

ASX Market Announcements

ASX Limited

Level 4

North Tower, Rialto

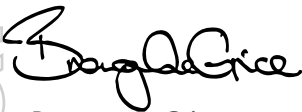
525 Collins Street

Melbourne VIC 3000

#### Quarterly Cash Flow Report to 30 September 2015

Attached is the quarterly update on the operations of Adherium Limited and the Company's first quarterly cash flow report (Appendix 4C) since its ASX listing on 26 August 2015.

Yours faithfully



Bronwyn Le Grice

Joint Company Secretary

[ASX: ADR](#)

#### 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

Ms Bronwyn Le Grice

#### Registered Office

L12, 15 William Street

Melbourne VIC 3000

Australia

#### NZ Office

Suite 205, 8 Commerce Street

Auckland 1010

New Zealand

#### Investor Relations Contact

Ms Bronwyn Le Grice

+61 424 862 600

#### Email

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

#### Website

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

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## QUARTERLY UPDATE AND CASH FLOW REPORT

**Melbourne, Australia, 29 October 2015:** Adherium Limited (ASX:ADR), a global leader in digital health technologies that address sub-optimal medication use in chronic disease, has today issued its first quarterly cash flow report since its ASX listing on 26 August and provides an update on its operations.

Business Highlights July-September 2015:

- Announcement of the “first-in-class” global Master Supply and Development Agreement with AstraZeneca;
- Heavily oversubscribed A\$35m IPO and commencement of trading on the ASX;
- New clinical data in children and teenagers with asthma which supports the positive impact of the Adherium Smartinhaler™ platform on adherence, lung function and quality of life, released at one of the world’s largest respiratory conferences, the European Respiratory Society International Congress. This data contributes to the substantial bank of clinical evidence that supports the Company’s international commercialisation activities; and,
- Addition of key full time staff in product development, regulatory affairs, clinical operations and finance to underpin the Company’s growth.

Highlights of Adherium's cash flow results for the quarter ended 30 September 2015:

- Receipt of \$35m IPO funds
- Payments during the period included one off transaction costs related to the ASX listing and acquisition of the operating entity Adherium (NZ) Limited
- Cash reserves of \$32.098m at the end of the quarter

Looking forward, the Company's focus is on executing the plan as outlined in its prospectus including working closely with industry partner AstraZeneca and building its commercial sales pipeline across key channels including additional industry partnerships, managed care, clinical trials and remote patient monitoring.

**\*\*ENDS\*\***

## Appendix 4C

### Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Adherium Limited

ABN

24 605 352 510

Quarter ended ("current quarter")

30 September 2015

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	128	425
1.2 Payments for		
(a) staff costs	(396)	(720)
(b) advertising and marketing	-	-
(c) research and development	(133)	(276)
(d) leased assets	-	-
(e) other working capital	(1,378)	(2,455)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	91	99
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	(2)
1.7 Other (provide details if material)		
- grants received	61	61
<b>Net operating cash flows</b>	<b>(1,627)</b>	<b>(2,868)</b>

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**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,627)	(2,868)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(52)	(80)
(e) other non-current assets	(28)	(76)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
<b>Net investing cash flows</b>	<b>(80)</b>	<b>(156)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(1,707)</b>	<b>(3,024)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	35,203	35,203
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)		
- Capital raising costs	(3,038)	(3,469)
- Convertible note issue costs	-	(43)
<b>Net financing cash flows</b>	<b>32,165</b>	<b>31,691</b>
<b>Net increase (decrease) in cash held</b>	<b>30,458</b>	<b>28,667</b>
1.21 Cash at beginning of quarter/year to date	1,578	3,468
1.22 Exchange rate adjustments	62	(37)
<b>1.23 Cash at end of quarter</b>	<b>32,098</b>	<b>32,098</b>

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**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	64
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil
1.26	Explanation necessary for an understanding of the transactions	
	Payment of directors' fees.	

**Non-cash financing and investing activities**

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
	During the period Convertible Notes with a fair value of NZ\$2,455,000 converted to ordinary shares on confirmation of admission to the official list of the ASX.
2.2	Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest
	Not applicable

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

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**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	48	4
4.2 Deposits at call	32,050	1,574
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>32,098</b>	<b>1,578</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Not applicable	Not applicable
5.2 Place of incorporation or registration	Not applicable	Not applicable
5.3 Consideration for acquisition or disposal	Not applicable	Not applicable
5.4 Total net assets	Not applicable	Not applicable
5.5 Nature of business	Not applicable	Not applicable

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 29<sup>th</sup> October 2015

Print name: Rob Turnbull, CFO & Joint Company secretary

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## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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