



ADHERIUM LIMITED

ABN 24 605 352 510

ASX: ADR

APPENDIX 4E

PRELIMINARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2025

Adherium Limited

ABN 24 605 352 510

Adherium Limited provides the following information under listing rule 4.3A:

Details of the reporting period and the previous corresponding period

- Reporting period 12 months ended 30 June 2025
- Previous corresponding period 12 months ended 30 June 2024

Results for announcement to the market

	12 months 30 June 2025 \$	12 months 30 June 2024 \$	Change \$	Change %
Revenue from ordinary activities	817,237	840,982	(23,745)	(2.82%)
Profit (loss) from ordinary activities after tax attributable to members	(12,679,349)	(10,244,173)	(2,455,176)	(24.01%)
Net profit (loss) for the period attributable to members	(12,677,984)	(10,317,331)	(2,360,653)	(22.88%)
Dividends:				
Amount per Ordinary Share	Nil	Nil		
Franked amount per Ordinary Share	Nil	Nil		
Record date for determining entitlements to the dividends	N/A	N/A		
Net tangible asset backing per Ordinary Share	0.5 cents	0.9 cents		

Commentary on results

The loss for the year after tax was \$12,679,349 compared to \$10,224,173 in 2024.

Revenue to 30 June 2025 was \$817,237 compared with \$840,982 in the prior year.

Research and development activities to 30 June 2025 amounted to \$3,441,139 compared with \$4,144,960 in the prior year, the decreased expenditure reflecting the shift from clinical trials and product development to commercialisation of existing devices and software platform.

Sales and Marketing costs were \$4,290,344 to 30 June 2025, compared with \$2,138,032 in the prior year. This increase was due to the expansion in the US market which incurred more investment in staff and facilities.

Administrative expenses increased to \$5,485,800 in year ended 30 June 2025 from \$5,061,483 in the year ended 30 June 2024. Administrative consulting fees increased \$482,262 due to executive recruitment and team management programs.

Adherium ended the year to 30 June 2025 with cash of \$43,255 compared to \$6,197,538 in the prior year. Subsequent to the balance sheet date, the company successfully completed an Accelerated Non-Renounceable Entitlement Offer (ANREO) raising \$4.492 million in July 2025, exceeding the initial target of \$4.0 million. Total \$4.34 million cash received in July and August 2025.

Dividends

The board has not declared dividends or made dividend payments in the periods ended 30 June 2024 and 2025. The Company does not have any dividend or distribution reinvestment plans in operation.

Details of entities over which control has been gained or lost

There have been no changes in control over entities in the year ended 30 June 2025.

Details of associates and joint venture

Adherium does not have any associates or joint ventures.

Trends in Performance

Adherium has pivoted from a clinical trials company to a data driven and remote patient monitoring company that provides adherence and technique monitoring to their customers for a monthly subscription fee. The company will record a net loss of \$12,679,349 for the year, primarily due to increased resources to commercialise the technology in the US market and delays in patient onboarding due to modifications of the patient onboarding monitoring program to meet the needs of our customers and their patients.

Audit status

This Appendix 4E and the included financial information are based on financial statements which are in the process of being audited, and the audited financial statements will be published in September 2025. As in prior years, the independent auditor's report may contain an emphasis of matter reflecting a material uncertainty in respect of going concern related to the raising of additional capital or alternative funding until the group is supported by cash flows from operations. Despite this, the Directors are of the view that adoption of the going concern basis of preparation of the financial statements continues to be appropriate.

Financial report

The following financial report included in this Appendix 4E does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide a complete understanding of the financial performance, financial position and operating, financing and investing activities of the consolidated entity as the full financial report. The financial report should be read in conjunction with any public announcements made by Adherium Limited in accordance with the continuous disclosure obligations of the ASX Listing Rules. The accounting policies applied are the same as those noted in the most recent interim financial report and the previous annual report.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2025

		June 2025	June 2024
	Notes		
Continuing Operations			
Sales	1	817,237	840,982
Cost of sales		(705,863)	(573,279)
Gross profit		<u>111,374</u>	<u>267,703</u>
Other Income - R&D tax credit		1,190,763	1,450,452
Other Income - Gov't grant		31,673	71,633
Manufacturing support		(655,379)	(908,538)
Research and development costs		(3,441,138)	(4,144,960)
Sales and marketing costs		(4,290,344)	(2,138,032)
Administrative expenses		(5,485,800)	(5,061,483)
Operating loss		<u>(12,538,851)</u>	<u>(10,463,225)</u>
Finance income		88,188	241,124
Finance expense		(228,686)	(2,072)
Finance income (cost) - net		<u>(140,498)</u>	<u>239,052</u>
Loss before income tax		<u>(12,679,349)</u>	<u>(10,224,173)</u>
Income tax expense		-	-
Loss for the period attributable to equity holders		<u>(12,679,349)</u>	<u>(10,224,173)</u>
Other comprehensive income			
Other comprehensive income for the period , net of tax		<u>1,365</u>	<u>(93,157)</u>
Total comprehensive loss for the period		<u>1,365</u>	<u>(93,157)</u>
Total comprehensive loss attributable to:		<u>(12,677,984)</u>	<u>(10,317,330)</u>
Equity holders of Adherium Limited		<u>(12,677,984)</u>	<u>(10,317,330)</u>
Basic and diluted loss per share	3	(1.4) cents	(2.8) cents

The accompanying notes form part of this financial report.

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Consolidated Statement of Financial Position as at 30 June 2025

	Notes	June 2025	June 2024
ASSETS			
Current Assets			
Cash and cash equivalents	4	43,255	6,197,538
Trade and other receivables	5	1,078,776	1,797,416
Inventories	6	1,838,371	1,582,298
Prepayments		439,921	151,221
Total Current Assets		3,400,324	9,728,473
Non-Current Assets			
Property plant and equipment		69,781	65,092
Intangible assets		36	264
Right-of-use assets		45,293	93,325
Total Non-Current Assets		115,110	158,681
Total Assets		3,515,434	9,887,154
LIABILITIES			
Current Liabilities			
Trade and other payable		3,087,265	1,963,857
Borrowings	8	1,115,108	-
Convertible Notes	8	1,958,589	-
Employee benefits		1,220,243	772,018
Income received in advance		824,170	566,788
Lease liabilities		46,953	46,933
Total Current Liabilities		8,252,329	3,349,595
Non-Current Liabilities			
Employee benefits		26,356	10,891
Lease liabilities		-	46,272
Non-Current Liabilities		26,356	57,163
Total Liabilities		8,278,685	3,406,758
EQUITY			
Share capital	7	132,134,776	131,003,209
Accumulated deficit		(116,190,205)	(103,510,857)
Other reserves		(20,707,822)	(21,011,956)
Total equity		(4,763,251)	6,480,396
Total liabilities & equity		3,515,434	9,887,155

The accompanying notes form part of this financial report.

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Consolidated Statement of Changes in Equity for the year ended 30 June 2025

	Share capital	Accumulated deficit	Share & option compensation reserve	Foreign currency translation reserve	Merger reserve	Convertible notes reserve	Total Equity
Equity as at 1 July 2023	123,617,236	(93,286,683)	5,748,793	669,364	(27,534,799)	-	9,213,910
Loss for the period	-	(10,224,173)	-	-	-	-	(10,224,173)
Other comprehensive income	-	-	-	(93,157)	-	-	(93,157)
Total comprehensive loss	-	(10,224,173)	-	(93,157)	-	-	(10,317,330)
<i>Transactions with owners:</i>							
Shares and options issued in placements and SPP	7,800,800	-	-	-	-	-	7,800,800
Share and option grants for services	227,163	-	197,843	-	-	-	425,006
Share issue costs	(641,990)	-	-	-	-	-	(641,990)
Equity as at 30 June 2024	131,003,209	(103,510,856)	5,946,636	576,207	(27,534,799)	-	6,480,396
Loss for the period	-	(12,679,349)	-	-	-	-	(12,679,349)
Other comprehensive income	-	-	-	1,365	-	-	1,365
Total comprehensive loss	-	(12,679,349)	-	1,365	-	-	(12,677,984)
<i>Transactions with owners:</i>							
Shares and options issued in placements and SPP	570,000	-	-	-	-	-	570,000
Share and option grants for services	-	-	215,129	-	-	-	215,129
Convertible notes conversion	701,469	-	-	-	-	87,640	789,109
Share issue costs	(139,902)	-	-	-	-	-	(139,902)
Equity as at 30 June 2025	132,134,776	(116,190,205)	6,161,765	577,572	(27,534,799)	87,640	(4,763,251)

The accompanying notes form part of this financial report.

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Consolidated Statement of Cash Flows for the year ended 30 June 2025

	June 2025	June 2024
Notes		
Cash flows from operating activities:		
Receipts from customers	1,186,756	1,101,661
Research and development tax incentive receipts	1,642,976	1,514,258
Interest received	88,188	241,124
Interest paid	(65,894)	(2,072)
Payments to employees	(6,886,457)	(7,579,374)
Payments to suppliers	(5,949,271)	(5,888,609)
Net cash provided from (used in) operating activities	(9,983,703)	(10,613,012)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(48,189)	(37)
Net cash used in investing activities	(48,189)	(37)
Cash flows from financing activities:		
Proceeds from the issue of shares	7 305,500	8,370,800
Convertible Notes	2,600,015	-
Borrowing	1,100,000	-
Payment of capital raising costs	(139,902)	(641,990)
Net cash provided from financing activities	3,865,613	7,728,810
Net increase (decrease) in cash	(6,166,279)	(2,884,239)
Cash at the beginning of the year	6,197,538	9,077,258
Effect of exchange rate changes on cash balances	11,995	4,519
Cash at the end of the year	4 43,255	6,197,538

The accompanying notes form part of this financial report.

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Notes to the condensed consolidated financial statements for the year ended 30 June 2025

1. Revenues and expenses

	June 2025	June 2024
(a) Income from continuing operations:		
Sensor sales and monitoring services	350,510	354,885
Engineering services and other services	466,727	486,097
	<u>817,237</u>	<u>840,982</u>
(b) Loss before income tax includes the following specific expenses:		
Depreciation of property, plant and equipment	54,582	61,706
Amortisation of intangible assets	48,748	46,385
Operating lease costs	76,155	92,887
Employee benefits expense		
- Wages and salaries	6,882,196	7,327,376
- Share, option and SARs compensation	215,129	197,843
Total employee benefits expense	<u>7,097,325</u>	<u>7,525,219</u>

2. Segment Information

The Group has considered the requirements for segmental reporting as set out in AASB 8: Operating Segments. The standard requires that operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Chief Executive Officer. The Group has determined that one segment exists for the Group's Hailie® Smartinhaler®.

3. Earnings per share

	June 2025	June 2024
Profit (loss) after income tax attributable to equity holders	(12,679,349)	(10,224,173)
Weighted average shares outstanding (basic)	899,798,730	371,139,052
Weighted average shares outstanding (diluted)	899,798,730	371,139,052
Basic and diluted loss per share	(1.4) cents	(2.8) cents

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4. Cash and cash equivalents

June 2025 June 2024

Cash at bank and on hand	25,368	686,051
Deposits at call	17,887	5,511,487
	<u>43,255</u>	<u>6,197,538</u>

5. Trade and other receivables

June 2025 June 2024

Trade receivables and accruals	80,712	406,433
R&D tax credit receivable	858,168	1,308,640
GST and other taxes receivable	117,923	53,968
Security deposits	21,972	28,373
	<u>1,078,776</u>	<u>1,797,416</u>

6. Inventories

June 2025 June 2024

Raw materials and components	1,007,837	919,542
Provision for obsolescence	(377,043)	(104,273)
Finished goods	1,207,576	767,029
	<u>1,838,370</u>	<u>1,582,298</u>

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7. Share capital

	Ordinary Shares	\$
Share capital as at 30 June 2023	4,999,408,315	123,617,236
Share consolidation	(4,668,153,845)	-
Cancellation of shares issued in employee share plans	(7,535,769)	-
Shares issued in placements*	50,000,000	1,000,000
Shares issued in non renounceable entitlement offer	340,039,981	6,800,800
Shares issued for services	16,321,280	227,164
Shares issue costs	-	(641,990)
Share capital as at 30 June 2024	730,079,962	131,003,209
Cancellation of shares issued in employee share plans	(394,753)	-
Shares issued in placements	28,500,000	570,000
Shares issued on conversion of Con. Notes	140,293,872	701,469
Shares issued for services		
Shares issue costs		(139,902)
Share capital as at 30 June 2025	898,479,081	132,134,776

*Funds totalling \$570,000 for the subscription of 28,500,000 shares by Management and the Board as approved at the EGM held on 21 June 2024 were received before 30 June 2024. However the issue of these shares did not occur until 1 July 2024.

*Funds \$305,500 for subscription of shares were received on 27 June 2025. However the allotment did not occur until 17 July 2025.

8. Borrowings

8(a) Loan

	June 2025	June 2024
Working capital facility	1,100,000	-
Interest on borrowings	15,108	-
	<u>1,115,108</u>	<u>-</u>

8(b) Convertible Notes

	June 2025	June 2024
Convertible notes issued	2,600,000	-
Con. Notes recognised as equity	(87,640)	-
Con. Notes conversion	(701,469)	-
Interest on convertible notes	147,684	-
	<u>1,958,574</u>	<u>-</u>

Convertible Notes and Options

In March 2025, the Company issued Convertible Notes of \$0.3 million to Phillip Asset. This note bears interest at 10% per annum with a 9-month term maturing in December 2025. In May 2025, further Convertible Notes were issued in aggregate of \$2.3 million, subscribed by Phillip Asset, Trudell Medical and K One W Venture Capital. These notes bear interest at 10% per annum and mature on 28 February 2026.

Notes automatically convert earlier upon:

- delivery of a conversion notice, or
- a capital raise of at least \$5 million, or
- at maturity.

In June 2025, 681,350 notes converted into 140,293,872 ordinary shares. In line with the note terms, 70,146,936 options were also issued (one option for every two shares).

Options are exercisable at the lower of:

- \$0.02 per option, or
- a 100% premium to the placement price, subject to a \$0.01 floor.

These issues will materially increase the number of shares on issue.

Borrowings Pending Shareholder Approval

In May 2025, the Company entered into short-term loan agreements totalling \$0.9 million with Phillip Asset Management and Trudell Medical. These borrowings bear interest at 10% per annum.

The borrowings are subject to shareholder approval by 5 November 2025 to be converted into Convertible Notes, on the same terms as the March and May 2025 issue (9-month maturity, 10% coupon, and conversion features).

As at 30 June 2025, the borrowings are classified as financial liabilities and accrued interest of approximately \$15k has been recognised.

If shareholder approval is obtained, the borrowings will be reclassified as Convertible Notes and accounted for as a compound financial instrument (liability and equity components) in accordance with AASB 132.

Borrowings – Short-Term Bridge Loan

In June 2025, the Company entered into a short-term bridge loan agreement with Bioscience Managers Pty Ltd for \$0.2 million.

The loan bore interest at 10% per annum, with a term of 14 days commencing from late June 2025. The loan was fully repaid in early July 2025.

As the loan was outstanding at 30 June 2025, it is presented as a current borrowing.

Related-party disclosure has been made, as Bioscience Managers Pty Ltd is a related party of the Company.

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9. Events occurring after balance date

Subsequent to the balance sheet date, the company successfully completed an Accelerated Non-Renounceable Entitlement Offer (ANREO) raising \$4.492 million in July 2025, exceeding the initial target of \$4.0 million. Total \$4.34 million cash received in July and August 2025.

Ms Dawn Bitz was appointed as Chief Executive Officer effective 21 July 2025

There are no other events occurring after the balance sheet date which require disclosure or adjustment in the financial statements.