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adherium

2025 ANNUAL REPORT

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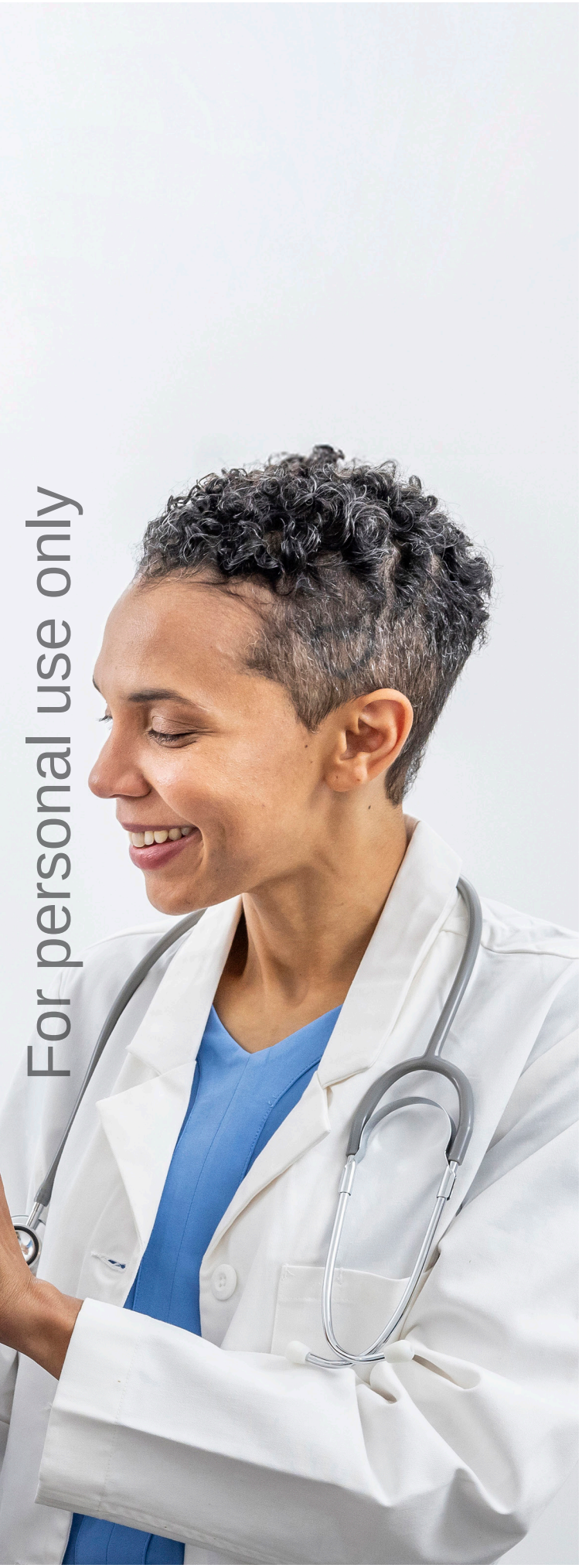
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Adherium Limited is a digital health company providing solutions for improving patient treatment with remote monitoring and data solutions.

Adherium's Hailie® Smartinhaler® system is transforming management of chronic respiratory conditions, especially asthma and chronic obstructive pulmonary disease. Hailie® Smartinhaler® improves patient health through better adherence and self-management while enabling doctors to be paid for remote work and saving costs across health systems by avoiding hospital admissions. Adherium's clinically proven sensors, app and powerful data platform provide remote, real-time, personalised information to patients and clinicians. Adherium is increasing sales in US and other markets by pursuing partnerships with major hospital systems, medical groups and insurers.

For more information, visit **www.adherium.com.**





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Chairman's Report

"We have implemented a scalable onboarding system by collaborating deeply with our customers and integrating into their workflows to drive engagement and adoption. In FY 2026, we plan to expand this approach across a pipeline of more than 300,000 potential patients."



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Dear Shareholders,

I am pleased to present the Chairman's Report for Adherium Limited for the year ending 30 June 2025, marking a defining period of accelerated growth and strategic advancement in our mission to revolutionise respiratory care through digital health innovation.

Exceptional Commercial Growth and Market Validation

The past year has delivered remarkable validation of our commercial strategy, with our US Remote Patient Monitoring (RPM) operations achieving extraordinary growth momentum. We have implemented a scalable onboarding system by deeply engaging our customers and embedding into workflows to drive engagement and adoption, culminating in approximately 1,500 active US commercial patients by year-end.

This growth trajectory reflects our targeted digital outreach approach, working collaboratively with providers to help identify the most eligible patients and walking them through the entire patient journey. These initiatives demonstrate our ability to efficiently convert opportunities and will be systematically deployed across our pipeline of over 300,000 potential patients in FY 2026.

Partnership Network and Market Access Expansion

Our established partnerships with Allergy Partners, SENTA Partners, AMC Health, and Tenovi continue to demonstrate steady growth and scalable adoption within their existing networks. Notably, the number of activated providers within Allergy Partners' national network doubled from quarter to quarter, while our expansion within SENTA included the launch of operations at the largest allergy practice in the Southeastern US.

Our strategic partnership approach has opened significant new market access channels throughout the year. An agreement with the Consortium of Independent Immunology Clinics (CIIC), the largest group purchasing organisation focused on allergy and immunology, provides streamlined access to healthcare providers managing asthma patients across 33 states. This partnership model creates compelling value propositions that combine improved patient outcomes with new revenue opportunities for healthcare providers.

Clinical Validation and Evidence Generation

The Intermountain Health iCare program has entered its second year following successful completion of the first year. Early data shows meaningful impact on patient health outcomes and adherence improvement, with detailed results expected to be published in late 2025. This type of clinical evidence will strengthen our position with healthcare payers and providers seeking to improve patient outcomes while reducing costs.

Product Innovation and Regulatory Achievements

A significant milestone was achieved with the release of new Hailie® Smartinhaler® products compatible with AstraZeneca's AIRSUPRA® and Breztri Aerosphere medications. This breakthrough expands our platform coverage to 100% of triple therapy (ICS/LABA/LAMA) in the US market, representing a major advancement in supporting moderate to severe COPD and asthma patients.

The compatibility with AIRSUPRA®, as the only FDA-approved as-needed SABA/ICS rescue therapy in the US, positions Adherium at the forefront of evolving asthma care and enables the capture of critical data for predictive algorithm development.

Leadership Strengthening

To support our accelerated growth trajectory, we have strategically strengthened our leadership team with proven industry expertise. Ms Dawn Bitz was appointed as Chief Executive Officer in July 2025, bringing nearly 30 years of global leadership experience in medtech, respiratory care, and digital health. Her appointment marks a new chapter in Adherium's growth trajectory.

We also welcomed Mr. Keven Gessner as a Non-Executive Director, bringing over 25 years of pharmaceutical and digital health expertise from leading companies including Pfizer, Teva, AstraZeneca, and GSK.

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Financial Position and Capital Management

During the year, we successfully completed multiple capital raising initiatives to support our growth objectives. This included a $2.6 million capital raise completed across February and March 2025, followed by a highly successful Accelerated Non-Renounceable Entitlement Offer (ANREO) launched in June 2025.

The ANREO, which closed in July 2025, raised $4.492 million against a target of $4.0 million, reflecting strong investor confidence in our growth strategy. Key participants included Phillip Thematic Fund (Singapore) committing $0.8 million for the institutional component, with sub-underwriting commitments of $1.0 million from existing strategic shareholders Bioscience Managers and Trudell Medical.

These capital initiatives provide the financial foundation necessary to accelerate commercial scaling, enhance onboarding infrastructure, and invest in product development capabilities. As we work towards a cashflow positive operating position, we will continue to rely on capital raising activities.

Technology and Data Strategy

As our patient base grows, we are leveraging the increasing volume of patient data to develop AI-driven algorithms that optimise adherence, enhance care management workflows, and improve patient retention. This data strategy not only strengthens our current commercial offerings but also supports potential future monetisation opportunities.

The growing dataset from our expanding patient network positions Adherium to train and develop predictive algorithms to improve care, such as the potential to anticipate exacerbations before they occur, creating significant value for healthcare systems, payers, and population health programs.

Market Opportunity and Future Outlook

The addressable market opportunity remains substantial, with 25 million patients diagnosed with asthma and 26 million with COPD in the United States alone. Remote patient monitoring has become essential for managing patients with chronic diseases, and our platform is uniquely positioned to serve this critical need in respiratory care.

Looking ahead to fiscal year 2026, we are well-positioned to:

- Scale onboarding campaigns across existing RPM programs within Allergy Partners and SENTA
- Expand RPM adoption through CIIC member practices
- Leverage new capital to invest in growth infrastructure and product development
- Continue development of AI-driven tools for product and service optimisation
- Support publication of clinical outcomes data from the Intermountain Health iCare study

Acknowledgements

The achievements of FY25 would not have been possible without the dedication of our talented team, the support of our strategic partners, and the continued confidence of our shareholders. The transformation we have witnessed this year positions Adherium as a leader in digital respiratory care and remote patient monitoring.

Conclusion

FY25 has been a pivotal year that has established Adherium as a significant force in the US remote patient monitoring market. With significant growth in the commercial patient base, expanded partnerships with leading healthcare organisations, innovative product launches, and a strengthened capital position, we have built the foundation for sustained growth and market leadership.

As we enter fiscal year 2026 with new leadership, enhanced capabilities, and accelerating momentum, we are confident in our ability to continue delivering value to patients, healthcare providers, and shareholders while pioneering innovative solutions that make every breath count.

Together, we continue advancing toward a future where digital health technology enables every patient to breathe easier and live better.

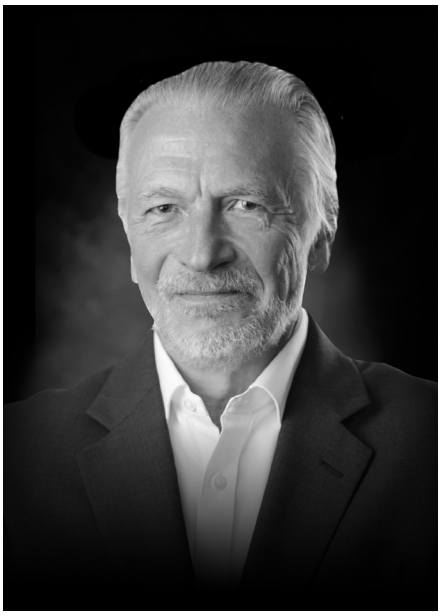


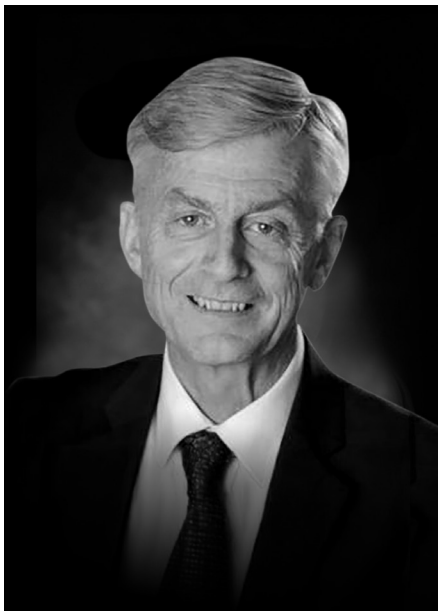
Lou Panaccio
Non-Executive Chairman

Directors' Report

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Directors' Report

The Directors present their report on the consolidated entity **(the Group)**, consisting of Adherium Limited **(the Company or Adherium)** and the entities it controlled at the end of, or during, the year ended 30 June 2025, together with the independent auditor's report thereon.

Directors

The Directors of the Company at any time during the year and until the date of this report are:

Mr Lou Panaccio, BEc, CA, MAICD. Age 68.
Independent Non-Executive Chair
Appointed as a Director 25 February 2022 and Chairman 29 April 2022.

Mr Panaccio is currently on the boards of ASX and NASDAQ listed Avita Therapeutic Inc. (Non-Executive Chairman from July 2014). He is also the Non-executive Chairman of Unison Housing Limited, Magellan Stem Cells Pty Ltd and commenced as a Director of Mecwacare Limited in December 2024.

Mr Panaccio was the Chief Executive Officer and Executive Director of Melbourne Pathology for ten years to 2001, the Chief Executive Officer of Monash IVF until 2009 and the Executive Chairman of Health Networks Australia until 2017. He was also a Non-executive Director of ASX-listed Genera Biosystems Limited to June 2019, Rhythm Biosciences Limited to November 2024 and Sonic Healthcare Limited to November 2024.

Mr Panaccio holds a Bachelor of Economic from Monash University and is a Member of the Australian Institute of Company Directors.

Mr George Baran, MBA. Age 65.
Non-Executive Director
Appointed as a Director on 13 May 2021.

Mr Baran has over 35 years of experience in the medical device industry and serves as Executive Chair of the Trudell Medical Limited Board of Directors as well as being a significant shareholder. In addition to his role at Trudell, Mr Baran is an active investor in and Director of several medical device and e-health/ connected care companies including Sensory Technologies, Mozzaz Corporation, and Sky Medical Technology Inc.

Mr Baran has been responsible for the marketing of new drug delivery technologies to medical opinion leaders and major pharmaceutical companies. This has included collaboration with business and clinical partners in the design and co-ordination of clinical studies. He has also been granted several US and international patents for medical devices for drug delivery and minimally invasive surgery.

Mr Baran holds an MBA from the Richard Ivey School of Business, Western University, London (ON) where he currently serves on the Advisory Board of the Lawrence National Centre for Policy and Management. Mr Baran has not held any other Australian public company directorships in the last three years.

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Mr Jeremy Curnock Cook, MA. Age 76.
Independent Non-Executive Director

Appointed as a Director on incorporation of Adherium Limited on 17 April 2015.

Mr Curnock Cook is an active investor in the Australian life science sector. He was formerly head of the life science private equity team at Rothschild Asset Management in the UK. At Rothschild, Mr Curnock Cook was responsible for the launch of the first dedicated biotechnology fund for the Australian market. Over his 40-year career, Mr Curnock Cook has specialised in creating value in emerging biotech enterprises, through active participation with management. He has served on over 40 boards in various roles, including chair of private and public biotechnology companies listed on NASDAQ, AMEX, LSE, TSX and ASX. Mr Curnock Cook received his MA in Natural Sciences from Trinity College in Dublin, Ireland. He is currently Managing Director of BioScience Managers (manager of a major shareholder in Adherium), and sits on the board of Avita Medical, Rex Bionics Pty Ltd, Humanetix Ltd, Marine Department Ltd, Cambridge Respiratory Innovations Ltd, and Sea Dragon Ltd. He has held no other Australian public company directorships in the last three years.

As noted, Mr Curnock Cook has an association with significant shareholders through his capacity as Managing Director of BioScience Managers Pty Ltd. The board of directors is of the opinion that this does not compromise the independence of Mr Curnock Cook as, to the best of the Board's knowledge and based on advice received, he is not involved in decision making by the shareholders, and also does not control BioScience Managers Pty Ltd.

Dr William Hunter, MD. Age 62.
Independent Non-Executive Director

Appointed as a Director on 17 December 2015. Resigned on 8 May 2025.

Dr Hunter has extensive experience in commercialising medical device technologies. He co-founded Angiotech Pharmaceuticals in 1992 and assumed the position of CEO in 1997 when Angiotech was a venture-stage, private, pre-clinical company with less than 50 employees. He led Angiotech through its IPO and listing on the Toronto Stock Exchange and NASDAQ. Dr Hunter has over 200 patents and patent applications to his name and products in which he was an inventor or co-inventor, including the TAXUS Drug-Eluting Coronary Stent, the Zilver PTX Peripheral Drug- Eluting Stent, the Quill barbed wound closure device and the Persona IQ "smart" knee replacement. Combined, these products have generated revenues of over $12 billion and have helped the lives of over 50 million patients globally. He is currently the Founder, President and CEO of Canary Medical Inc. which develops and commercialises implantable sensors and data informatics for medical devices. He was formerly the CEO Correvio Pharma Corp (NASDAQ: CORV).

Dr Hunter is Chairman of Tensive, a woman's health medical device company and an Industry Expert Advisor for BioScience Managers (manager of a major shareholder in Adherium). He has previously served as a director of Epirus Biopharmaceuticals (NASDAQ: EPRS), Aspriva (NASDAQ: ASPV), Anormed (NASDAQ: ANOR), and Zalicus (NASDAQ: ZLCS).

Dr Hunter completed his BSc from McGill University and a MSC and MD from the University of British Columbia. Dr Hunter served as a practising physician in British Columbia for five years. Dr Hunter held no other Australian public company directorships in the last three years.

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Mr Bruce McHarrie, B.Com, FCA, GAICD. Age 67.
Independent Non-Executive Director
Appointed as a Director on 20 July 2015.

Mr McHarrie is a company director and adviser in the health and life sciences sectors with over 30 years' experience. He was formerly with Telethon Kids Institute in Perth, Western Australia, for 15 years, where his roles included Chief Financial Officer, Director of Operations and Director of Strategic Projects. Prior to joining Telethon Kids, Mr McHarrie was a Senior Manager at Deloitte in London before moving to Rothschild Asset Management as Assistant Director of the Bioscience Unit, a life sciences private equity group investing in early-stage biotechnology and healthcare companies. Outside his role at Adherium, he is currently an advisor to BioScience Managers (manager of a major shareholder in Adherium). Mr McHarrie is a Fellow of the Institute of Chartered Accountants Australia and New Zealand. He holds a Bachelor of Commerce from the University of Western Australia and is a graduate member of the Australian Institute of Company Directors. Mr McHarrie was previously a director at AusCann Group Holdings Ltd and Pharmamark Nutrition Pty Ltd. He has held no other Australian public company directorships in the last three years.

As noted, as an advisor to BioScience Managers, Mr McHarrie has an association with a significant shareholder of the Company. The board of directors is of the opinion that this does not compromise Mr McHarrie's independence as to the best of the board's knowledge he is not involved in decision making by BioScience Managers and the value of the advisory services provided is not material.

Mr Keven Gessner, B.Com, CPA, MBA. Age 49.
Non-Executive Director
Appointed as a Director on 8 May 2025.

Mr Gessner has more than 25 years experience serving in key leadership roles for Pfizer, Teva, AstraZeneca and GlaxoSmithKline (GSK). He brings specialist expertise in leading digital health transformation in global respiratory health markets. In particular, he specialises in market access, product launch strategy and leveraging the very latest applications of AI in healthcare.

Company Secretary

Ms Emily Austin Age 39.
Company Secretary
Appointed 20 May 2024.

Emily is an experienced Company Secretary and Corporate Governance Advisor to a portfolio of companies including ASX & NSX listed, incorporated overseas and within Australia, Unlisted Public and Private companies, Not for Profits and Charities in range of industries including Technology, Education, Health, Funds and Insurance, Finance and Treasury and oil, gas and mining. Emily holds a Masters in Business Law from Southern Cross University and is a fellow of the Governance Institute of Australia.

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Directors' Meetings

The number of meetings of Directors (including meetings of committees of directors) held during the period and the number of meetings attended by each Director was as follows:

	Directors' Meetings		Audit & Risk Committee Meetings		Nomination & Remuneration Committee Meetings	
	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend[#]	Meetings attended
Lou Panaccio	7	7	9	8	1	1
George Baran	7	7	-	-	-	-
Jeremy Curnock Cook	7	6	-	-	1	0
William Hunter	6	4	-	-	-	-
Bruce McHarrie	7	7	9	8	1	1
Keven Gessner	1	1	-	-	-	-

[#] Nomination & Remuneration Committee business was largely dealt with at Board meetings during this period.

Committees of the Board

The Company has established the following committees of the board, with membership in the year to 30 June 2025 as noted:

Committee	Membership
Audit & Risk	Bruce McHarrie (Chair), Non-Executive Director Lou Panaccio, Non-Executive Director
Nomination & Remuneration	Bruce McHarrie (Chair), Non-Executive Director Lou Panaccio, Non-Executive Director Jeremy Curnock Cook, Non-Executive Director

The committees' Charters are contained in the Corporate Governance Policy which is available on the Company's website.

Principal Activities

During the year, the Group has delivered remarkable validation of our commercial strategy, with our US Remote Patient Monitoring (RPM) operations achieving extraordinary growth momentum. We have implemented a scalable onboarding system by deeply engaging our customers and embedding into workflows.

Results and Dividends

The net loss after tax of the Group for the year ended 30 June 2025 was $12,679,349.

No dividends were paid, declared or recommended during the year ended 30 June 2025.

Review of Operations

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During the 12 months to 30 June 2025, Adherium Limited successfully executed its commercialisation strategy, achieving substantial patient enrolment growth and establishing robust operational infrastructure across the US remote patient monitoring sector. The company demonstrated its ability to scale proven business models while expanding technology capabilities and building organisational depth to support continued market penetration.

The operational achievements in the 2025 financial year have established Adherium as a credible commercial entity with validated processes, strong partner relationships, and clear pathways for sustained expansion in the respiratory digital health market.

Patient Enrolment and Commercial Operations

Scale Achievement

The company reached approximately 1,500 active patients across its US commercial programs by financial year-end, demonstrating more than doubling of its patient base through systematic execution of refined onboarding processes.

Engagement Methodology

Adherium developed and implemented comprehensive patient acquisition workflows that integrate directly with provider operations, enabling seamless identification of suitable candidates and supporting patients throughout their entire care journey. This approach will be expanded across a qualified prospect base exceeding 300,000 individuals in the coming financial year.

Partnership Network Development

Allergy Partners Expansion

Deepened penetration within the Allergy Partners network, achieving operational presence across 16 locations in 9 states. Provider activation rates accelerated throughout the year, establishing strong momentum for continued network expansion.

SENTA Partners Implementation

Advanced deployment within the SENTA network, including successful launch at their flagship practice in the Southeast region, with additional sites planned for activation.

Group Purchasing Organisation Access

The company secured a pivotal agreement with the Consortium of Independent Immunology Clinics (CIIC), encompassing healthcare professionals across 33 states. Initial implementation commenced during the fourth quarter.

Remote Monitoring Partnerships

AMC Health and Tenovi partnerships matured significantly, with AMC Health procuring 730 devices through multiple purchase orders.

Clinical Research Collaboration

The Intermountain Health iCare program continued secured funding for its second year based on favourable outcomes from initial implementation, demonstrating measurable clinical value and supporting broader market validation.

Product Innovation and Technology Platform

Inhaler Compatibility Expansion

Launched sensors compatible with AstraZeneca's AIRSUPRA® and Breztri Aerosphere devices, achieving comprehensive coverage of triple-combination therapies available in the US market.

Next-Generation Monitoring

AIRSUPRA® compatibility enables monitoring of the first FDA-approved rescue therapy combining SABA and ICS components, providing access to critical usage patterns that support early intervention strategies.

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Data Analytics Advancement

Enhanced platform capabilities through machine learning applications that leverage growing patient datasets to optimise care protocols, improve engagement rates, and start developing predictive intervention models.

Organisational Development

Executive Leadership

- Dawn Bitz joined as Chief Executive Officer in July 2025, contributing three decades of international experience in medical technology, respiratory therapeutics, and digital health solutions
- Keven Gessner was appointed to the Board as Non-Executive Director, bringing extensive pharmaceutical industry knowledge from senior positions at major global companies

Financial Resources and Investment

Capital Acquisition

Completed successful fundraising activities totalling approximately $7.1 million:

- $2.6 million secured through February and March 2025 initiatives
- $4.492 million raised through Accelerated Non-Renounceable Entitlement Offer, exceeding the $4.0 million target in June 2025

Investor Participation

Demonstrated strong market confidence through diverse investor engagement:

- Phillip Thematic Fund (Singapore) Pte Ltd contributed $0.8 million in institutional investment
- Existing strategic investors Bioscience Managers and Trudell Medical provided $1.0 million in sub-underwriting support

Regulatory Position and Clinical Evidence

Device Portfolio

Maintained market leadership with 14 FDA-cleared sensor configurations, including recent clearances for AstraZeneca inhaler devices achieved in April 2024.

Pharmaceutical Collaboration

Progressed AstraZeneca clinical trial partnership with $1.1 million total contract value, receiving scheduled milestone payments throughout the reporting period.

Real-World Evidence

Generated compelling clinical outcomes through the Intermountain Health program, including documented cases of patients eliminating hospital readmissions while achieving substantial improvements in standardised asthma assessment scores.

Market Position and Growth Infrastructure

Opportunity Pipeline

Enhanced development of a substantial prospect database through partnership networks and market development initiatives, providing clear visibility for systematic expansion activities.

Process Optimisation

Established repeatable operational frameworks for patient acquisition and provider integration, enabling simultaneous scaling across multiple healthcare systems with consistent execution quality.

Platform Evolution

Enhanced service offerings beyond basic monitoring to comprehensive population health management capabilities, supporting transition to value-based care models and premium service positioning.

Managing the Risks Associated with Our Strategy

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In developing, refining and executing on our strategy the Company constantly assesses the key risks to our business and puts in place controls and strategies to mitigate these risks in an appropriate manner. The Company is aware of the macro-economic risks impacting the environment that we operate, as well as the risk factors that pertain to medical device companies and other factors impacting Adherium. Where the risk relates to factors within the control of management, we make further comments. These risk factors are not exhaustive and other risks may impact the value of the investment that shareholders in the Company.

Business Risks

Retention of Key Personnel

The Company's success depends on retaining its key management personnel, and attracting suitably qualified, new personnel. There is no guarantee that Adherium will be able to attract and retain suitably qualified management and technical personnel. A failure to do so could materially and adversely affect the Company, its operating results and financial prospects.

Limited Cash

The Company will have to raise more money to finance technology development, commercialisation and deployment of its products and other longer-term objectives. Such fundraising may dilute Shareholders, may be on terms unfavourable to the Company or may not be available at all.

Commercialisation

The Company's business operations are at pivotal stage of commercialisation which has yet been proven at scale. The Company's success will depend on the Company's ability to implement its business plan and the ability to commercialise the Company's products.

Competition

There can be no assurance that the Company will be able to match or compete with the efforts or funding of competitors that release competing products to market. Adherium is focussed on maintaining and developing strong relationships with health care providers and payors, being able to innovate and respond to changing market needs.

Cybersecurity

The Company's products, services and systems may be used in critical company, customer or third-party operations, or involve the storage, processing and transmission of sensitive data, including valuable intellectual property, other proprietary or confidential data, regulated data, and personal information of employees, customers and others. Successful breaches, employee malfeasance, or human or technological error could result in, for example, unauthorised access to, disclosure, modification, misuse, loss, or destruction of company, customer, or other third party data or systems; theft of sensitive, regulated, or confidential data including personal information and intellectual property; the loss of access to critical data or systems through ransomware, destructive attacks or other means; and business delays, service or system disruptions or denials of service. Adherium has in place various protections in order to take all reasonable steps to protect its data from unauthorised access, loss or modification.

Regulatory Approvals and Restrictions

The regulatory requirements for Adherium's Hailie® solution and any other developed products will depend on the local policies of the ministry of health or similar government agency in the jurisdictions in which it intends to operate (for example TGA in Australia and FDA in the US, etc.) and may be different from country to country. In some countries, Adherium's products may be subject to continuing regulation including quality

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assurance, ongoing monitoring and reporting, and restrictions on promoting or advertising its products. Some of these regulations change over time and are enforced unpredictably. Meeting such regulatory compliance may prove expensive and may reduce Adherium's profitability. Failure by the Company to comply with applicable regulations may subject it to enforcement actions such as warning letters, fines, or other penalties. Such failure may also attract negative publicity to Adherium and could harm Adherium's reputation and adversely impact its ability to develop its business. There is also the risk that company IP is challenged or not adequately protected.

Liability and Lawsuits

Medical device companies can be subject to claims alleging negligence, product liability, breach of warranty or malpractice that may involve large claims and significant defence costs whether or not such liability is imposed. These claims may be brought by individuals seeking relief for themselves or, increasingly, by groups seeking to represent a class. There are no such claims against the Company.

Other Risks

This list of risk factors above is not an exhaustive list of the risks faced by Adherium or by investors in the Company. The risk factors described in this Section as well as risk factors not specifically referred to above may in the future materially affect the financial performance of the Company and the value of its Shares.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Group during the financial year ended 30 June 2025.

Events since the end of the Financial 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 ($4.492m less broker fees) 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.

Likely Developments and Expected Results

Commentary on the Group's strategic direction and plan is set out in the Chairman's and CEO's Report on pages 2 to 3.

Environmental Regulation

The Group's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

Directors' Interests

The relevant interest of each Director in shares and options over shares in the Company as notified by the Directors to the ASX in accordance with section 205G of the Corporations Act 2001 as at 30 June 2025 is:

Director	Ordinary Shares	Options over Ordinary Shares
Lou Panaccio	7,666,668	-
George Baran*	186,276,885	22,818,164
Jeremy Curnock Cook	179,503	-
William Hunter	174,170	-
Bruce McHarrie	370,320	-
Keven Gessner	-	-

** Shares and options disclosed are registered to Trudell Medical Limited, in which Mr Baran has a 33.33% beneficial interest.*

Indemnification and Insurance of Directors and Officers

The Company has entered into deeds of access, insurance and indemnity with each director and officer which contain rights of access to certain books and records of the Group for a period of seven years after the director or officer ceases to hold office. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires.

In respect of the indemnity of the directors and officers, the Company is required, pursuant to the constitution, to indemnify all directors and officers, past and present, against all liabilities allowed under law. Under the deed of access, insurance and indemnity, the Company indemnifies parties against all liabilities to another person that may arise from their position as a director or an officer of the Company or its subsidiaries to the extent permitted by law. The deed stipulates that the Company will meet the full amount of any such liabilities, including reasonable legal costs and expenses.

In respect of insurance being obtained on behalf of the directors and officers, the Company may arrange and maintain directors' and officers' insurance for its directors and officers to the extent permitted by law. Under the deed of access, insurance and indemnity, the Company must obtain such insurance during each director's and officer's period of office and for a period of seven years after a director or an officer cease to hold office. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires.

Disclosure of the insurance premiums and the nature of liabilities covered by such insurance are prohibited by the relevant contracts of insurance.

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Shares Under Option

Unissued shares
As at the date of this report, unissued ordinary shares of the Company under options comprised:

Exercise price	Total Number of Options	Vested Options	Expiry Date
$0.3285	1,834,635	1,834,635	29 January 2027
$0.4000	7,585,800	7,585,800	1 July 2027
$0.6000	1,145,105	1,145,105	14 April 2027
$0.0050	964,687,163	964,687,163	31 July 2026
Outstanding at 30 September 2025	**975,252,703**	**975,252,703**	

The options over unissued ordinary shares do not entitle the holder to participate in any share issue of the Company or any entity in the Group. No key management personnel were granted SARs during the year ended 30 June 2025.

The following Directors and key management personnel received options in relation to share subscriptions during the year and up to the date of this report:

Name	Total Number of Options	Exercise Price	Expiry Date
George Baran[1]	165,000,000	$0.005	31 July 2026
George Baran[1]	22,119,100	$0.02	28 February 2028

1. Direct and Indirect interests

Details of fully paid ordinary shares issued on exercise of options in the year to 30 June 2025 are contained in the accompanying consolidated financial statements.

Proceedings on behalf of the Company

There are no legal or other proceedings being made on behalf of the Company or against the Company as at the date of this report.

Non-audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 in relation to the audit for the financial year is provided with this report.

Corporate Governance Statement

The board of Directors of Adherium Limited is responsible for corporate governance. The board has prepared the Corporate Governance Statement (CGS) in accordance with the fourth edition of the ASX Corporate Governance Council's Principles and Recommendations under which the CGS may be made available on the Company's website.

Accordingly, a copy of the Company's CGS is available on the Adherium website at www.adherium.com under the Investors/Corporate Governance section.

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Remuneration Report



Remuneration Report

The Directors present the Group's 2025 remuneration report which sets out the remuneration information for the Company's Non-Executive Directors, Executive Director and other key management personnel of the Group.

The report contains the following sections:

a. Details of key management personnel disclosed in this report
b. Remuneration governance
c. Executive remuneration policy and framework
d. Relationship between remuneration and Group performance
e. Non-Executive director remuneration policy
f. Details of remuneration of key management personnel
g. Service agreements
h. Details of share-based compensation
i. Equity instruments held by key management personnel
j. Other transactions with key management personnel

a. Details of Key Management Personnel Disclosed in this Report

The following persons acted as key management personnel of the Company and the Group during the year ended 30 June 2025.

i. Non-Executive and Executive Directors

• Lou Panaccio	Non-Executive Chairman (appointed 25 February 2022)
• George Baran	Non-Executive Director (appointed 13 May 2021)
• Jeremy Curnock Cook	Non-Executive Director (appointed on incorporation 17 April 2015)
• William Hunter	Non-Executive Director (appointed 17 December 2015, resigned 8 May 2025)
• Bruce McHarrie	Non-Executive Director (appointed 20 July 2015)
• Keven Gessner	Non-Executive Director (appointed 8 May 2025)

ii. Other key management personnel

• Paul Mastoridis	Chief Executive Officer (served during 1 February 2024 to 7 January 2025)
• Daniel Kaplon	Chief Financial Officer (resigned 30 May 2025)

iii. Changes since the end of the reporting period

Ms Dawn Bitz was appointed as the Chief Executive Officer, effective 22 July 2025.

b. Remuneration Governance

The Nomination and Remuneration Committee is a committee of the board. Its responsibilities include assisting the board in ensuring that the Company:

- has coherent remuneration policies and practices which are observed, and which enable it to attract and retain executives and directors who will create value for shareholders;
- fairly and responsibly rewards executives having regard to the performance of the Company, the performance of the executive and the general pay environment;

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- provides disclosure in relation to the Company's remuneration policies to enable investors to understand the costs and benefits of those policies and the link between remuneration paid to directors and key executives and corporate performance; and
- complies with the provisions of the ASX Listing Rules and the Corporations Act.

The primary purpose of the Nomination and Remuneration Committee is to support and advise the board in fulfilling its responsibilities to shareholders in ensuring that the board is appropriately remunerated, structured and comprised of individuals who are best able to discharge the responsibilities of directors by:

- assessing the size, composition, diversity and skills required by the board to enable it to fulfil its responsibilities to shareholders, having regard to the Company's current and proposed scope of activities;
- assessing the extent to which the required knowledge, experience and skills are represented on the board;
- establishing processes for the identification of suitable candidates for appointment to the board;
- overseeing succession planning for the board and the Chief Executive Officer;
- establishing processes for the review of the performance of individual directors and the board as a whole;
- assessing the terms of appointment and remuneration arrangements for non-executive directors; and
- assessment and reporting to the board in relation to:
  - executive remuneration policy;
  - the remuneration of executive directors;
  - the remuneration of persons reporting directly to the Chief Executive Officer;
  - diversity plans, measurable diversity objectives and ensuring equality in remuneration across gender aligned, where relevant, with the ASX Corporate Governance Guidelines;
  - the Company's recruitment, retention and termination policies and procedures;
  - superannuation arrangements; and
  - all equity-based plans.

c. Executive Remuneration Policy and Framework

Remuneration policy

The policy for determining the nature and amount of remuneration of key management personnel is agreed by the board of directors as a whole on advice from the Nomination and Remuneration Committee. The board obtains professional advice where necessary to ensure that the Group attracts and retains talented and motivated directors and employees who can enhance the performance of the Group through their contributions and leadership. The Nomination and Remuneration Committee makes specific recommendations on the remuneration package and other terms of employment for the CEO having regard to his or her performance, relevant comparative information, and if appropriate, independent expert advice.

For key management personnel, the Group provides a remuneration package that incorporates both cash-based remuneration and, if appropriate, share or option-based remuneration. The contracts for service between the Group and key management personnel are on a continuing basis, the terms of which are to align executive performance based remuneration with Group objectives.

The Nomination and Remuneration Committee is also responsible for making recommendations to the board in relation to the terms of any issue of equity-based remuneration to employees, as part of their individual package, or a wider staff incentive and retention scheme, and for ensuring that any such issue is made in accordance with the ASX Listing Rules.

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Executive pay

The executive pay and reward framework has three components:

- base pay and benefits, including legislative superannuation;
- short-term performance incentives; and
- long-term incentives through participation in the Adherium employee share and option plans, or other incentive securities focussed on increasing shareholder value.

A combination of some or all of these components comprises an executive's total remuneration.

Base pay

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure that executive remuneration is competitive with the market. There are no guaranteed base pay increases included in any executive contracts.

Short-Term Incentives (STI)

Executives have a target STI opportunity depending on the accountabilities of the role and impact on the organisation. The STI is a cash and equity-based incentive which forms part of the executive's total compensation, representing between 0% and 30% of base salary. Each year, the Nomination and Remuneration Committee in conjunction with the CEO, will consider the appropriate targets and key performance indicators (KPIs) of each executive to link the STI plan and the level of payout if targets are met. This will include setting any maximum payout under the STI plan, and minimum levels of performance to trigger payment of STI. The targets and KPIs selected are chosen to align executive performance with the Group's annual business objectives set by the board and encompassing business development, research & development, and cash management.

The STI achievement is calculated and paid annually. The Nomination and Remuneration Committee in conjunction with the CEO assesses the extent to which targets and KPIs have been achieved at a Company and individual performance level to determine the STI to be paid. Measurement of achievement of the business objectives does not involve comparison with factors external to the Company.

Long-Term Incentives (LTI)

Long-term incentives are provided to certain employees via the Adherium Employee Share Plans and Executive Share Option Plan (the Plans) and where appropriate via other incentive securities such as SARs.

Under the Plans, the board has the discretion to offer and issue to eligible employees including directors:

- ordinary shares in the Company issued at an issue price determined by the board, with limited recourse loans where some or all of the issue price of the share awards are funded by way of a loan from the Company; or
- options over ordinary shares in the Company with an exercise price determined by the board.

The Plans are designed to focus directors, executives and staff on delivering long-term shareholder returns.

Share and option awards issued under the Plans generally vest in three equal tranches over three years of continuing employment. If the vesting condition is not met, the related share or option award is forfeited and, where relevant, the loan cancelled such that the participant receives no benefit from unvested shares where the related loan is not repaid.

Participation in the Plans is at the board's discretion and staff do not have a contractual right to participate in the Plans.

There were no SARs issued as LTIs during the year to 30 June 2025.

d. Relationship between Remuneration and Group Performance

The Group continues in a business growth phase as it pursues commercialisation having gained relevant regulatory approvals for its technologies, and this is the focus of executives and the board. During this phase expenditures continue to exceed revenues, and in the year ended 30 June 2025 the Group incurred a loss after tax of $12,679,349 (1.7 cent loss per share). Given the stage of the Group's commercial development, the board does not utilise earnings per share as a performance measure and does not presently include the Company's share price as a measure of executive performance.

No dividends were paid, declared or recommended during the period ended 30 June 2025.

The table below sets out summary information about the Group's earnings and movements in shareholder wealth for the past five (5) years to 30 June 2025:

	30 June 2025	30 June 2024	30 June 2023	30 June 2022	30 June 2021
Total revenue	817,237	840,982	3,195,530	528,728	400,952
Net loss before tax	(12,679,349)	(10,224,173)	(9,857,586)	(10,044,016)	(15,036,263)
Net loss after tax	(12,679,349)	(10,224,173)	(9,857,586)	(10,044,016)	(15,036,263)
Share price at start of year	$0.018	$0.036	$0.100	$0.258	$0.387
Share price at end of year	$0.004	$0.018	$0.036	$0.100	$0.258
Basic/diluted loss per share	(1.7) cents	(2.8) cents	(0.2) cents	(6.8) cents	(25.0) cents

Note: share price and loss per share figures in prior years has been restated to account for the 15:1 share consolidation that occurred on 7 December 2023

e. Non-Executive Director Remuneration Policy

On appointment to the board, Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

Non-Executive Directors receive a fee which is inclusive of fees for chairing or participating on board committees. They do not receive performance-based pay. Non-Executive Directors' fees and payments are reviewed annually by the board. The Non-Executive Chairman's fees are determined independently of the fees of Non-Executive Directors based on comparative roles in the external market. At the 2016 Annual General meeting shareholders approved an aggregate annual non-executive director fee pool of $500,000. From this the Non-Executive Chairman is paid $100,000 per annum and each Non-Executive Director is paid $50,000 per annum. Legislative superannuation contributions are also paid where applicable.

A Non-Executive Director may be paid fees or other amounts as the board determines where a Director performs services outside the scope of the ordinary duties of a Director. The Company may reimburse Non-Executive Directors for their expenses properly incurred as a Director or in the course of office.

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f. Details of Remuneration of Key Management Personnel

Remuneration for the year ended 30 June 2025	Short Term Benefits			Post-Employment Benefits
	Salaries & Fees $	Bonus $	Insurance & Other $	Superannuation $
Directors' remuneration				
Lou Panaccio	100,000	-	-	11,500
George Baran	50,000	-	-	-
Jeremy Curnock Cook	50,000	-	-	-
William Hunter	50,000	-	-	-
Bruce McHarrie	50,000	-	-	5,750
Keven Gessner	8,333	-	-	-
Sub-total Directors	**308,333**	**-**	**-**	**17,250**
Executives' remuneration				
Paul Mastoridis[1]	285,628	-	19,341	-
Daniel Kaplon[2]	272,909	8,112	-	31,385
Rick Legleiter[3]	179,991	-	-	1,990
Emily Austin	131,964	-	-	-
Sub-total executives	**870,492**	**8,112**	**19,341**	**33,375**
Total key management personnel	**1,178,825**	**8,112**	**19,341**	**50,625**

1. Paul Mastoridis concluded his role as Chief Executive Officer on 7 January 2025.
2. Daniel Kaplon resigned as Chief Financial Officer on 1 February 2025. Payment covered until 31 May 2025.
3. Rick Legleiter's final payment was processed in July 2025.
4. Keven Gessner's annual fee is $50,000. The cost was for May and June 2025.

Remuneration for the year ended 30 June 2024	Short Term Benefits			Post-Employment Benefits
	Salaries & Fees $	Bonus $	Insurance & Other $	Superannuation $
Directors' remuneration				
Lou Panaccio	100,000	-	-	10,500
George Baran	50,000	-	-	-
Jeremy Curnock Cook	50,000	-	-	-
William Hunter	50,000	-	-	-
Bruce McHarrie	50,000	-	-	5,250
Sub-total Directors	**300,000**	**-**	**-**	**15,750**
Executives' remuneration				
Paul Mastoridis[1]	254,036	-	12,480	-
Geoff Feakes[2]	174,505	37,640	-	16,470
Daniel Kaplon	270,440	2,432	-	29,748
Rick Legleiter[3]	425,207	(32,438)	11,400	46,773
Brett Tucker[4]	104,084	-	-	-
Emily Austin[5]	15,029	-	-	-
Sub-total executives	**1,243,301**	**7,634**	**23,880**	**92,991**
Total key management personnel	**1,543,301**	**7,634**	**23,880**	**108,741**

1. Paul Mastoridis commenced as Chief Executive Officer on 1 February 2024 and started as President, North America on 8 January 2024.
2. Geoff Feakes resigned as Chief Technology Officer on 6 January 2024.
3. Rick Legleiter resigned as Chief Executive Officer on 16 January 2024.

		Incentive Share-based Payments			
	Severance $	Value of Options/SARs/ Loan Funded Shares[5] $	Total $	Performance Related Remuneration %	Fixed Remuneration %
	-	-	111,500	-	100%
	-	-	50,000	-	100%
	-	-	50,000	-	100%
	-	-	50,000	-	100%
	-	-	55,750	-	100%
	-	-	8,333	-	100%
	-	**-**	**325,583**		
	-	-	304,969	-	100%
	-	6,319	318,725	5%	95%
	-	-	181,981	-	100%
	-	-	131,964	-	100%
	-	**6,319**	**937,639**		
	-	**6,319**	**1,263,222**		

The directors will receive shares in lieu for the outstanding director fees. This is subject to approval at the AGM in 2025.

		Incentive Share-based Payments			
	Severance $	Value of Options/SARs/ Loan Funded Shares[5] $	Total $	Performance Related Remuneration %	Fixed Remuneration %
	-	-	110,500	-	100%
	-	-	50,000	-	100%
	-	-	50,000	-	100%
	-	-	50,000	-	100%
	-	-	55,250	-	100%
	-	**-**	**315,750**		
	-	198,000	464,516	43%	57%
	18,560	22,516	269,691	22%	78%
	-	12,367	314,987	5%	95%
	-	29,025	479,967	-	100%
	-	-	104,084	-	100%
	-	-	15,029	-	100%
	18,560	**261,908**	**1,648,274**		
	18,560	**261,908**	**1,964,024**		

4. Brett Tucker resigned as Company Secretary on 20 May 2024.
5. Emily Austin appointed as Company Secretary on 20 May 2024.

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g. Service Agreements

Company Secretary - Ms Emily Austin

Ms Austin provides company secretarial and corporate governance services under a service arrangement between the Company and Automic Company Secretarial Pty Ltd, a company associated with Ms Austin. This arrangement with Automic Company Secretarial Pty Ltd commenced on 4 May 2023.

Other key management personnel of the Group

Remuneration and other terms of employment for other key management personnel of the Group are formalised in employment agreements which specify the components of remuneration, benefits and notice periods. Participation in the STI and LTI plans is subject to the board's discretion. Other major provisions of the agreements relating to remuneration are set out below:

Name	Term of Agreement	Notice Period [1]	Base Salary [2]	Termination Payments [3]
Daniel Kaplon	No fixed term	4 months	A$297,440	-
Rick Legleiter	No fixed term	6 months	A$375,000	A$52,000
Paul Mastoridis	12 months	6 weeks	US$350,000	-

1. The notice period applies without cause equally to either party unless otherwise stated.
2. Base salaries quoted are annual as at 30 June 2025; they are reviewed annually by the Nomination and Remuneration Committee.
3. Net amount or base salary payable if the Group terminates employees with notice, and without cause (e.g. for reasons other than unsatisfactory performance).

h. Details of Share-Based Compensation

Executive Share Option Plan

The board has established the Adherium Executive Share Option Plan (ESOP).

Awards under the ESOP typically vest one third annually over three years of continued employment from the grant date.

The fair value of the awards of options are calculated at the date of grant using a Black-Scholes pricing model, which is allocated over the vesting periods as share-based compensation.

The board made no offers to key management personnel under the ESOP in the year ended 30 June 2025.

All options over ordinary shares issued by the Company are exercisable on a one-for-one basis, and any shares issued on exercise are fully paid and rank pari passu with existing ordinary shares.

No options over ordinary shares were exercised during the period to 30 June 2025 and to the date of this report.

Loan funded Employee Share Plan

The board has established the loan funded Adherium Employee Share Plans (Plans).

Awards under the Plans typically vest one third annually over three years of continued employment from the grant date. After vesting the participant may take title to the shares by repaying to the Company the proportion of the loan related to those shares.

The fair value of the awards of loan funded shares are calculated at the date of grant using a Black-Scholes pricing model, which is allocated over the vesting periods as share-based compensation.

In the year ended 30 June 2024 the board made no offers to key management personnel under the Plans.

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Short-Term Incentive scheme (STI)

In the year to 30 June 2025, the Company did not issue shares to key management personnel under individual employment agreements.

Stock Appreciation Rights (SARs)

In the year ended 30 June 2025, the company issued Stock Appreciation Rights (SARs) to key management personnel as a short-term incentive.

Key Management Personnel	SAR's Granted	Base Price	Vesting Schedule	Status	Total Value Recognised in FY25
Daniel Kaplon	2,670,000	$0.007	890k immediate 890k in 1 year 890k in 2 years	Resigned in February 2025. 1.78 million unvested SARs forfeited.	$6,319

Daniel Kaplon resigned as Chief Financial Officer on 1 February 2025. Accordingly, 1.78m unvested SARs were cancelled on resignation. Only the immediate tranche (890k) vested and has been recognised in FY25 expense.

Long-Term Incentive scheme (LTI)

In the year to 30 June 2025, the Company did not issue shares to key management personnel under individual employment agreements.

i. Equity Instruments Held by Key Management Personnel

Shareholdings

The numbers of ordinary shares in the Company held during the year to 30 June 2025 by each director and other key management personnel of the Group, including their personally related parties, are set out below:

Name	Balance at the start of the year	Purchases	Other changes during the period	Balance at the end of the year
Lou Panaccio	7,666,668	-	-	7,666,668
George Baran [1]	142,038,685	44,238,200	-	186,276,885
Jeremy Curnock Cook	179,503	-	-	179,503
William Hunter	174,170	-	-	174,170
Bruce McHarrie	370,320	-	-	370,320
Paul Mastoridis	11,600,000	-	-	11,600,000
Keven Gessner	-	-	-	-
Adherium ESP Ltd (trustee directors) [2]	2,145,556	-	(394,753)	1,750,803

1. The registered holder of the ordinary shares is Trudell Medical Limited, in which the director has a 33.33% beneficial interest.
2. Ordinary shares held on behalf of employees in the capacity of trustee of the Company's Employee Share Plan (Trustee directors: Bruce McHarrie, Daniel Kaplon).

Options

The numbers of options over ordinary shares in the Company held during the year to 30 June 2025 by each director and other key management personnel of the Group, including their personally related parties, are set out below:

Name	Balance at the start of the year	Purchases	Exercised	Lapsed	Balance at the end of the year	Vested	Vested and exercisable	Vested and unexercisable
Lou Panaccio	1,333,334	-	-	1,333,334	-	-	-	-
George Baran [1]	69,199,064	22,119,100	-	68,500,000	22,818,164	-	-	-
Bruce McHarrie	185,160	-	-	185,160	-	-	-	-
Paul Mastoridis	5,000,000	-	-	5,000,000	-	-	-	-

1. Holding as of date directorship commenced. The registered holder of the options is Trudell Medical Limited, in which the director has a 33.33% beneficial interest. Also includes direct ownership holdings. Options granted to Mr Baran are subject to continuous service until 28 February 2026. As at reporting date, these options had not yet vested.

j. Other transactions with key management personnel

Transactions with directors or other key personnel are set out in note 20 of the accompanying Group financial statements for the year ended 30 June 2025.

End of audited Remuneration Report.

This report is made in accordance with a resolution of the directors.



Lou Panaccio
Non-Executive Chairman

Melbourne
30 September 2025

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Adherium Limited and its controlled entities for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



B Y CHAN
Partner

Dated: 30 September 2025
Melbourne, Victoria

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	June 2025 $	June 2024 $
Continuing Operations			
Sales	5	817,237	840,982
Cost of sales		(705,863)	(573,279)
Gross profit		**111,374**	**267,703**
Other income - R&D tax credit	7	1,190,763	1,450,452
Other income - Government 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		**(12,538,851)**	**(10,463,225)**
Finance income		88,188	241,124
Finance expense		(228,686)	(2,072)
Finance income (cost) - net		**(140,498)**	**239,052**
Loss before income tax		**(12,679,349)**	**(10,224,173)**
Income tax credit (expense)	7	-	-
Loss for the period attributable to equity holders		**(12,679,349)**	**(10,224,173)**
Other comprehensive income Items that may be reclassified subsequently to profit or loss when certain conditions are met: Foreign exchange differences on translation of foreign operations		1,365	(93,157)
Other comprehensive income for the period, net of tax		**1,365**	**(93,157)**
Total comprehensive loss for the period		**(12,677,984)**	**(10,317,330)**
Total comprehensive loss attributable to: Equity holders of Adherium Limited		**(12,677,984)**	**(10,317,330)**
Basic and diluted loss per share	8	**(1.7) cents**	**(2.8) cents**

The accompanying notes form part of the financial statements.

Consolidated Statement of Financial Position

For the year ended 30 June 2025

	Note	June 2025 $	June 2024 $
Current assets			
Cash and cash equivalents	9	43,255	6,197,538
Trade and other receivables	10	1,078,776	1,797,416
Inventories	11	1,838,371	1,582,298
Prepayments		439,922	151,221
Total current assets		**3,400,324**	**9,728,473**
Non-current assets			
Property, plant and equipment	12	69,781	65,092
Intangible assets	13	36	264
Right-of-use assets	13	45,293	93,325
Total non-current assets		**115,110**	**158,681**
Total assets		**3,515,434**	**9,887,154**
Current liabilities			
Trade and other payables	14	3,087,266	1,963,857
Borrowings	15	1,115,108	-
Convertible Notes	15	1,958,589	-
Employee benefits	16	1,220,243	772,018
Income received in advance	17	518,670	566,788
Lease liabilities	21	46,953	46,933
Other liabilities	17	305,500	-
Total current liabilities		**8,252,329**	**3,349,595**
Non-current liabilities			
Employee benefits	16	26,356	10,891
Lease liabilities	21	-	46,272
Total non-current liabilities		**26,356**	**57,163**
Total liabilities		**8,278,685**	**3,406,758**
Equity			
Share capital	18	132,134,776	131,003,209
Accumulated deficit		(116,190,205)	(103,510,857)
Other reserves		(20,707,822)	(21,011,956)
Total (deficiency) / equity		**(4,763,251)**	**6,480,396**
Total liabilities & equity		**3,515,434**	**9,887,154**

The accompanying notes form part of the financial statements.

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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 Note Equity Reserve $	Total Equity/ (Deficiency) $
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)
Transactions with owners:							
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)
Transactions with owners:							
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 the financial statements.

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Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Note	June 2025 $	June 2024 $
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		88,187	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 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		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		11,996	4,519
Cash at the end of the year	*9*	**43,255**	**6,197,538**
Reconciliation with loss after income tax			
Loss after income tax		(12,679,349)	(10,224,173)
Non-cash and non-operating activities items requiring adjustment			
Depreciation	*12*	54,582	61,706
Gain/Loss on disposal		(11,089)	-
Amortisation of intangible and right-of-use assets	*13*	48,521	46,154
Software Depreciation		228	231
Share-based compensation expense		222,407	428,236
Shares granted for services		-	29,164
Foreign exchange (gain)		(79,791)	(136,857)
Changes in working capital			
Trade and other receivables		176,478	(87,965)
Inventories		(229,172)	(352,659)
Trade and other payables		2,242,346	(437,921)
Income received in advance		271,136	60,072
Net cash used in operating activities		**(9,983,703)**	**(10,613,012)**

The accompanying notes form part of the financial statements.

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Notes to the Financial Statements

For the year ended 30 June 2025

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1. General Information

Adherium Limited (the Company or Adherium) is a company domiciled in Australia. The address of the Company's registered office is Collins Square, Tower Four, Level 18, 727 Collins Street, Melbourne, VIC 3008. The consolidated financial statements of the Company as at and for the year ended 30 June 2025 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities). The Group is a for-profit entity and primarily develops, manufactures and supplies digital health technologies which address sub-optimal medication use and improve health outcomes in chronic disease.

The separate financial statements of the parent entity, Adherium Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The consolidated financial statements were authorised for issue by the Board on 30 September 2025.

2. Basis of Preparation

This general purpose consolidated financial report for the twelve months ended 30 June 2025 has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of $12,679,349 and had net cash outflows from operating activities of $9,983,703 for the year ended 30 June 2025. As at that date the Group had net current liabilities of $4,852,005 and net liabilities of $4,763,251.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Group has prepared cash flow forecasts for the next 12 months from the date of this report which indicate the Group will have a positive cash balance during this period. The cash flow forecasts include assumptions around a future capital raise or access to alternative funding sources.
- As disclosed in Note 25 Events occurring after balance date, the Group has raised $4.492 million in July 2025.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

In the event the Group is unsuccessful at raising future capital and other avenues of funding are unavailable, the Group would not be a going concern and therefore will not be able to realise its assets and extinguish its liabilities in the normal course of business, at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

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(a) Compliance with International Financial Reporting Standards

These consolidated financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Historical cost convention

These financial statements have been prepared under the historical cost convention as modified by certain policies below.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Critical accounting estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant areas of estimate, uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements are:

(i) Research & Development (R&D) tax credit

The recognition of the R&D tax credit set out in note 7 includes assumptions surrounding the probability that particular R&D projects will meet the criteria for acceptance by tax authorities, and also that the costs of each R&D project will qualify to be claimed.

(ii) Impairment of non-current assets

The Company reviews annually whether any property, plant and equipment have suffered any impairment in accordance with the accounting policy stated in note 3.10. In making this assessment, the extent of the likely future use of these assets is required to be estimated in determining if their value is impaired at the balance sheet date. The Company evaluates indicators of impairment, including expected future demand for devices, in relation to each type of asset at the balance sheet date.

(iii) Recognition of deferred tax assets

As at 30 June 2025, the Company has not recognised as an asset tax loss which could be offset against future taxable profits. These tax losses would only be recognised to the extent that it is expected that there will be future taxable profits and such losses will be available in the future (after shareholder continuity tests) to offset those future taxable profits. The Company has considered its future expected profitability and shareholder continuity and has concluded that sufficient certainty does not yet exist to recognise these tax losses as an asset.

3. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

3.1 Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of Adherium Limited and all subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. A list of the subsidiaries is provided in note 23. All intercompany transactions are eliminated. The assets and liabilities of Group companies whose functional currency is not Australian dollars are translated into Australian dollars at the period-end

exchange rate. The revenue and expenses of these companies are translated into Australian dollars at rates approximating those at the dates of the transactions. Exchange differences arising on this translation are recognised in the foreign currency translation reserve. On disposal or partial disposal of an entity, the related exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

3.2 Segment Reporting

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®.

3.3 Foreign currency translation

(a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies and not related to net investments in subsidiaries are recognised in the Statement of Profit & Loss and Other Comprehensive Income. Foreign exchange gains and losses resulting from translation of net investments in subsidiaries are recognised in the foreign currency translation reserve.

(b) Group Companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency is translated as follows:

- Assets and liabilities are translated at period end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

3.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and taxes. The Company recognises revenue when specific criteria have been met for each of the Company's activities, as described below. Amounts received from customers in accordance with contractual sales terms before these revenue recognition criteria are met are deferred and recorded as Income Received in Advance until such time as the criteria for recognition as revenue are met.

(a) Sales of devices and monitoring services

The Company manufactures and sells a range of inhaled medication monitoring devices and related equipment. Sales of products are recognised when they have been delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. No element of financing is deemed present as the sales are made with a credit term of 30-60 days. Monitoring services are billed monthly in arrears based on contracted terms and conditions.

(b) Grants

Grants received for research and development are recognised in the Statement of Profit & Loss and Other Comprehensive Income when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled.

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(c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

3.5 Research and development

Research costs include direct and directly attributable overhead expenses for product invention and design Research costs are expensed as incurred.

When a project reaches the stage where it is reasonably certain that future expenditure can be recovered through the process or products produced, development expenditure is recognised as a development asset within Intangible Assets when:

- a product or process is clearly defined and the costs attributable to the product or process can be identified separately and measured reliably;
- the technical feasibility of the product or process can be demonstrated;
- the existence of a market for the product or process can be demonstrated and the Company intends to produce and market the product or process;
- adequate resources exist, or their availability can be reasonably demonstrated to complete the project and market the product or process.

In such cases the asset is amortised from the commencement of commercial production of the product to which it relates on a straight-line basis over the years of expected benefit. Research and development costs are otherwise expensed as incurred.

3.6 Employee benefits

(a) Wages, salaries and annual leave

Liabilities for wages and salaries, bonuses and annual leave expected to be settled within 12 months of the reporting date are recognised in accrued liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(b) Share-based payments

The Company operates equity-settled share and option plans and awards certain employees, directors and consultants shares, options and other incentive securities, from time to time, on a discretionary basis. The fair value of the services received in exchange for the grant of the securities is recognised as an expense with a corresponding increase in the share-based compensation reserve over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the securities at grant date. At each balance sheet date, the Company revises its estimates of the number of securities that are expected to vest and become exercisable. It recognises the impact of the revision of original estimates, if any, in the Statement of Profit & Loss and Other Comprehensive Income, and a corresponding adjustment to equity over the remaining vesting period.

3.7 Leases

At lease commencement, as Lessee an asset (the right to use the leased item) and a financial liability to pay rentals across all leases are recognised unless the lease term is 12 months or less, or the underlying asset has a low value. The right-of-use assets recognised comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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3.8 Income Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Profit & Loss and Other Comprehensive Income, except to the extent that it relates to items recognised in directly in equity. In this case, the tax is also recognised directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company generated taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3.9 Goods and Services Tax (GST)

The Statement of Profit & Loss and Other Comprehensive Income has been prepared so that all components are stated exclusive of GST. All items in the balance sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

3.10 Impairment of non-financial assets

Assets that are subject to amortisation and depreciation are reviewed whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The carrying amount of an asset is considered impaired when its recoverable amount is less than its carrying value. In that event, a loss is recognised in the Statement of Profit & Loss and Other Comprehensive Income based on the amount by which the carrying amount exceeds the recoverable amount.

3.11 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.12 Trade receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records any loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of a financial instrument.

In calculating expected credit losses, the Group uses its historical experience, external indicators and forward-looking information using a provision matrix. The Group assesses impairment of trade receivables on a collective basis and as they possess shared credit risk characteristics, grouped them based on the days past due.

3.13 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

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3.14 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and any impairments recognised. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit & Loss and Other Comprehensive Income during the financial period in which they are incurred.

Depreciation is determined principally using the diminishing value method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Manufacturing tooling equipment 4 years
- Computer equipment 2 years
- Office furniture, fixtures & fittings 4 years

3.15 Intangible assets

(a) Intellectual property

Costs in relation to protection and maintenance of intellectual property are expensed as incurred Acquired patents, trademarks and licences have finite useful lives and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost over the anticipated useful lives, which are aligned with the unexpired patent term or agreement over trademarks and licences.

(b) Acquired software

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (two to three years).

3.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are deferred until the issue of the shares or options, and then shown in equity as a deduction, net of tax, from the proceeds.

3.18 Financial assets

(a) Financial assets recognised in the Statement of Financial Position include cash and cash equivalents,and trade and other receivables

The Company believes that the amounts reported for financial assets approximate fair value.

(b) Financial assets: Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Company's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the Statement of Financial Position. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

3.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

3.20 Comparative Information

Where necessary, certain comparative information has been reclassified in order to provide a more appropriate basis for comparison.

3.21 New Accounting Standards for application in future periods

There are no other standards, amendments, or interpretations to existing standards that have been issued and yet to be adopted by the Company that are likely to have a material impact on the financial statements.

4. Segment Information

The chief operating decision maker is the Chief Executive Officer, who reviews financial information for the Group as a whole. The information reviewed is prepared in the same format as included in the financial statements. The Group has therefore determined that one reportable segment exists for the Group's Hailie® business.

(a) Geographic segment information

The Group operates predominantly from New Zealand, with some manufacturing also undertaken by suppliers in Asia at which the Group locates equipment and tools:

Domicile of non-current assets	June 2025	June 2024	June 2023	June 2022
New Zealand and Australia	39,280	48,595	83,987	-
South-East Asian Countries	2,701	15,904	42,076	110,000
Other Countries	27,800	593	219	4,000
	69,781	**65,092**	**126,282**	**114,000**

The Group sells its products and services domestically and internationally. Revenues by customer region of domicile are:

Location of customer sales	June 2025	June 2024	June 2023	June 2022
New Zealand and Australia	33,587	41,626	27,006	7,000
Europe	480,803	734,206	2,632,365	355,000
North America	302,846	65,150	536,159	167,000
Asia	-	-	-	-
	817,236	**840,982**	**3,195,530**	**529,000**

(b) Major customers

Revenues are derived from major external customers as follows:

Major customers	June 2025	June 2024	June 2023	June 2022
Customer A group entities	798,230	819,786	1,507,000	147,528

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5. Revenue

Income from continuing operations	June 2025	June 2024
Sensor sales and monitoring services	350,510	354,885
New product design and engineering services	466,727	486,097
	817,237	**840,982**

6. Expenses

Loss before income tax includes the following specific expenses:	June 2025	June 2024
Fees paid to RSM for:		
- audit of the financial statements	60,899	52,500
- interim report review	21,000	21,000
Fees paid to RSM for non-audit services:		
- fees in respect of other advice and services	-	7,190
Total fees to RSM	**81,899**	**80,690**
Depreciation and amortisation	103,330	108,091
Directors' remuneration		
- director fees	325,583	316,500
- share-based compensation	-	-
Total Directors' remuneration	**325,583**	**316,500**
Employee benefits expense		
- wages and salaries	6,519,234	6,893,283
- superannuation expense	362,963	434,093
- share-based compensation	215,129	197,843
Total employee benefits expense	**7,097,326**	**7,525,219**
Net foreign exchange (gain) loss	(83,439)	(144,990)
Operating lease costs	76,155	92,887

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7. Income tax

	June 2025	June 2024
Current tax	-	-
Deferred tax	-	-
Income tax expense	**-**	**-**
Numerical reconciliation of income tax expense to prima facie tax payable (receivable):		
Loss before income tax	(12,679,349)	(10,224,171)
Tax calculated at domestic tax rates	(3,973,975)	(3,105,758)
Tax effects of:		
Expenses not deductible for tax purposes	1,304,811	118,064
Non-assessable income	(351,957)	(429,371)
Under (over) provision in prior year	415,784	980,080
Deferred tax assets not recognised (note 19)	2,605,337	2,436,985
Income tax expense	**-**	**-**

The weighted average applicable tax rate was 30% (2024: 30%).

Research & development (R&D) tax credit

The company is eligible to participate in the Research and Development (R&D) Tax Incentive Offset scheme to potentially obtain a tax rebate or credits equivalent to the entitlements under the scheme operating at the time. These are only recognised when it is probable that it is to be available to be offset against income tax payable or when actual cash payment is considered receivable.

During the current year, the Group has recognised an amount of $1,190,763 in relation to the R&D Tax Incentive Offset scheme for income tax year 2025 (2024: $1,450,452).

8. 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)*	761,094,029	371,139,052
Weighted average shares outstanding (diluted)	761,094,029	371,139,052
Basic and diluted loss per share	**(1.7) cents**	**(2.8) cents**

**Note: 15:1 share consolidation occurred 7 December 2023.*

9. 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
	43,255	**6,197,538**

10. 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	21,973	28,375
	1,078,776	**1,797,416**

The ageing of receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
Consolidated	**June 2025 %**	**June 2024 %**	**June 2025 $**	**June 2024 $**	**June 2024 $**	**June 2024 $**
Not overdue	-	-	13,946	53,231	-	-
0 to 3 months overdue	0%	0%	5,870	169,132	-	317
3 to 6 months overdue	0%	12%	14,676	72,609	-	8,361
Over 6 months overdue	0%	100%	15,172	6,970	-	6,970
			49,664	**301,942**	**-**	**15,648**

	June 2025	June 2024
Opening balance	(15,648)	(62,761)
Additional provisions recognised	-	(15,648)
Receivables written off during the year as uncollectable	-	-
Unused amount reserved	15,648	62,761
Closing balance	**-**	**(15,648)**

11. Inventories

	June 2025	June 2024
Raw materials and components	1,007,838	919,542
Provision for obsolescence	(377,043)	(104,273)
Finished goods	1,207,576	767,029
	1,838,371	**1,582,298**
Inventories recognised as cost of sales expense	705,863	324,765

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12. Property, plant and equipment

	Manufacturing Equipment	Computer Equipment	Fixtures & Fittings	Office Equipment	Total
As at 30 June 2023					
Cost	1,050,140	250,305	24,363	58,973	1,383,781
Accumulated depreciation	(992,598)	(198,491)	(12,384)	(53,632)	(1,257,105)
Net book value	**57,542**	**51,814**	**11,979**	**5,341**	**126,676**
Movements in the year ended 30 June 2024					
Opening net book value	57,542	51,814	11,979	5,341	126,676
Additions	2,285	-	-	-	2,285
Disposals	-	-	-	-	-
Depreciation	(31,046)	(26,584)	(1,930)	(2,146)	(61,706)
Foreign currency translation	(2,185)	47	(27)	2	(2,163)
Closing net book value	**26,596**	**25,277**	**10,022**	**3,197**	**65,092**
As at 30 June 2024					
Cost	962,258	249,664	24,265	58,735	1,294,922
Accumulated depreciation	(935,662)	(224,387)	(14,243)	(55,538)	(1,229,830)
Net book value	**26,596**	**25,277**	**10,022**	**3,197**	**65,092**
Movements in the year ended 30 June 2025					
Opening net book value	26,596	25,277	10,022	3,197	65,092
Additions	-	56,895	-	-	56,895
Disposals	-	-	-	-	-
Depreciation	(16,436)	(34,128)	(1,902)	(2,116)	(54,582)
Foreign currency translation	2,853	(599)	114	8	2,376
Closing net book value	**13,013**	**47,445**	**8,234**	**1,089**	**69,781**
As at 30 June 2025					
Cost	938,442	290,578	24,623	59,603	1,313,246
Accumulated depreciation	(925,429)	(243,133)	(16,389)	(58,514)	(1,243,465)
Net book value	**13,013**	**47,445**	**8,234**	**1,089**	**69,781**

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13. Intangible and right-of-use assets

	Software	Right-of-Use Asset	Total
As at 30 June 2023 - Net book value	**459**	**41,771**	**42,230**
Movements in the year ended 30 June 2024			
Opening net book value	459	41,771	42,230
Additions	-	98,436	98,436
Disposal	-	-	-
Amortisation	(231)	(46,154)	(46,385)
Foreign currency translation	37	(728)	(691)
Closing net book value	**265**	**93,325**	**93,590**
As at 30 June 2024			
Cost	294,017	188,151	482,168
Accumulated amortisation	(293,753)	(94,826)	(388,579)
Net book value	**265**	**93,325**	**93,589**
Movements in the year ended 30 June 2025			
Opening net book value	265	93,325	93,590
Additions	-	-	-
Disposal	-	-	-
Amortisation	(228)	(48,521)	(48,749)
Foreign currency translation	(1)	489	488
Closing net book value	**36**	**45,293**	**45,329**
As at 30 June 2025			
Cost	298,358	190,930	489,288
Accumulated amortisation	(298,322)	(145,637)	(443,959)
Net book value	**36**	**45,293**	**45,329**

14. Trade and other payables

	June 2025	June 2024
Trade payables	2,392,918	775,696
Accruals	598,369	596,419
Other payables	95,979	591,742
	3,087,266	**1,963,857**

15. Borrowings

(a) Loan

	June 2025	June 2024
Working capital facility	1,100,000	-
Interest on borrowings	15,108	-
	1,115,108	**-**

(b) Convertible Notes

	June 2025	June 2024
Convertible notes issued	2,600,000	-
Convertible notes recognised as equity	(87,640)	-
Convertible notes conversion	(701,469)	-
Interest on convertible notes	147,698	-
	1,958,589	**-**

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.

For FY2025, the impact on EPS is anti-dilutive; however, future periods may be impacted depending on share price movements.

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 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.

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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.

16. Employee benefits

	June 2025	June 2024
Wages Payable	289,792	112,097
PAYG Payable	467,066	97,322
Superannuation - Employer Contributions	48,629	31,934
Annual Leave Accrual	414,756	435,725
STI accrual	-	94,939
Subtotal - Current	**1,220,243**	**772,017**
Long Service Leave Provision	26,356	10,891
Subtotal - Non Current	**26,356**	**10,891**
	1,246,599	**782,908**

17. Income received in advance

	June 2025	June 2024
Income received in advance	**518,670**	**566,788**
Customer prepaid revenue held as stock	518,670	566,788

	June 2025	June 2024
Other liabilities		
Capital raised funds received in advance	305,500	-

As at 30 June 2025, $305,500 was recorded as capital raised funds received in advance, representing subscription funds from Trudell. These funds were deposited directly into the Company's bank account in late June 2025, ahead of the completion of the July 2025 capital raise. The broker subsequently remitted the remaining proceeds in July and August 2025.

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18. Share capital

	Ordinary Shares	$
Share capital as at 30 June 2023	**2,208,251,092**	**110,522,702**
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	227,163
Share 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	140,298,872	701,469
Shares issued for services	-	-
Share 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.*

(a) Ordinary Shares

The ordinary shares have no par value and all ordinary shares are fully paid-up and rank equally as to dividends and liquidation, with one vote attached to each fully paid ordinary share.

(b) Employee incentive plans

Adherium Executive Share Option Plan (Adherium ESOP)

The Company operates an employee share option plan for employees, directors and consultants within the Group. Participants are invited by the Board of Directors and awards typically vest one third annually over a three-year period.

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The tables below set out the movements in options within relevant exercise price ranges:

Exercise price range $0.60	Options	Weighted Average Exercise Price	Weighted Average Remaining Contract Life (years)	Exercisable	Weighted Average Exercise Price	Weighted Average Share Price at Exercise Price
Outstanding at 30 June 2023	1,145,105	$ 0.6000	3.8	1,145,105	$ 0.6000	-
Granted	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Lapsed	-	-	-	-	-	-
Outstanding at 30 June 2024	1,145,105	$ 0.6000	2.8	1,145,105	$ 0.6000	-
Granted	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Lapsed	-	-	-	-	-	-
Outstanding at 30 June 2025	**1,145,105**	**$ 0.6000**	**1.8**	**1,145,105**	**$ 0.6000**	**-**

The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Adherium Employee Share Plans (Adherium ESP)

The Company operates employee share plans for employees, directors and consultants within the Group. Participants are invited by the Board of Directors and those who accept an offer of ESP shares are provided with an interest free loan from the Company to finance the whole of the purchase of the ESP shares they were invited to apply for (ESP Loan). The ESP Loans are provided to participants on a non-recourse basis and upon vesting must be repaid in order to remove trading restrictions on vested ESP shares. The term of the ESP Loan is five years, however participants may forfeit their ESP shares if they do not repay the ESP Loan or leave employment with the Company. Awards typically vest one third annually over a three-year period, and are subject to restriction until vesting conditions are met.

The following incentive awards have been made and are on issue under the Adherium ESP:

Grant date	Shares granted	Issue price	Vested as at 30 June 2024	Restricted as at 30 June 2024	Share price at grant date
10 July 2019	198,984	$0.405	198,984	198,984	$0.420
10 July 2019	65,256	$1.125	65,256	65,256	$0.420
10 July 2019	65,256	$2.250	65,256	65,256	$0.420
10 July 2019	65,256	$3.750	65,256	65,256	$0.420
21 October 2020	391,781	$0.600	391,781	391,781	$0.390
21 October 2020	300,000	$0.050	300,000	300,000	$0.390
26 November 2021	4,174,050	$0.240	2,782,700	4,174,050	$0.188
29 August 2022	1,296,296	$0.135	432,099	1,296,296	$0.135
22 June 2023	66,001	$0.390	66,001	66,001	$0.045
22 June 2023	66,001	$0.780	66,001	66,001	$0.045
22 June 2023	66,001	$1.170	-	66,001	$0.045

(c) Stock Appreciation Rights (SARs)

On 20 September 2021, the Company issued 9,931,822 Stock Appreciation Rights (SARs) with a 10-year life to the CEO as a long-term incentive. At the time, 4,611,203 SARs vested at grant, on 20 September 2023, 1,773,540 SARs lapsed. As at 30 June 2025, 3,547,079 SARs remain subject to vesting, contingent on the Company's ASX listed shares achieving a target VWAP of $0.096 by the vesting date.

On 17 April 2024, the Company issued 1,968,780 Stock Appreciation Rights (SARs) with a 5-year life to employees as a short-term incentive, vesting immediately.

At 30 June 2025, the weighted price of the SARs was $0.06. As the share price had not reached $0.06, no SARs were capable of being exercise.

The fair value of the outstanding SARs has been measured using the Company's VWAP methodology, consistent with the prior year. In the year to 30 June 2025, $177,946 (2024: $131,070) was recognised as compensation expense for the above SARs.

The Company's legal position in relation to the SAR program remains unchanged from the prior year.

(d) Other option issues

On 23 June 2025, the Company issued 70,146,936 Options exercisable at $0.02 and expiring on 28 February 2028 to Phillip Asset Management Limited, Trudell Medical Limited and K One W One Limited as attaching options on conversion of the Convertible Notes.

19. Deferred Income Tax

	June 2025	June 2024
Movements:	-	-
Deferred tax asset (liability) at the beginning of the year	-	-
Credited (charged) to the income statement (note 7)	2,605,337	2,436,985
Change in unrecognised deferred tax assets	(2,605,337)	(2,436,985)
Deferred tax asset (liability) at the end of the year	**-**	**-**

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The movement in deferred income tax assets and liabilities during the period is as follows:

	Deferred tax assets (liabilities)			
	Provisions and accruals $	Intangible assets $	Tax losses $	Total $
As at 30 June 2023	-	-	-	-
Credited (charged) to the income statement	(184,923)	44,322	2,577,586	2,436,985
Effect of exchange rate changes	266	(860)	(50,653)	(51,247)
Change in unrecognised deferred tax assets	184,657	(43,462)	(2,526,933)	(2,385,738)
As at 30 June 2024	-	-	-	-
Credited (charged) to the income statement	600	50,696	2,612,846	2,664,142
Effect of exchange rate changes	-	-	288	288
Change in unrecognised deferred tax assets	(600)	(50,696)	(2,613,134)	(2,664,430)
As at 30 June 2025	**-**	**-**	**-**	**-**

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable, or to the intent that they can set off against deferred income tax liabilities.

The Company has not recognised deferred tax assets for these carried-forward losses of $25,327,860 to 30 June 2024 and as of September 2025 is still to file its company tax return for 2025.

20. Related party transactions

(a) Key management personnel

The key management personnel include the directors of the Company, the CEO, and senior executives responsible for the planning, directing and controlling of the Group's activities. Compensation for this group was as follows:

	June 2025	June 2024
Directors		
- director fees and other legislated superannuation	325,583	315,750
- share-based compensation	-	-
CEO and management		
- short-term benefits	897,945	1,274,814
- post-employment benefit contributions	33,375	111,551
- share-based compensation	6,319	261,908
Total Directors' remuneration	**1,263,222**	**1,964,023**

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Key management personnel and their associates subscribed for share capital in the Company as follows:

	June 2025 Ordinary Shares	June 2025 $	June 2024 Ordinary Shares	June 2024 $
Shares issued in Rights Issue	216,904,868	1,084,524	51,518,494	1,030,370
Shares issued in Placement	28,500,000	570,000	28,500,000	570,000
	245,404,868	**1,654,524**	**80,018,494**	**1,600,370**

(b) Related parties

During the year ended 30 June 2025, Adherium entered into a short-term bridge loan agreement with Bioscience Managers, a related party of the Company. Key details are as follows:

- Terms: Interest at 10% per annum, with a term of 14 days commencing from 27 June 2025.
- Outstanding balance at 30 June 2025: $200,000 presented as a current borrowing.
- Settlement: The loan was fully repaid in early July 2025.

In May 2025, the company entered into short-term agreements totalling $0.9 million with Phillip Asset Management and Trudell Medical. Key details are as follows:

- These borrowings bear Interest at 10% per annum.
- The borrowings subject to shareholder approval by 2025 to be converted into Convertible Notes, on the same terms as March and May 2025 issue (9-month maturity, 10% coupon, and conversion features).
- 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.

No other related party transaction occurred during the period, other than those disclosed above.

21. Financial instruments and risk management

(a) Categories of financial instruments

	June 2025	June 2024
Financial assets		
Loans and receivables classification:		
Cash and cash equivalents	43,255	6,197,538
Trade receivables (net)	80,712	406,433
Other receivables	139,895	82,341
Total financial assets	**263,862**	**6,686,312**
Financial liabilities		
Measured at amortised cost:		
Trade and other payables	4,333,864	2,746,763
Lease liabilities	46,953	93,205
Total financial liabilities	**4,380,817**	**2,839,968**

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(b) Risk management

The Company is subject to a number of financial risks which arise as a result of its activities.

Foreign exchange risk

During the normal course of business, the Group enters into contracts with overseas customers or suppliers or consultants that are denominated in foreign currency. As a result of these transactions there is exposure to fluctuations in foreign exchange rates.

The Company does not utilise derivative financial instruments. It operates a policy of holding cash and cash equivalents in the currency of near-term estimated future supplier payments, however it does not designate formal hedges and as such remains unhedged against foreign currency fluctuations. The net foreign exchange gain of $83,439 is included in results for the period ended 30 June 2025 (2024: $144,900 gain).

The carrying amounts of foreign currency denominated financial assets and financial liabilities are as follows:

	June 2025	June 2024
Assets		
New Zealand dollars	10,488	166,408
US dollars	157,089	113,057
UK pound	2,805	245,309
Liabilities		
New Zealand dollars	217,879	396,578
US dollars	1,002,866	364,036
UK pound	87,241	112,719
Hong Kong dollars	1,907	-
Japanese yen	1,500	25,900

The following table details the sensitivity of financial assets and financial liabilities to a 10% increase and decrease in each of the currencies noted against the Australian dollar as at the reporting date.

Decrease (increase) in loss after income tax	June 2025	June 2024
10% strengthening of Australian dollar against:		
New Zealand dollars	17,509	19,149
US dollars	119,234	35,061
UK pound	16,089	(22,977)
Hong Kong dollars	35	-
Japanese yen	2,430	-
10% weakening of Australian dollar against:		
New Zealand dollars	(21,400)	(23,405)
US dollars	(141,627)	(42,398)
UK pound	(19,664)	28,102
Hong Kong dollars	(40)	-
Japanese yen	2,371	-

Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk as it holds cash and cash equivalents (refer note 9).

Trade and other receivables and payables do not bear interest and are not interest rate sensitive.

The Group's interest-bearing financial assets bear interest at deposit rates for up to 180 days and accordingly any change in interest rates would have an immaterial effect on reported loss after tax.

Credit risk

The Company incurs credit risk from transactions with trade receivables and financial institutions in the normal course of its business. The credit risk on financial assets of the Group, which have been recognised in the statement of financial position, is the carrying amount, net of any allowance for doubtful debts.

The Company does not require any collateral or security to support transactions with financial institutions or customers.

The counterparties used for banking activities are financial institutions with an A1/A2 credit rating (2024: A1/A2) and the Company assesses the credit quality of customers by taking into account their financial position, past experience and other factors. The credit quality of trade receivables can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	June 2025	June 2024
Counterparties with external credit rating:		
• A1/A2	1,427	137,869
Counterparties without external credit rating:		
• existing customers with no defaults in the past	48,238	164,073
Total trade receivables	**49,665**	**301,942**

The Company applies the simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due. In calculating the expected credit losses, the Company uses its historical experience, external indicators and forward-looking information.

On this basis, the loss allowance as at 30 June 2025 for trade and other receivables was determined to be Nil (2024: $15,648).

Trade receivables are written off (i.e., derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Company on alternative payment arrangements, amongst others, are considered indicators of no reasonable expectation of recovery.

The Company is exposed to a concentration of credit risk as 3% of accounts receivable are with one counterparty (2024: 54%). The customer has an unreported credit rating with no history of payment issues.

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Liquidity risk

The table below shows the Company's non-derivative financial liabilities by relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years
As at 30 June 2025			
Trade and other payables	3,087,265	-	-
Lease liabilities	12,608	34,346	-
As at 30 June 2024			
Trade and other payables	1,963,857	-	-
Lease liabilities	11,499	35,434	46,270

Capital risk

The Company manages its capital to ensure that it is able to continue as a going concern. The capital structure of the Company consists of cash and cash equivalents, and equity comprising issued capital, reserves and accumulated deficit.

Fair value estimation

Financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

Lease liabilities

The Group exercised a one-year right of renewal of an existing lease for office space during the year ending 30 June 2025. The lease liabilities recognised in the balance sheet are:

	June 2025	June 2024
Lease Liabilities		
Lease liabilities (current)	46,953	46,933
Lease liabilities (non-current)	-	46,272
Total lease liabilities	**46,953**	**93,205**

Total cash outflow for leases in 2025 was $114,000 (2024: $117,000)

The lease liabilities are secured by the underlying right-of-use-assets.

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22. Parent entity information

The following details information related to the legal parent, Adherium Limited as at 30 June 2025. During the year ended 30 June 2025 Adherium Limited recognised an impairment on the carrying value of its investments in and loans to subsidiaries to record those at the Group carrying value. This resulted in an impairment charge of $6,522,591 (2024: $5,444,860 impairment) The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	Parent June 2025	Parent June 2024
Statement of Financial Position		
Current assets	936,475	6,372,247
Non-current assets	17,311	14,043
Total assets	**953,787**	**6,386,290**
Current liabilities	6,348,046	1,680,141
Non-current liabilities	-	-
Total liabilities	**6,348,046**	**1,680,141**
Net assets	**(5,394,260)**	**4,706,150**
Contributed equity	132,134,776	131,003,209
Accumulated deficit	(145,692,758)	(133,170,458)
Reserves	8,163,722	6,873,400
Total equity	**(5,394,260)**	**4,706,150**
Statement of Profit and Loss and Comprehensive Income		
Loss after tax	(12,522,300)	(10,728,498)
Total comprehensive loss	**(12,522,300)**	**(10,728,498)**

23. Interests in controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 3:

Name of Entity	Status	Country of incorporation	Percentage owned	
			June 2025	June 2024
Adherium (NZ) Limited	Operating	New Zealand	100%	100%
Adherium North America, Inc.	Operating	United States	100%	100%
Adherium Europe Ltd	Operating	United Kingdom	100%	100%
Nexus6 Limited	Dormant	New Zealand	100%	100%

24. Contingencies and commitments

(a) Contingencies

Dr Paul Mastoridis, the former CEO has issued proceedings in New Jersey court under the New Jersey Conscientious Employee Protection Act. The company denies Dr Mastoridis' claims and intends to continue to strenuously contest them.

(b) Office Lease Commitments

	June 2025	June 2024
Not later than one year	2,040	20,160
Later than one year and not later than five years	-	-
Later than five years	-	-
	2,040	**20,160**

25. 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.

Ms Dawn Bitz was appointed as the Chief Executive Officer in July 2025.

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

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Consolidated Entity Disclosure Statement

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 3:

Name of Entity	Entity type	Place formed/Country of Incorporation	Ownership interest	Tax residency
Adherium (NZ) Limited	Company - Limited	New Zealand	100%	New Zealand
Adherium North America, Inc.	Corporation - Incorporated	United States	100%	United States
Adherium Europe Ltd	Company - Limited	United Kingdom	100%	United Kingdom
Nexus6 Limited	Company - Limited (Dormant)	New Zealand	100%	New Zealand

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DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 28 to 56 in accordance with the Corporations Act 2001:

(a) comply with Accounting Standards and the Corporations Regulations 2001, and other mandatory professional reporting requirements;
(b) as stated in note 2, the consolidated financial statements also comply with International Financial Reporting Standards;
(c) give a true and fair view of the financial position of the consolidated entity as at 30 June 2025 and of its performance for the financial year ended on that date;
(d) in the Directors' opinion there are reasonable grounds to believe that Adherium Limited will be able to pay its debts as and when they become due and payable.
(e) the information disclosed in the consolidated entity disclosure statement is true and correct.

This declaration has been made after receiving the declaration required to be made by the Chief Financial Officer to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2025.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board



Lou Panaccio
Non-Executive Chairman

Melbourne 30 September 2025

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INDEPENDENT AUDITOR'S REPORT
To the Members of Adherium Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Adherium Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001,* including:

i. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including independence standards*) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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Material Uncertainty Related to Going Concern
We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of $12,679,349 and had net cash outflows from operating activities of $9,983,703 during the year ended 30 June 2025 and, as of that date, the Group had net current liabilities of $4,852,005 and net liabilities of $4,763,251. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Inventory valuation Refer to Note 11 in the financial statements	
The Group has inventory with a carrying value of $1,838,371 as at 30 June 2025. The valuation of inventory is considered a key audit matter, due to the materiality of the balance, and the significant judgements involved in: • assessing the net realisable value of inventories; and • the determination of a provision for obsolescence.	Our audit procedures included: • testing inventory costing by verifying costs against supporting documentation; • verifying that inventory is being held at the lower of cost and net realisable value; • assessing the reasonableness of the Group's inventory methodology for determining the provision for obsolescence; and • evaluating management assumptions and estimates applied to the provision for obsolescence through analysis of historical sales levels.

Other Information
The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors for the Financial Report
The directors of the Company are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

I. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

II. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf
This description forms part of our auditor's report.

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REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report
We have audited the Remuneration Report included in pages 18 to 26 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Adherium Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities
The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Dated: 30 September 2025
Melbourne, Victoria

ASX Additional Info



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Australian Securities Exchange Additional Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The shareholder information set out below was applicable as at 19 September 2025. This information excludes any proposed security issues announced by the Company on 19 September 2025.

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a. Distribution of equity securities

Ordinary share capital

As at 19 September 2025 there were 1,863,174,595 ASX quoted ordinary shares held by 1,021 shareholders. All issued ordinary shares carry one vote per share and carry the right to dividends.

Range (size of holding)	Number of Ordinary Shares	Holders
1 - 1,000	59,347	166
1,001 - 5,000	539,336	212
5,001 - 10,000	779,143	104
10,001 - 100,000	11,665,450	279
100,001 and over	1,850,134,319	260
Total	**1,863,177,595**	**1,021**

There were 778 shareholders holding less than a marketable parcel of ordinary shares at a price of $0.004, totalling 14,886,152 ordinary shares.

Unquoted options over ordinary shares

As at 19 September 2024 there were 1,045,395,464 options over ordinary shares held by 88 holders.

The Company has the following classes of unlisted options over ordinary shares:

Class	Number	Holders
OP6 - Options exercisable at $0.3285 expiring on 29 January 2027	1,834,635	6
OP7 - Options exercisable at $0.60 expiring on 14 April 2027	1,145,105	2
UO8 - Options exercisable at $0.04 expiring on 1 July 2027	7,585,800	2
UO9 - Options exercisable at $0.02 expiring on 28 February 2028	70,146,936	3
UO10 - Options exercisable at $0.005 expiring on 31 July 2026	964,678,812	78
UO11 - Options exercisable at $0.005 expiring on 15 November 2026	4,176	1

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b. Twenty largest holders of quoted equity securities as at 19 September 2025

	Ordinary Shares	
Shareholders	**Units**	**% Units**
Citicorp Nominees Pty Limited	355,530,914	19.08
Trudell Medical Ltd	343,776,885	18.45
Phillip Asset Management Limited <Bioscience Mtf1 A/C>	288,733,826	15.50
J P Morgan Nominees Australia Pty Limited	211,326,221	11.34
HSBC Custody Nominees (Australia) Limited	98,143,037	5.27
K One W One Ltd	65,817,070	3.53
Phillip Asset Management Limited	55,036,494	2.95
K One W One Limited	41,019,178	2.20
Buttonwood Nominees Pty Ltd	20,008,060	1.07
Alianda Oaks Pty Ltd <Resource Surveys Invest A/C>	20,000,000	1.07
Mr Carlsen Wilson Henry Marks + Mrs Edwina Mary Marks	19,000,000	1.02
Alianda Oaks Pty Ltd	18,600,000	1.00
Neweconomy Com Au Nominees Pty Limited <900 Account>	16,543,152	0.89
Scintilla Strategic Investments Limited	16,000,000	0.86
Vilmos Pty Ltd <Panaccio Investment A/C>	15,333,336	0.82
Vanhop Pty Ltd <Vanhop Super Fund A/C>	12,560,000	0.67
Mr Andrew Rhys Jackson	11,772,006	0.63
Mr Paul Mastoridis	11,600,000	0.62
Mr James Christmas Douglas Hansen	11,100,000	0.60
Auraria Group Pty Ltd	10,000,000	0.54
Total top 20 holders of fully paid ordinary shares	**1,641,900,179**	**88.11**

c. Substantial shareholders

In accordance with ASX Listing Rule 4.10.4, a listing of substantial holding and other notices provided to the Company and released to the ASX are included below:

Substantial shareholders	**Notification Date**	**Ordinary Shares Held**
Phillip Asset Management Limited	7/8/2025	343,770,320
Trudell Medical Ltd	24/7/2025	343,776,885
Regal Funds Management Pty Ltd and subsidiaries and associates	24/7/2025	364,651,488
UBS Group AG and its related bodies corporate	1/8/2025	208,172,938
K One W One Limited	24/7/2025	106,836,248
FIL Limited and associated entities	25/9/2025	38,991,036
JP Morgan Chase &Co. and its affiliates	17/3/2025	14,000,000
Bank of America Corporation and its related bodies corporate	25/7/2024	125,168,715

d. Voting Rights

On a show of hands, every shareholder present in person or by proxy holding stapled securities in the Company shall have one vote and upon a poll each stapled security shall have one vote.

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Corporate Information

ASX code: ADR

Directors

Mr Lou Panaccio (Chair)
Mr George Baran
Mr Jeremy Curnock Cook
Mr Bruce McHarrie
Mr Keven Gessner

Company Secretary

Ms Emily Austin

Registered Office

Collins Square, Tower 4
Level 18, 727 Collins St
Melbourne VIC 3000, Australia
+61 3 86575540

Australian Office
(Principal Administrative Office)

Level 5, 447 Collins Street
Melbourne 3000, Australia

Website

www.adherium.com
www.hailie.com

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria 3067, Australia

Solicitors

K&L Gates
Level 25 South Tower
525 Collins Street
Melbourne VIC 3000, Australia

Auditors

RSM Australia Pty Ltd
Level 21, 55 Collins Street
Melbourne VIC 3000, Australia

Shareholder Enquiries
1300 850 505 (+61 3 9415 4000)

Shareholders requiring clarification of holdings, or requesting changes of name or address should contact Computershare Investor Services directly on the above number.

Shareholders wishing to create an online account with Computershare should visit https://www.investorcentre.com





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