospital executives and medical device manufacturers.

New Clinical Data Supports Smartinhaler™ Platform's Real World Impact

Three independent clinical studies employing Adherium's Smartinhaler™ platform were presented at ERS 2015. A clinical investigator from London's renowned Royal Brompton Hospital presented compelling data showing Smartinhaler™ devices and applications provided significant improvements in lung function, lung inflammation and quality of life for asthmatic children being treated at home – saving time and effort for clinicians, clinics, patients and their families.

In addition, a study of asthmatic children in Sheffield reported 144% increase in adherence to prescribed medication through the use of the Smartinhaler™ platform. These children experienced major clinical benefits, with a 37% reduction in oral steroids required, which is a clear marker of reduced severe attacks, and close to full recovery in lung function and improvements in quality of life.

China Certification for SmartTurbo Medication Sensor

Adherium has received the final necessary certification from Chinese authorities required for clearance to market for its SmartTurbo product in China. This certification allows us to add China to the international markets which we already are able to supply including the US, Europe, Australia and New Zealand.

SmartTurbo Three Month Validation Study

Building on the substantial base of existing data, a recent study by Pilcher et al has supported existing data on the accuracy of the Adherium SmartTurbo electronic monitoring device for use with an AstraZeneca Turbuhaler® device. The 12 week bench study found that the SmartTurbo is highly accurate, with an accuracy level of 99.7% over 2800 actuations. The full study can be read at the following link

<http://bmjopenrespres.bmj.com/content/2/1/e000097.full>

New Registered Designs

August and September saw Adherium increase its intellectual property portfolio with eight new design registrations in Australia and seven in New Zealand. The Design Registrations cover the SmartHandy device for Boehringer Ingelheim's HandiHaler® and the SmartTurbo device for AstraZeneca's Turbuhaler®.

Introducing Dr Bill Hunter: Adherium Non-Executive Director

Adherium is delighted to welcome Bill Hunter to the Adherium Board. The founder of Angiotech Pharmaceuticals, Bill has 200 patents and patent applications to his name and has been involved in the discovery and development of several key devices and products used in over 10 million patients with total revenues exceeding \$12 billion. Currently, he is the President and CEO of Cardiome Pharma Corp (NASDAQ: CRME) in Vancouver, Canada. In addition, he has a strong interest in connected devices and the Internet of Things for healthcare. His latest venture, Canary Medical, utilises sensor technology to allow implanted medical devices to "self-report" on function, activity, wear, complications and patient outcomes, and in the analysis of the data generated by those devices.

Smartinhaler™ Technology Advances

The significant capital generated by Adherium's IPO has enabled us to rapidly scale up research and development efforts with the ability to expand our offering including the addition of new sensors, improved software, data mining and data analytics, miniaturisation and broadening our range of data generating devices.

In addition, we are engaging with world leading design houses on elements of industrial design, to streamline the look and feel of our broad range of devices. Adherium remains highly customer focused and customer led in our product development activities, engaging with commercial clients on key development projects where it is required.

Building Data

Key to Adherium's long term strategy is the fact that the Company designs, develops and manufactures devices which generate valuable and unique data on medication usage, in the real world, in real time. The Company's in-house databases are now growing rapidly with the daily data from tens of thousands of Smartinhaler™ devices accumulating on our servers.

This rapidly growing database of information from users around the world will enable the Company to provide a combination of valued and unique information to the healthcare industry and potentially also to identify new digital therapeutic interventions to improve the health outcomes for patients. Establishing and growing our data analytics capability is a key focus of the Company over the coming 12 months.



Financial Highlights (as at 30 November 2015)

Exchange	ASX
Ticker	ADR
Price 30 Nov '15	A\$0.66
Market Cap 30 Nov	A\$93.086m
52-Week High	A\$0.72
52-Week Low	A\$0.55
IPO Price	A\$0.50
Shares Outstanding	141,039,428
Fiscal Year End	30 June