



adherium 

2026

**Annual
Report**

ABN 24 605 352 510

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

George Baran
Non-Executive Chairman



Dear Shareholders,

I am pleased to present the Chairman's Report for Adherium Limited for the year ended 30 June 2026, a year in which the Company grew its US remote patient monitoring business in every quarter, published the clinical and economic evidence behind its platform, and set its course toward value-based respiratory care.

Commercial Progress

Fiscal 2026 was a year of disciplined commercial execution. Our US Remote Patient Monitoring (RPM) business recorded four consecutive record quarters, with quarterly RPM revenue rising from \$20,406 in the June 2025 quarter to \$169,685 in the June 2026 quarter (at constant exchange rates), and Group revenue reached \$2.1 million for the year. By 30 June 2026, 3,831 patients had been activated on the Hailie® platform across our US programs and cumulative device shipments had passed 5,300.

This growth was built on the fundamentals we set out to prove: an in-house onboarding and clinical team that works inside the provider's workflow, a repeatable process for identifying the patients who benefit most, and a platform that keeps those patients engaged. RPM is a healthy and growing business for Adherium in its own right. It is also the foundation on which our value-based care strategy is being built. Every enrolled patient adds to the clinical dataset, the operating know-how and the outcomes evidence that population health partners require.

Partnership Network and Market Access Expansion

Our Remote Patient Monitoring business continues to build strong momentum, with Hailie® gaining traction across an expanding network of healthcare partners. We are deepening relationships with established customers such as Allergy Partners and SENTA partners while continuing to bring new clinics and health systems into the Hailie® ecosystem across the country.

At the same time, our commercial team is building infrastructure to support the next phase of growth. We are improving call center efficiency, patient onboarding, and engagement workflows to create a more scalable and repeatable go-to-market engine. These investments are positioning us to efficiently support higher volumes as adoption continues to accelerate.

Looking ahead, we see significant opportunity to expand Hailie® beyond individual practices and into larger value-based care relationships with payors and Accountable Care Organisations (ACOs). Our growing partnership network, expanding market presence, and increasingly efficient commercial operations provide a strong foundation for scaling Hailie® across broader patient populations and markets.

Clinical Validation and Evidence Generation

Results from the Intermountain Health iCare program have now been announced with groundbreaking improvements to patient outcomes. The iCARE study was a large, real-world respiratory care study designed to evaluate how connected inhaler technology and remote patient monitoring can improve outcomes for patients with asthma and COPD. The data shows significant reductions in hospitalisations, length of stay and healthcare costs. These highlight the impact the Hailie® Sensors have on healthcare outcomes, patient lives and costs; strengthening our position for discussions with payors and providers.

Product Innovation and Regulatory Achievements

Adherium's Hailie® Smartinhaler® platform remains supported by an extensive base of US Food and Drug Administration (FDA) clearances, with the Company's device range now covering 12 sensors compatible with both metered-dose inhalers (MDIs) and dry powder inhalers (DPIs) across major respiratory therapies, including AstraZeneca's Airsupra® and Breztri®, GSK's Ellipta® family, and Teva's ProAir® products. This regulatory footprint continues to underpin Adherium's Remote Patient Monitoring (RPM) commercial strategy in the United States.

Leadership Strengthening

To support our accelerated growth trajectory, we have strategically strengthened our leadership team with proven industry expertise. Mr John Perry was appointed as Interim Executive Officer in July 2026, bringing nearly 20 years of healthcare leadership experience, including extensive expertise in commercialisation, digital health, value-based care models and enterprise partnerships. His appointment marks a new chapter in Adherium's growth trajectory.

We also welcomed Ms. Victoria Durrans as a Non-Executive Director, with extensive experience in high-growth technology companies globally and advising early-stage, investor-backed technology companies on rapid growth and global commercialisation, shaping boards and management teams that underpin growth, execution, and long-term value creation.

Financial Position and Capital Management

We successfully completed several capital raising initiatives during FY2026 to support the Company's growth objectives.

In March 2026, Adherium completed an equity capital raising comprising a placement and accelerated non-renounceable entitlement offer, raising a total of \$6.70 million from new and existing institutional, sophisticated and retail investors. Proceeds are being deployed to support the continued expansion of the Company's remote patient monitoring channel and advance its strategy toward securing value-based care contracts with U.S. insurers.

The capital raising attracted strong support from both new and existing institutional investors, with several key shareholders participating in excess of their pro-rata entitlements. The Company would like to thank its existing shareholders for their continued support and welcome new shareholders for the confidence they have shown in Adherium and its strategy.

Technology and Data Strategy

Every connected patient makes our data more valuable.

We invested in the data platform that sits above the Hailie® sensor so partners and health systems can plug into Hailie®. The data layer becomes something others build on.

Analytics first, prediction next. We are exploring models that could flag a respiratory exacerbation before it happens. This work is in development and subject to clinical validation and regulatory clearance before any care claim is made. If it lands, the value to health systems, payers and population-health programs is substantial.

Market Opportunity and Future Outlook

Respiratory disease remains one of the largest and least digitised areas of chronic care. In the United States alone, approximately 25 million people live with asthma and more than 15 million have been diagnosed with COPD, with an annual economic burden of the order of US\$120 billion. Healthcare payment is moving steadily toward outcomes rather than activity, and respiratory care has until now lacked the objective, continuous data that outcome-based models require. Hailie® provides that data, dose by dose, across both metered-dose and dry-powder inhalers.

Our plan for fiscal 2027 is to keep growing the RPM business while building the value-based care model on top of it. Specifically, we intend to:

- Continue growing patient enrolment through our existing practice, ACO and remote-monitoring partners, with a sharper focus on moderate-to-severe COPD and asthma patients, who benefit most from monitoring and remain engaged longest
- Improve patient retention and engagement, which is now our primary operating metric
- Progress discussions with payers and integrated delivery networks toward value-based agreements in which Adherium shares in the savings its platform helps generate
- Invest in the Hailie® data and connectivity platform, including the Breathe SDK and Data security certification, so that partners and health systems can integrate with Adherium quickly and securely
- Manage the evolution of US reimbursement with care, by broadening reimbursement and care models through which our services are paid

We approach this with realism. Value-based contracts take time to negotiate and longer to mature, and we will continue to rely on the support of capital markets as we make the transition. But the direction is clear, the evidence is strong, and the platform, the team and the partners needed to execute are in place.

Acknowledgements

The achievements of FY26 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. Adherium is maturing to position itself as a leader in international Respiratory digital health focused on patient adherence, remote monitoring, data management, and population health solutions for patients, physicians, payers, and providers. Adherium's Hailie® Smartinhaler® technology and secure cloud data platform enables physicians and payers to optimally manage patient adherence for difficult-to-treat and severe asthma and COPD and reduce direct and indirect healthcare costs.

Conclusion

Fiscal 2026 was the year Adherium showed that its model works at commercial scale: record RPM revenue in every quarter, a patient base that more than tripling, and independent evidence that connected respiratory care lowers the total cost of care and keeps patients out of hospital.

We enter fiscal 2027 under John Perry's leadership with a clear plan: continue to grow the RPM business, strengthen patient retention, and build the value-based care and population health partnerships that turn Adherium's data into shared outcomes for patients, providers and payers. We do not underestimate the work ahead, but the Company is well positioned to do it.

On behalf of the Board, thank you to our shareholders for your continued support, to our partners for their trust, and to the Adherium team for a year of hard work well done.

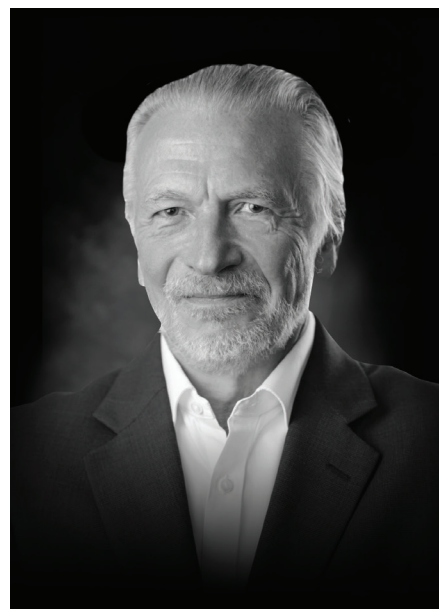


George Baran
Non-Executive Chairman

"Quarterly RPM revenue rising from \$20,406 in the June 2025 quarter to \$169,685 in the June 2026 quarter and the Group revenue reached \$2.1 million for the year.

By 30 June 2026, 3,831 patients had been activated on the Hailie® platform across our US programs and cumulative device shipments had passed 5,300."

Directors' Report



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 2026, 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 George Baran, MBA. Age 66.

Chairman & Non-Executive Director

Appointed as a Director on 13 May 2021 and Chairman on 1 June 2026.

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, Synergy Spine Solutions, 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.

Mr Lou Panaccio, BEc. Age 69.

Lead Independent Non-Executive Director

Appointed as a Director 25 February 2022 and Chairman from 29 April 2022 to 1 June 2026.

Mr Panaccio is the Non-executive Chairman of Unison Housing Limited and Magellan Stem Cells Pty Ltd and a Non-executive Director of Mecwacare Limited.

Mr Panaccio has practised as a Chartered Accountant and held a number of Chief Executive Officer roles with Healthcare Services and Diagnostics companies. He was a Non-executive Director of ASX listed Sonic Healthcare Limited until November 2024, Non-executive Chairman of ASX and NASDAQ listed Avita Therapeutics Inc until December 2025, Non-executive Director of Rhythm Biosciences Limited until June 2019, Executive Chairman of Health Networks Australia until 2017 and Non-executive Director of ASX-listed Genera Biosystems Limited to June 2019.

Mr Panaccio holds a Bachelor of Economic from Monash University.

Mr Jeremy Curnock Cook, MA. Age 77.

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.

Miss Victoria Durrans. B.Com. Age 38.

Independent Non-Executive Director

Appointed as a Director on 1 June 2026.

Victoria is a Partner at BioScience Managers, a specialist healthcare investment firm focused on identifying and supporting high potential companies across the global healthcare and life sciences sector.

Victoria has more than 15 years of experience across healthcare investment, strategy, governance and organisational development. She began her career founding a commercial relocation business before joining CRSI Ltd, a boutique consulting organisation advising early-stage, investor-backed technology companies on rapid growth and global commercialisation.

At BioScience Managers, Victoria is involved across the investment lifecycle, including investment strategy, sourcing and evaluating investment opportunities, portfolio management, governance and investor engagement. She brings a practical, hands-on approach to working with portfolio companies, with particular experience in strategy, organisational capability, commercialisation, capital management and board effectiveness.

Victoria currently serves on the boards of several healthcare technology businesses and is actively involved in supporting executives and boards through periods of growth, transformation and strategic change.

Mr Bruce McHarrie, B.Com, FCA, GAICD. Age 68.

Independent Non-Executive Director

Appointed as a Director on 20 July 2015.

Retired on 31 May 2026.

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 was, until 31 May 2026, a graduate member of the Australian Institute of Company Directors. 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 did not compromise Mr McHarrie's independence as to the best of the board's knowledge he is not involved in Adherium-related decision making by BioScience Managers, and the value of the advisory services provided is not material.

Mr Keven Gessner, B.Com, CPA, MBA. Age 50.

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.

Ms Austin was Company Secretary of the Company as at 30 June 2026.

Ms Austin 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.

Ms Austin resigned as Company Secretary effective 21 August 2026. Ms Pia Rasal and Ms Anvi Mehta were appointed as Joint Company Secretaries effective 21 August 2026.

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
George Baran	10	10	-	-	-	-
Lou Panaccio	10	10	6	6	2	2
Jeremy Curnock Cook	10	9	-	-	2	0
Bruce McHarrie ¹	9	9	6	5	2	2
Keven Gessner	10	8	-	-	-	-
Victoria Durrans ²	1	1	-	-	1	1

¹ Bruce McHarrie resigned on 31 May 2026.

² Victoria Durrans was appointed as Alternate Director to Jeremy Curnock Cook on 4 March 2026. She was appointed as Non-Executive Director on 1 June 2026.

Committees of the Board

The Company has established the following committees of the board, with membership in the year to 30 June 2026 as noted:

Committee	Membership until 31 May 2026	Membership from 1 June 2026 until 30 June 2026
Audit & Risk [*]	Bruce McHarrie (Chair), Non-Executive Director Lou Panaccio, Non-Executive Director	Lou Panaccio (Chair), Non-Executive Director George Baran, Non-Executive Director
Nomination & Remuneration [#]	Bruce McHarrie (Chair), Non-Executive Director Lou Panaccio, Non-Executive Director Jeremy Curnock Cook, Non-Executive Director	Victoria Durrans (Chair), Non-Executive Director Lou Panaccio, Non-Executive Director George Baran, Non-Executive Director

^{*} Bruce McHarrie resigned on 31 May 2026. Following Bruce McHarrie's resignation, Lou Panaccio was appointed as Chair of Audit & Risk Committee and the Committee comprised of Lou Panaccio (Committee Chair) and George Baran (Committee Member).

[#] Bruce McHarrie resigned on 31 May 2026. Following Bruce McHarrie's resignation, Victoria Durrans was appointed as Chair of the Nomination and Remuneration Committee, and the Committee comprised of Victoria Durrans (Committee Chair), Lou Panaccio and George Baran (Committee Members).

The Board has unanimously resolved to dissolve the Audit & Risk Committee and Nomination & Remuneration Committee. Given the current size and composition of the Board, the Board considers that the functions and responsibilities ordinarily delegated to these Committees can be effectively discharged by the Board as a whole.

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 2026 was \$14,161,734.

No dividends were paid, declared or recommended during the year ended 30 June 2026.

Review of Operations

During the 12 months to 30 June 2026, 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 2026 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 more than 4,500 active patients across its US commercial programs by financial year-end, demonstrating more than tripling of its patient base through systematic execution of refined onboarding processes.

Engagement Methodology

Adherium continues to enhance its patient engagement methodology to improve both the efficiency and effectiveness of patient onboarding. The team is leveraging AI-driven insights to better identify and prioritize patients most likely to benefit from Hailie®, while continuously refining call scripting and engagement strategies based on patient response and program data.

These improvements are creating a more targeted and personalized patient experience, helping the team increase engagement and streamline the path from patient identification through activation. As our partnership network expands, these scalable processes will enable Adherium to efficiently engage larger patient populations while maintaining a high-quality patient experience.

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.

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

- John Perry joined as Chief Executive Officer in July 2026, bringing nearly 20 years of healthcare leadership experience, including extensive experience in Commercialisation, healthcare technology, value-based care models, enterprise partnerships and revenue growth.
- Victoria Durrans was appointed to the Board as Non-Executive Director, bringing extensive experience advising early-stage, investor-backed technology companies on extensive experience in commercialisation, healthcare technology, shaping boards and management teams that underpin growth, execution, and long-term value creation.

Financial Resources and Investment

Capital Acquisition

In March 2026 the Company completed an equity capital raising of approximately \$6.7 million, comprising a placement and an accelerated non-renounceable entitlement offer, supported by new and existing institutional, sophisticated and retail investors.

Financial performance

Group revenue for the year was \$2,100,479 (2025: \$817,237), an increase of 157%, driven by the US remote patient monitoring business. Gross profit rose to \$1,222,994 (2025: \$111,374). The net loss after tax was \$14,161,734 (2025: \$12,679,349); administrative expenses increased to \$11,698,296 (2025: \$5,485,800), partly offset by lower research and development and sales and marketing costs. At 30 June 2026 the Group held cash of \$1,424,058 (2025: \$43,255) and had net liabilities of \$1,290,073. As set out in Note 2, the Directors have prepared the financial statements on a going concern basis, supported by cash flow forecasts and the additional funding from Trudell Medical Limited described under Events since the end of the financial year.

Regulatory Position and Clinical Evidence

Device Portfolio

The Company continued to maintain its quality and regulatory compliance obligations across its device portfolio during the year, while progressing its collaboration with industry partners.

This regulatory footprint continues to support Adherium's Remote Patient Monitoring (RPM) commercial strategy in the United States. The introduction of new Current Procedural Terminology (CPT) reimbursement codes, effective 1 January 2026, reduced certain billing.

Market Position and Growth Infrastructure

Opportunity Pipeline

We built a substantial database of prospective practices and health systems through our partner network and market development work, which gives us a clear pipeline for expansion.

Process Optimisation

We established repeatable processes for enrolling patients and integrating with providers, so that we can scale across several health systems at once without losing quality.

Platform Evolution

We began extending our service beyond monitoring toward population health management, which supports the move to value-based care described in the Chairman's Report.

Managing the Risks Associated with Our Strategy

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 has demonstrated commercial traction in US remote patient monitoring but has not yet shown that its business model is profitable at scale. Its success depends on continuing to grow and retain patients, converting its pipeline and partner relationships into revenue, and establishing value-based care arrangements with payers and health systems. Such arrangements involve long sales cycles, counterparties' internal approval processes, and, in some cases, payment terms linked to clinical or financial outcomes. There is no assurance they will be concluded on acceptable terms or within the timeframes the Company anticipates.

Reimbursement and Healthcare Policy

A substantial portion of the Company's revenue is derived from services its customers bill to Medicare and other US payers under remote patient monitoring (RPM) codes. In July 2026 the Centers for Medicare & Medicaid Services proposed changes to RPM payment for calendar year 2027, including who may furnish monitoring services, patient eligibility and payment rates. The proposals are not final. If adopted in a form that reduces reimbursement or restricts the delivery models the Company's customers use, revenue and growth could be adversely affected. The Company is monitoring the rule-making process, participating in industry advocacy and developing alternative billing and care delivery models, including value-based arrangements that do not depend on fee-for-service RPM codes.

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

Adherium operates in a highly regulated industry, with requirements varying across jurisdictions, including those administered by the Therapeutic Goods Administration (TGA) in Australia and the U.S. Food and Drug Administration (FDA).

The Group's products are subject to regulatory requirements throughout their lifecycle, including market authorisation, quality management, post-market surveillance, regulatory reporting, and promotional and advertising controls. Changes to regulatory requirements or failure to maintain compliance may increase costs, delay market access or commercial activities, or result in regulatory action, including restrictions on supply, recalls, financial penalties or other enforcement measures. These matters could adversely affect the Group's operations, reputation and financial performance.

Intellectual Property Risk

The Group relies on intellectual property and proprietary technology to support its products and commercial activities. There is a risk that intellectual property rights may be challenged, infringed, become unenforceable, or not provide adequate protection. Any inability to obtain, maintain or protect these rights could adversely affect the Group's competitive position, commercialisation activities and financial performance.

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 2026.

Events since the end of the Financial Year

- Adherium completed a share consolidation at a 100:1 conversion.
- The Company obtained additional funding of \$2.3 million from its major shareholder, Trudell Medical Limited, and agreed to consolidate existing loans and accrued interest into a term loan of \$4,671,025.

Likely Developments and Expected Results

Commentary on the Group's strategic direction and plan is set out in the Chairman's Report on pages 2 to 5.

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 2026 is:

Director	Ordinary Shares	Options over Ordinary Shares	SARs over Ordinary Shares
George Baran*	1,538,540,372	251,395,491	-
Lou Panaccio	48,000,004	7,666,668	-
Jeremy Curnock Cook	179,503	-	-
Bruce McHarrie	617,200	-	-
Keven Gessner	4,000,000	4,525,000	2,000,000

* Shares and options disclosed are registered to Trudell Medical Limited, in which Mr Baran has a 33.33% beneficial interest.
Subsequent year-end Adherium completed a 100-for-1 share consolidation

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.

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
\$2.00	3,072,042	3,072,042	28 February 2028
\$32.85	18,347	18,347	29 January 2027
\$40.00	75,858	75,858	1 July 2027
\$60.00	11,455	11,455	14 April 2027
\$0.50	6,581,153	6,581,153	15 November 2026
\$1.00	539,088	179,696	22 January 2029
\$0.41	20,000	-	9 December 2027
\$0.80	17,500	-	29 June 2027
\$0.80	8,000	-	13 July 2027
\$2.00	500,000	-	5 December 2028
\$1.00	97,563	97,563	15 March 2027
\$0.80	4,000	4,000	19 June 2027
\$1.00	5,250	-	1 April 2027
\$0.50	3,250,634	3,250,634	31 July 2026
Outstanding at 30 September 2026	15,200,887		

Subsequent year-end Adherium completed a 100-for-1 share consolidation

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 2026.

During the year ended 30 June 2026 and to the date of this report 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	85,000,000	\$0.005	15 November 2026
George Baran ¹	699,064	\$0.329	29 January 2027
George Baran ¹	165,696,427	\$0.02	28 February 2028
Keven Gessner	525,000	\$0.01	1 April 2027
Dawn Bitz	53,908,746	\$0.01	22 January 2029

¹ Direct and Indirect interests

Details of fully paid ordinary shares issued on exercise of options in the year to 30 June 2026 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.

Remuneration Report



Remuneration Report

The Directors present the Group's 2026 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 2026.

i. Non-Executive and Executive Directors

- | | |
|-----------------------|---|
| • George Baran | Non-Executive Chairman & Non-Executive Director (appointed 13 May 2021) |
| • Lou Panaccio | Lead Independent Non-Executive Director (appointed 25 February 2022) |
| • Jeremy Curnock Cook | Non-Executive Director (appointed on incorporation 17 April 2015) |
| • Victoria Durrans | Non-Executive Director (appointed 1 June 2026) |
| • Bruce McHarrie | Non-Executive Director (appointed 20 July 2015 and retired 31 May 2026) |
| • Keven Gessner | Non-Executive Director (appointed 8 May 2025) |

ii. Other key management personnel

- | | |
|------------------|---|
| • Dawn Bitz | Chief Executive Officer (appointed 22 July 2025 and resigned 21 July 2026) |
| • John Perry | Senior Vice President (until 31 March 2026; appointed Chief Commercial Officer effective 1 June 2026) |
| • Thomas Quinlan | Caretaker Chief Financial Officer (appointed in April 2025) |
| • Emily Austin | Company Secretary (resigned as Company Secretary on 21 August 2026) |

iii. Changes since the end of the reporting period

- Ms Dawn Bitz ceased to be the Chief Executive Officer, effective 21 July 2026.
- Ms Pia Rasal and Ms Anvi Mehta from Automic Company Secretarial Pty Ltd, appointed as Joint Company Secretaries on 21 August 2026.

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;
- 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.

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 Share Appreciation Rights (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 2026.

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 2026 the Group incurred a loss after tax of \$14,161,734 (1.4 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 2026.

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 2026:

	30 June 2026	30 June 2025
Total revenue	2,100,479	817,237
Net loss before tax	(14,161,734)	(12,679,349)
Net loss after tax	(14,161,734)	(12,679,349)
Share price at start of year	\$0.004	\$0.018
Share price at end of year	\$0.004	\$0.004
Basic/diluted loss per share	(0.3) dollar	(1.4) dollar

Subsequent year-end Adherium completed a 100-for-1 share consolidation

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 (increased to \$112,000 per annum include super from May 2026) and each Non-Executive Director is paid \$50,000 per annum (increased to \$56,000 per annum include super from May 2026). 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.

f. Details of Remuneration of Key Management Personnel

Remuneration for the year ended 30 June 2026	Short Term Benefits			Post-Employment Benefits
	Salaries & Fees \$	Bonus \$	Insurance & Other \$	Superannuation \$
Directors' remuneration				
Lou Panaccio	95,833	-	-	11,500
George Baran	55,167	-	-	-
Jeremy Curnock Cook ¹	-	-	-	-
Bruce McHarrie ²	45,833	-	-	5,500
Victoria Durrans ³	-	-	-	-
Keven Gessner	51,000	-	-	-
Sub-total Directors	247,833	-	-	17,000
Executives' remuneration				
Dawn Bitz ⁴	551,157	145,434	-	-
John Perry ⁵	114,222	19,944	-	-
Emily Austin ⁶	200,111	-	-	-
Thomas Quinlan ⁷	429,115	-	-	-
Sub-total executives	1,294,605	165,378	-	-
Total key management personnel	1,542,438	165,378	-	17,000

- During the year, the Group ceased accruing fees payable to Jeremy Curnock-Cook following an agreement that no further amounts would be accrued until further notice. Previously accrued amounts were also waived and reversed during the year.
- Mr Bruce McHarrie retired as a Non-Executive Director on 31 May 2026.
- Ms Victoria Durrans was appointed as Alternate Director to Jeremy Curnock-Cook on 4 March 2026 and had agreed to forgo her remuneration as Alternate Director Mr Jeremy Curnock-Cook. She subsequently appointed as Non-Executive Director on 1 June 2026.
- On 21 July 2026, Ms Dawn Bitz ceased to serve as Chief Executive Officer of the Company for personal reasons. The fair value of the 53,908,746 options granted to Ms Dawn Bitz was A\$19,098, determined as of 30 June 2026.

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 ⁴	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

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

Incentive Share-based Payments		Total \$	Performance Related Remuneration %	Fixed Remuneration %
Severance \$	Value of Options/SARs/ Loan Funded Shares ⁸ \$			
-	-	107,333	-	100%
-	-	55,167	-	100%
-	-	-	-	100%
-	-	51,333	-	100%
-	-	-	-	100%
-	412	51,412	1%	99%
-	412	265,245		
-	19,098	715,689	23%	77%
-	-	134,166	15%	85%
-	-	200,111	-	100%
-	-	429,115	-	100%
-	19,098	1,479,081		
-	19,510	1,744,326		

5. Mr John Perry appointed as Senior Vice President until 31 March 2026; appointed Chief Commercial Officer effective 1 June 2026.

6. Emily Austin of Automic resigned as Company Secretary and Pia Rasal and Anvi Mehta were appointed as Joint Company Secretaries on 21 August 2026.

7. Mr Thomas Quinlan of Quinlan Consulting was appointed as Caretaker Chief Financial Officer of the Company.

8. The Fair value of A\$412 as of 30 June 2026 is 20,000 post-consolidation SARs to Keven Gessner (the 2,000,000 disclosed pre-consolidation).

As approved at the 2025 AGM, current directors can opt to take director fees in shares. Mr George Baran and Mr Lou Panaccio have opted to take accrued payments in shares. Mr Keven Gessner has opted to take a percentage in shares and cash.

Incentive Share-based Payments		Total \$	Performance Related Remuneration %	Fixed Remuneration %
Severance \$	Value of Options/SARs/ Loan Funded Shares ⁵ \$			
-	-	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.

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. Ms Austin resigned as Company Secretary effective 21 August 2026. Ms Pia Rasal and Ms Anvi Mehta from Automic Company Secretarial Pty Ltd were appointed as Joint Company Secretaries effective 21 August 2026.

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
Dawn Bitz	at-will	90 Days	581,738	-

1. Dawn Bitz was appointed Chief Executive Officer effective 22 July 2025.
On 21 July 2026, Ms Dawn Bitz ceased to serve as Chief Executive Officer of the Company for personal reasons but Dawn still provided services to the Company on an ad hoc hourly basis. No termination payment was made in relation to her resignation.

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 2026.

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 2026 and to the date of this report.

Loan funded Employee Share Plan

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

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 2026 the board made no offers to key management personnel under the Plans.

Short-Term Incentive scheme (STI)

In the year to 30 June 2026, the Company did not issue shares to key management personnel under individual employment agreements.

Employee Share Scheme (Options)

In the year ended 30 June 2026, the Company issued options to key management personnel as a long term incentive is as follows:

Key Management Personnel	Options Granted	Exercise Price	Vesting Schedule	Status	Total Value Recognised in FY26
Dawn Bitz	53,908,746	\$0.010	17,969,582 from 22 July 2026 17,969,582 from 22 July 2027 17,969,582 from 22 July 2028	Resigned in July 2026 and was treated as a Good Leaver, with options remaining on foot	-

Short-Term Incentive scheme (STI)

In the year to 30 June 2026, 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 2026 by each director and other key management personnel of the Group, including their personally related parties, are set out below:

Name	Balance at start of year	Granted as remuneration	Received on exercise of options	Other changes	Balance at end of year
George Baran ¹	186,276,885	-	211,071,155	1,141,192,332	1,538,540,372
Lou Panaccio	7,666,668	-	7,666,668	32,666,668	48,000,004
Jeremy Curnock Cook	179,503	-	-	-	179,503
Bruce McHarrie ²	370,320	-	-	246,880	617,200
Victoria Durrans	-	-	-	-	-
Keven Gessner	-	-	-	4,000,000	4,000,000
Adherium ESP Ltd (trustee directors) ²	1,750,803	-	-	-	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. Buy back of shares due to award expiry. Shares were purchased through a loan advanced by the Company of \$150,000 which has been extinguished. No cash is payable by the Company for the buy back.

Options

The numbers of options over ordinary shares in the Company held during the year to 30 June 2026 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	Granted/ Acquired during the year	Exercised	Lapsed	Balance at the end of the year	Vested	Vested and exercisable	Vested and unexercisable
George Baran ¹	22,818,164	439,648,482	211,071,155	-	251,395,491	-	-	-
Lou Panaccio	-	14,000,002	-	6,333,334	7,666,668	-	-	-
Jeremy Curnock Cook	-	-	-	-	-	-	-	-
Victoria Durrans	-	-	-	-	-	-	-	-
Bruce McHarrie	-	-	-	-	-	-	-	-
Keven Gessner	-	4,525,000	-	-	4,525,000	-	-	-

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. As at reporting date, these options had not yet vested.
2. Subsequent to 30 June 2026, the Company completed a consolidation of its issued capital on the basis of one ordinary share for every 100 ordinary shares held. The share and option holdings disclosed above represent holdings at 30 June 2026 and are presented on the pre-consolidation basis. Following the consolidation, the number and exercise price of options were adjusted in accordance with their terms, without changing the underlying economic interest of the holders.

j. Other transactions with key management personnel

Transactions with directors or other key personnel are set out in note 18 of the accompanying Group financial statements for the year ended 30 June 2026.

End of audited Remuneration Report.

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



George Baran
Non-Executive Chairman

30 September 2026



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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 2026, 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 2026
Melbourne, Victoria

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Financial Statements



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Note	June 2026 \$	June 2025 \$
Continuing Operations			
Sales	5	2,100,479	817,237
Cost of sales		(877,485)	(705,863)
Gross profit		1,222,994	111,374
Other income – R&D tax credit	7	1,093,959	1,190,763
Other income – Government grant		30,000	31,673
Manufacturing support		-	(655,379)
Research and development costs		(2,080,937)	(3,441,138)
Sales and marketing costs		(1,804,218)	(4,290,344)
Administrative expenses		(11,698,296)	(5,485,800)
Operating loss		(13,236,498)	(12,538,851)
Finance income		37,317	88,188
Finance expense		(962,553)	(228,686)
Finance income (cost) – net		(925,236)	(140,498)
Loss before income tax		(14,161,734)	(12,679,349)
Income tax credit (expense)	7	-	-
Loss for the period attributable to equity holders		(14,161,734)	(12,679,349)
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		(250,520)	1,365
Other comprehensive income for the period, net of tax		(250,520)	1,365
Total comprehensive loss for the period		(14,412,254)	(12,677,984)
Total comprehensive loss attributable to:		(14,412,254)	(12,677,984)
Equity holders of Adherium Limited			
Basic and diluted loss per share	8	(0.3) dollar	(1.4) dollar

Subsequent year-end Adherium completed a 100-for-1 share consolidation

The accompanying notes form part of the financial statements.

Consolidated Statement of Financial Position

For the year ended 30 June 2026

	Note	June 2026 \$	June 2025 \$
Current assets			
Cash and cash equivalents	9	1,424,058	43,255
Trade and other receivables	10	1,739,417	1,078,776
Inventories	11	1,229,996	1,838,371
Prepayments		105,375	439,922
Total current assets		4,498,846	3,400,324
Non-current assets			
Property, plant and equipment	12	65,226	69,781
Intangible assets	13	-	36
Right-of-use assets	13	-	45,293
Total non-current assets		65,226	115,110
Total assets		4,564,072	3,515,434
Current liabilities			
Trade and other payables	14	2,633,556	3,087,266
Borrowings	15	2,402,096	1,115,108
Convertible Notes	15	-	1,958,589
Employee benefits	16	304,729	1,220,243
Income received in advance	17	493,348	518,670
Lease liabilities	21	-	46,953
Other liabilities	17	-	305,500
Total current liabilities		5,833,729	8,252,329
Non-current liabilities			
Employee benefits	16	20,416	26,356
Total non-current liabilities		20,416	26,356
Total liabilities		5,854,145	8,278,685
Equity			
Share capital	18	149,655,822	132,134,776
Accumulated deficit		(130,351,939)	(116,190,205)
Other reserves		(20,593,956)	(20,707,822)
Total (deficiency) / equity		(1,290,073)	(4,763,251)
Total liabilities & equity		4,564,072	3,515,434

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	Share Capital \$	Accumulated Deficit \$	Share & Option Compensation Reserve \$	Foreign Currency Translation Reserve \$	Merger Reserve \$	Convertible Note Equity Reserve \$	Total Equity/ (Deficiency) \$
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)
Loss for the period	-	(14,161,734)	-	-	-	-	(14,161,734)
Other comprehensive income	-	-	-	(250,520)	-	-	(250,520)
Total comprehensive loss	-	(14,161,734)	-	(250,520)	-	-	(14,412,254)
Transactions with owners:							
Shares and options issued in placement	10,970,574	-	-	-	-	-	10,970,574
Share Based Compensation	-	-	94,890	-	-	-	94,890
Conversion of Convertible notes to share capital and recognition of attaching options	3,846,103	-	357,135	-	-	(87,640)	4,115,598
Share issued for exercise of options	3,373,664	-	-	-	-	-	3,373,664
Share and option issue costs	(744,293)	-	-	-	-	-	(744,293)
Share and option grants for services	75,000	-	-	-	-	-	75,000
Equity as at 30 June 2026	149,655,822	(130,351,939)	6,613,790	327,052	(27,534,799)	-	(1,290,073)

The accompanying notes form part of the financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Note	June 2026 \$	June 2025 \$
Cash flows from operating activities:			
Receipts from customers		1,290,863	1,186,756
Research and development tax incentive receipts		1,087,081	1,642,976
Interest received		37,289	88,188
Interest paid		(43,069)	(65,894)
Payments to employees		(7,766,533)	(6,886,457)
Payments to suppliers		(10,805,613)	(5,949,271)
Net cash used in operating activities		(16,199,982)	(9,983,703)
Cash flows from investing activities			
Purchase of property, plant and equipment		(39,000)	(48,189)
Net cash used in investing activities		(39,000)	(48,189)
Cash flows from financing activities			
Proceeds from the issue of shares		14,663,253	305,500
Convertible Notes		-	2,600,015
Borrowing		2,402,096	1,100,000
Payment of capital raising costs		(744,293)	(139,902)
Net cash provided from financing activities		16,321,056	3,865,613
Net increase (decrease) in cash		1,448,530	(6,166,279)
Cash at the beginning of the year		43,255	6,197,538
Effect of exchange rate changes on cash balances		(67,727)	11,995
Cash at the end of the year	9	1,424,058	43,255
Reconciliation with loss after income tax			
Loss after income tax		(14,161,734)	(12,679,349)
Non-cash and non-operating activities items requiring adjustment			
Depreciation	12	49,619	54,582
Gain/Loss on disposal		-	(11,089)
Amortisation of intangible and right-of-use assets	13	42,056	48,521
Software Depreciation		36	228
Share-based compensation expense		94,889	222,407
Shares granted for services		75,000	-
Foreign exchange (gain)		282,549	(79,791)
Changes in working capital			
Trade and other receivables		(660,641)	176,499
Inventories		608,375	(229,172)
Trade and other payables		(1,565,449)	2,242,346
Income received in advance		(25,322)	271,136
(Increase)/decrease in other assets		334,547	-
(Increase)/decrease in other liabilities		(1,273,907)	-
Net cash provided from (used in) operating activities		(16,199,982)	(9,983,682)

The accompanying notes form part of the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2026

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 2026 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 2026.

2. Basis of Preparation

This general purpose consolidated financial report for the twelve months ended 30 June 2026 has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The consolidated financial 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 \$14,161,734 and had net cash outflows from operating activities of \$16,199,982 for the year ended 30 June 2026. As at that date the Group had net current liabilities of \$1,334,883 and net liabilities of \$1,290,073.

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 covering a period of at least 12 months from the date of this report. The forecasts are based on assumptions regarding forecast revenue growth, the timing of customer receipts, the management of operating expenditures, and the successful completion of future capital raisings and/or access to alternative funding sources. The Directors are confident that these assumptions are reasonable and that the required funding initiatives can be successfully executed should additional funding be required.
- As disclosed in *Note 25 Events occurring after balance date*, the Group successfully obtained \$2.3 million in debt funding in July and August 2026.

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 that the Group is unsuccessful in achieving its forecast revenue growth, managing operating cash flows, or raising additional capital or obtaining alternative funding, the Group may not be able to continue as a going concern and, therefore, may be unable to realise its assets and discharge its liabilities in the normal course of business and 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.

(a) Compliance with International Financial Reporting Standards

These consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

(b) Historical cost convention

These consolidated 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 consolidated 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) Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the ageing of inventories and other factors that affect inventory obsolescence.

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable value, the Group takes into account the most reliable evidence available at the times the estimates are made. The Group's core business is subject to economic changes which may cause selling prices to change rapidly, and the Group's profit to change.

(iii) Impairment of non-current assets

The Group 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 Group evaluates indicators of impairment, including expected future demand for devices, in relation to each type of asset at the balance sheet date.

(iv) Recognition of deferred tax assets

As at 30 June 2026, the Group 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 material 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 controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity 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 statement of profit or loss and other comprehensive income 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 Group recognises revenue when specific criteria have been met for each of the Group'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 Group 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.

(c) *Other services*

Other service revenue is recognised when the services have been rendered and the performance obligations under the relevant customer contracts have been satisfied.

(d) *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 Group 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 Group 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.

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 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 subsidiaries 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.

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 Group 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 |
| • Fixtures & fittings | 4 years |
| • Office equipment | 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 Group 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 Group'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 consolidated 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

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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 Property, plant and equipment	June 2026	June 2025
Australia and New Zealand	20,441	39,280
South East Asian Countries	902	2,701
North America	43,883	27,800
	65,226	69,781

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

Location of customer sales	June 2026	June 2025
Australia and New Zealand	615,800	33,587
Europe	-	480,803
North America	1,484,679	302,846
	2,100,479	817,236

(b) Major customers

Revenues are derived from major external customers as follows:

Major customers	June 2026	June 2025
Customer A group entities	1,312,989	798,230

5. Revenue

Income from continuing operations	June 2026	June 2025
Sensor sales and monitoring services – point in time	1,567,846	350,510
Engineering services and other services – overtime	532,633	466,727
	2,100,479	817,237

Refer to note 4 for geographical disaggregation

6. Expenses

Loss before income tax includes the following specific expenses:	June 2026	June 2025
Fees paid to RSM for:		
- audit of the financial statements	57,881	60,899
- interim report review	23,500	21,000
Fees paid to RSM for non-audit services:		
- fees in respect of other advice and services	-	-
Total fees to RSM	81,381	81,899
Depreciation and amortisation	91,666	103,330
Directors' remuneration		
- director fees	264,833	325,583
- share-based compensation	412	-
Total Directors' remuneration	265,245	325,583

Employee benefits expense

- wages and salaries	5,999,418	6,519,234
- superannuation expense	92,064	362,963
- share-based compensation	94,890	215,129
Total employee benefits expense	6,186,372	7,097,326
Net foreign exchange (gain) loss	(8,336)	(83,439)
Operating lease costs	37,480	76,155

7. Income tax

	June 2026	June 2025
Current tax	-	-
Deferred tax	-	-
Income tax expense	-	-
Numerical reconciliation of income tax expense to prima facie tax payable (receivable):		
Loss before income tax	(14,161,734)	(12,679,349)
Tax calculated at domestic tax rates	(4,248,520)	(3,973,975)
Tax effects of:		
Permanent and temporary differences	(113,967)	1,304,811
Under (over) provision in prior year	-	415,784
Deferred tax assets not recognised (note 19)	4,362,487	2,217,380
Income tax expense	-	-

The weighted average applicable tax rate was 30% (2025: 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 \$1,093,959 in relation to the R&D Tax Incentive Offset scheme for income tax year 2026 (2025: \$1,190,763).

8. Earnings per share

	June 2026	June 2025
Profit (loss) after income tax attributable to equity holders	(14,161,734)	(12,679,349)
Weighted average shares outstanding (basic)*	5,488,728,788	898,479,081
Weighted average shares outstanding (diluted)	5,488,728,788	898,479,081
Basic and diluted loss per share	(0.3) dollar	(1.4) dollar

The weighted-average number of ordinary shares used in calculating basic and diluted earnings per share for the current and comparative periods has been retrospectively adjusted to reflect the 100:1 share consolidation completed after the reporting date and before the financial statements were authorised for issue.

9. Cash and cash equivalents

	June 2026	June 2025
Cash at bank and on hand	1,052,472	25,368
Deposits at call	371,586	17,887
	1,424,058	43,255

10. Trade and other receivables

	June 2026	June 2025
Trade receivables - net of allowances for expected credit losses	822,026	102,685
R&D tax credit receivable	779,358	858,168
GST and other taxes receivable	134,524	117,923
Security deposits	3,509	-
	1,739,417	1,078,776

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

Consolidated	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	June 2026 %	June 2025 %	June 2026 \$	June 2025 \$	June 2026 \$	June 2025 \$
Not overdue	-	-	122,009	13,946	-	-
0 to 3 months overdue	56%	0%	449,822	35,783	54,887	-
3 to 6 months overdue	21%	0%	165,240	25,655	20,162	-
Over 6 months overdue	23%	0%	182,242	27,291	22,237	-
			919,312	102,685	97,286	-

	June 2026	June 2025
Opening balance	-	(15,648)
Additional provisions recognised	97,286	-
Unused amount reserved	-	15,648
Closing balance	97,286	-

11. Inventories

	June 2026	June 2025
Raw materials and components	944,786	1,007,838
Provision for obsolescence	(466,735)	(377,043)
Finished goods	751,945	1,207,576
	1,229,996	1,838,371
Inventories recognised as cost of sales expense	798,660	705,863

12. Property, plant and equipment

	Manufacturing Equipment	Computer Equipment	Fixtures & Fittings	Office Equipment	Total
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	3,196	65,092
Additions	-	56,895	-	-	56,895
Depreciation	(16,436)	(34,128)	(1,902)	(2,116)	(54,582)
Foreign currency translation	2,853	(599)	114	9	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	(925,428)	(243,133)	(16,390)	(58,514)	(1,243,465)
Net book value	13,014	47,445	8,233	1,089	69,781
Movements in the year ended 30 June 2026					
Opening net book value	13,014	47,445	8,233	1,089	69,781
Additions	-	48,467	-	-	48,467
Disposals	-	(4,870)	-	-	(4,870)
Depreciation	(2,395)	(43,477)	(2,698)	(1,004)	(49,574)
Foreign currency translation	(1,384)	3,703	(820)	(77)	1,421
Closing net book value	9,235	51,268	4,715	8	65,226
As at 30 June 2026					
Cost	830,605	315,052	21,794	52,754	1,220,205
Accumulated depreciation	(821,370)	(263,784)	(17,079)	(52,746)	(1,154,980)
Net book value	9,235	51,268	4,715	8	65,226

13. Intangible and right-of-use assets

	Software	Right-of-Use Asset	Total
As at 30 June 2024- Net book value			
Cost	294,017	188,151	482,168
Accumulated amortisation	(293,752)	(94,826)	(388,578)
Net book value	265	93,325	93,590
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
Movements in the year ended 30 June 2026			
Opening net book value	36	45,293	45,329
Additions	-	-	-
Disposal	-	-	-
Amortisation	(36)	(42,056)	(42,092)
Foreign currency translation	-	(3,237)	(3,237)
Closing net book value	-	-	-
As at 30 June 2026			
Cost	36	264,042	264,078
Accumulated depreciation	(36)	(264,042)	(264,078)
Net book value	-	-	-

14. Trade and other payables

	June 2026	June 2025
Trade payables	1,725,744	2,392,918
Accruals	904,294	598,369
Other payables	3,518	95,979
	2,633,556	3,087,266

15. Borrowings

(a) Loan

	June 2026	June 2025
O/B of Loan	1,115,108	-
Converted Borrowing	550,000	-
Unconverted Borrowing	2,402,096	1,100,000
Interest on Loan	69,403	15,108
Conversion	(1,734,511)	-
C/B of Borrowing	2,402,096	1,115,108

(b) Convertible Notes

	June 2026	June 2025
O/B of Convertible Notes	1,958,589	2,600,000
Add Convertible notes issued	688,633	-
Con. Notes recognised as equity	(7,143)	(87,640)
Con. Notes conversion	(2,963,636)	701,469
Interest on convertible notes	323,557	147,698
C/B of Convertible Notes	-	1,958,589

Capital Facility Movement

During the quarter ended 31 March 2026, the entity fully extinguished its total financing facilities of \$1,001,000 (comprising a \$550k loan from Trudell Medical and a \$451k convertible note from Phillip Asset Management). As of 31 March 2026, the entity's total financing facilities remain at Nil.

The settlement was completed via the following activities:

1. Note Conversion: The \$451,000 convertible note (including accrued interest) with Phillip Asset Management was fully converted into ordinary shares.
2. Repayment of Trudell \$1.3M and the \$550,000 loans and interest settled in a non-cash contra entry against ANREO payment.

Borrowings – Trudell Medical Loan

In June 2026, the Company entered into a short-term bridge loan agreement with Trudell Medical Limited for US\$1.65 million. The loan bore interest at 12% per annum, with a final repayment date 30 September 2026. The loan may be extended on a month-to-month basis upon the mutual agreement of the parties. Related-party disclosure has been made, as Trudell Medical Ltd is a related party of the Company.

16. Employee benefits

	June 2026	June 2025
Wages Payable	-	289,792
PAYG Payable	62,099	467,066
Superannuation - Employer Contributions	4,617	48,629
Annual Leave Accrual	238,012	414,756
STI accrual	-	-
Subtotal - Current	304,728	1,220,243
Long Service Leave Provision	20,416	26,356
Subtotal - Non Current	20,416	26,356
	325,144	1,246,599

17. Income received in advance

	June 2026	June 2025
Income received in advance	493,348	518,670
Customer prepaid revenue held as stock	493,348	518,670

	June 2026	June 2025
Other liabilities		
Capital raised funds received in advance	-	305,500

18. Share capital

	Ordinary Shares	\$
Share capital as at 30 June 2024	730,079,962	131,003,209
Cancellation of shares issued in employee share plans	(394,753)	-
Shares issued in placements	28,500,000	570,000
Shares issued on conversion of con. notes	140,293,872	701,469
Shares issued for services	-	-
Share issue costs	-	(139,902)
Share capital as at 30 June 2025	898,479,081	132,134,776
Shares issued in placements	3,231,343,492	10,970,574
Shares issued on conversion of Con. notes	609,210,082	3,846,102
Share issued for services	15,000,000	75,000
Shares issued for exercise of options	734,696,133	3,373,664
Shares issue costs	-	(744,293)
Share capital as at 30 June 2026	5,488,728,788	149,655,822

As at 30 June 2026, the Company had 5,488,728,788 ordinary shares on issue. Subsequent to year-end, the Company completed a 100:1 consolidation, resulting in 54,887,288 ordinary shares on issue. The consolidation did not change the Company's total contributed equity.

(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.

The table below sets out the movements in options within the 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
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
Granted	-	-	-	-	-
Exercised	-	-	-	-	-
Lapsed	-	-	-	-	-
Outstanding at 30 June 2026	1,145,105	\$ 0.6000	0.8	1,145,105	\$ 0.6000

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

Adherium Employee Share Plans (Adherium ESP)

The Group 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 2026	Restricted as at 30 June 2026	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 2026, 3,547,079 SARs remain subject to vesting, contingent on 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 2026, 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 2026, \$14,867 (2025: \$177,946) 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 11 June 2025, the Company granted 53,908,746 options to Dianna Dawn Bitz under the Company's Employee Share Scheme, with an exercise price of \$0.01 per option. The options vest in three equal annual tranches of 17,969,582 options, commencing on 22 July 2026. The right to exercise the options expires on 22 January 2029, being three and a half years from 22 July 2025.

19. Deferred Income Tax

	June 2026	June 2025
Movements:		
Deferred tax asset (liability) at the beginning of the year	-	-
Credited (charged) to the income statement (note 7)	4,362,487	2,217,380
Change in unrecognised deferred tax assets	(4,362,487)	(2,217,380)
Deferred tax asset (liability) at the end of the year	-	-

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 2024	-	-	-	-
Credited (charged) to the income statement	600	50,696	2,165,796	2,217,092
Effect of exchange rate changes	-	-	288	288
Change in unrecognised deferred tax assets	(600)	(50,696)	(2,166,084)	(2,217,380)
As at 30 June 2025	-	-	-	-
Credited (charged) to the income statement	381,941	-	3,980,546	4,362,487
Change in unrecognised deferred tax assets	(381,941)	-	(3,980,546)	(4,362,487)
As at 30 June 2026	-	-	-	-

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 2026	June 2025
Directors		
- director fees and other legislated superannuation	264,833	325,583
- share-based compensation	412	-
CEO and management		
- short-term benefits	1,459,983	897,945
- post-employment benefit contributions	-	33,375
- share-based compensation	19,098	6,319
Total Directors' remuneration	1,744,326	1,263,222

Key management personnel and their associates acquired shares capital in the Company as follows:

	June 2026 Ordinary Shares	June 2026 \$	June 2025 Ordinary Shares	June 2025 \$
Shares issued in Rights Issue	1,164,439,216	4,457,702	216,904,868	1,084,524
Shares issued in Placement	13,666,664	49,000	28,500,000	570,000
	1,178,105,880	4,506,702	245,404,868	1,654,524

(b) Related parties

During the year end 30 June 2026, the Company entered into financing arrangements with certain related parties:

- The \$900,000 of short-term loans provided by Trudell Medical Limited (Trudell) and Phillip Asset Management Limited in May 2025 (\$450,000 each) were converted into Convertible Notes in December 2025 following shareholder approval.
- During FY26, Trudell's Convertible Notes were converted into 287,154,655 ordinary shares, with a further 22,371,011 shares issued in satisfaction of \$111,855 of accrued interest.
- Phillip Asset Management Limited's Convertible Notes and \$113,624 of accrued interest were converted into 112,724,860 ordinary shares on 20 March 2026.
- The \$200,000 short-term bridge loan from Bioscience Managers Pty Ltd outstanding at 30 June 2025 was fully repaid in July 2025.
- On 16 September 2026, the Company consolidated its existing short-term loan facilities with Trudell, together with accrued interest and additional funding, into a single unsecured term loan of A\$4.67 million.

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 2026	June 2025
Financial assets		
<i>Loans and receivables classification:</i>		
Cash and cash equivalents	1,424,058	43,255
Trade receivables (net)	822,026	80,712
Other receivables	3,509	-
Total financial assets	2,249,593	123,967
Financial liabilities		
<i>Measured at amortised cost:</i>		
Trade and other payables	2,958,701	4,333,864
Borrowing	2,402,096	1,115,108
Lease liabilities	-	46,953
Total financial liabilities	5,360,797	5,495,925

(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 Company 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 \$290,885 is included in results for the period ended 30 June 2026 (2025: \$83,439 gain).

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

	June 2026	June 2025
Assets		
New Zealand dollars	8,663	10,488
US dollars	1,303,370	157,089
UK pound	947	2,805
Liabilities		
New Zealand dollars	132,623	217,879
US dollars	802,101	1,002,866
UK pound	11,409	87,241
Hong Kong dollars	1,907	1,907
Japanese yen	-	1,500
Canadian dollars	6,188	-

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.

<i>Decrease (increase) in loss after income tax</i>	June 2026	June 2025
10% strengthening of Australian dollar against:		
New Zealand dollars	9,260	17,509
US dollars	(66,332)	119,234
UK pound	1,833	16,089
Hong Kong dollars	32	35
Japanese yen	-	2,430
10% weakening of Australian dollar against:		
New Zealand dollars	(11,317)	(21,400)
US dollars	81,072	(141,627)
UK pound	(2,240)	(19,664)
Hong Kong dollars	(39)	(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 Group 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 (2025 : 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 2026	June 2025
Counterparties with external credit rating:		
• A1/A2	275,051	1,427
Counterparties without external credit rating:		
• existing customers with no defaults in the past	644,261	101,258
Total trade receivables	919,312	102,685

The Group 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 Group uses its historical experience, external indicators and forward-looking information.

On this basis, the loss allowance as at 30 June 2026 for trade and other receivables was determined to be \$97,286 (2025: Nil).

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 Group on alternative payment arrangements, amongst others, are considered indicators of no reasonable expectation of recovery.

The Group is exposed to a concentration of credit risk as 37% of accounts receivable are with one counterparty (2025: 3%). The customer has an unreported credit rating with no history of payment issues.

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 2026			
Trade and other payables	2,633,556	-	-
Lease liabilities	-	-	-
As at 30 June 2025			
Trade and other payables	3,087,265	-	-
Lease liabilities	12,608	34,346	-

Capital risk

The Group 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

During the year ended 30 June 2026, the Group terminated its existing lease for office space in May 2026. As at 30 June 2026, the Group had no remaining lease liabilities relating to the office space.

The lease liabilities recognised in the balance sheet are:

	June 2026	June 2025
Lease Liabilities		
Lease liabilities (current)	-	46,953
Lease liabilities (non-current)	-	-
Total lease liabilities	-	46,953

Total cash outflows associated with the Group's lease during the year ended 30 June 2026 were \$72,558 (2025: \$114,000).

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

22. Parent entity information

The following details information related to the legal parent, Adherium Limited as at 30 June 2026. The information presented here has been prepared using consistent accounting policies as presented in *Note 1*.

	Parent June 2026	Parent June 2025
Statement of Financial Position		
Current assets	1,607,603	936,475
Non-current assets	6,575	17,311
Total assets	1,614,178	953,787
Current liabilities	1,755,705	6,348,046
Non-current liabilities	-	-
Total liabilities	1,755,705	6,348,046
Net assets	(141,527)	(5,394,260)
Contributed equity	149,655,822	132,134,776
Accumulated deficit	(154,533,306)	(145,692,758)
Reserves	4,735,957	8,163,722
Total equity	(141,527)	(5,394,260)
Statement of Profit and Loss and Comprehensive Income		
Loss after tax	(8,840,548)	(12,522,300)
Total comprehensive loss	(8,840,548)	(12,522,300)

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 2026	June 2025
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

The Group had no contingent liabilities as at 30 June 2026 (2025: nil).

(b) Office Lease Commitments

	June 2026	June 2025
Not later than one year	2,040	2,040
	2,040	2,040

25. Events occurring after balance date

- Adherium completed a share consolidation at a 100:1 conversion.
- The Group successfully obtained \$2.3 million in debt funding in July and August 2026 and subsequently on 16 September 2026, the Company consolidated its existing short-term loan facilities with Trudell, together with accrued interest and additional funding, into a single unsecured term loan of A\$4.67 million.

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



DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 31 to 58 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 2026 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 2026.

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

On behalf of the Board

A handwritten signature in black ink, appearing to read "George Baran".

George Baran

Non-Executive Chairman

Melbourne 30 September 2026



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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 (together referred to as 'the Group'), which comprises the consolidated statement of financial position as at 30 June 2026, 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 2026 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 APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to our audit of the financial report of public interest entities 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.

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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 \$14,161,734 and had net cash outflows from operating activities of \$16,199,982 during the year ended 30 June 2026 and, as of that date, the Group had net current liabilities of \$1,334,883 and net liabilities of \$1,290,073. 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 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 \$1,229,996 as at 30 June 2026. 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 2026 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.



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.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Adherium Limited, for the year ended 30 June 2026, 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 2026

Melbourne, Victoria

ASX Additional Info



ASX 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 18 September 2026. This information excludes any proposed security issues announced by the Company on 18 September 2026.

a. Distribution of equity securities

Ordinary share capital

As at 18 September 2026 there were 54,887,674 ASX quoted ordinary shares held by 1,084 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	114,777	706
1,001 - 5,000	477,813	177
5,001 - 10,000	401,421	54
10,001 - 100,000	4,557,811	118
100,001 and over	49,335,852	29
Total	54,887,674	1,084

There were 898 shareholders holding less than a marketable parcel of ordinary shares at a price of \$ 0.0800, totalling 676,344 ordinary shares.

Unquoted options over ordinary shares

As at 18 September 2026 there were 14,200,890 options over ordinary shares held by 118 holders.

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

Class	Number	Holders
Options exercisable at \$32.85 expiring on 29 January 2027	18,349	6
Options exercisable at \$60.00 expiring on 14 April 2027	11,452	2
Options exercisable at \$4.00 expiring on 1 July 2027	75,859	2
Options exercisable at \$0.50 expiring on 31 July 2026	3,250,634	62
Options exercisable at \$0.50 expiring on 15 November 2026	6,581,153	19
Options exercisable at \$1.00 expiring on 15 March 2027	97,563	11
Options exercisable at \$1.00 expiring on 1 April 2027	5,250	1
Options exercisable at \$0.80 expiring on 19 June 2027	4,000	1
Options exercisable at \$0.80 expiring on 29 June 2027	17,500	1
Options exercisable at \$0.80 expiring on 13 July 2027	8,000	2
Options exercisable at \$0.41 expiring on 9 December 2027	20,000	3

Options exercisable at \$2.00 expiring on 28 February 2028	3,072,042	3
Options exercisable at \$2.00 expiring on 5 December 2028	500,000	4
Options exercisable at \$1.00 expiring on 22 January 2029	539,088	1

b. Twenty largest holders of quoted equity securities as at 18 September 2026

Shareholders	Ordinary Shares	
	Units	% Units
Trudell Medical Ltd	15,310,404	27.89
Phillip Asset Management Limited <Bioscience MtfI A/C>	7,434,548	13.55
Citicorp Nominees Pty Limited	5,099,534	9.29
J P Morgan Nominees Australia Pty Limited	4,944,102	9.01
HSBC Custody Nominees (Australia) Limited	3,190,496	5.81
Neweconomy Com Au Nominees Pty Limited <900 Account>	1,562,188	2.85
K One W One Limited	1,389,101	2.53
Alianda Oaks Pty Ltd <Resource Surveys Invest A/C>	1,347,227	2.45
K One W One Ltd	1,058,171	1.93
Mr Andrew Rhys Jackson	1,051,054	1.91
Gee Nominees Pty Ltd <Eshuys Investment A/C>	878,388	1.60
Ginga Pty Ltd <T G Klinger Super Fund A/C>	833,334	1.52
Alianda Oaks Pty Ltd <Resource Surveys Invest A/C>	600,000	1.09
Merrill Lynch (Australia) Nominees Pty Limited	573,724	1.05
GMC Investments (Aust) Pty Ltd <GMC Investment A/C>	500,000	0.91
Vilmos Pty Ltd <Panaccio Investment A/C>	480,001	0.87
UBS Nominees Pty Limited	478,983	0.87
Vanhop Pty Ltd <Vanhop Super Fund A/C>	345,600	0.63
Mr Carlsen Wilson Henry Marks + Mrs Edwina Mary Marks	320,000	0.58
G & A Eshuys Superannuation Pty Ltd <G & A Eshuys S/F A/C>	283,334	0.52
Total top 20 holders of fully paid ordinary shares	47,680,189	86.87

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 Ltd atf BioScience Managers Translation Fund I	26/03/2026	743,454,736
UBS Group AG and its related bodies corporate	26/02/2026	276,349,521
Regal Partners Funds Management Pty Limited and its associates	22/01/2026	465,348,040
Trudell Medical Limited	8/01/2026	842,002,695
Trudell Medical Limited	8/01/2026	795,931,540
Trudell Medical Limited	8/01/2026	762,002,695
Trudell Medical Limited	8/01/2026	474,848,040

Phillip Asset Management Ltd atf BioScience Managers Translation Fund I	5/01/2026	630,729,876
Regal Partners Funds Management Pty Limited and its associates	2/01/2026	482,348,040
UBS Group AG and its related bodies corporate	2/01/2026	276,659,739
UBS Group AG and its related bodies corporate	29/12/2025	275,944,662
Phillip Asset Management Ltd atf BioScience Managers Translation Fund I	21/11/2025	443,770,320
Regal Funds Management Pty Limited and its associates	13/11/2025	482,348,040
UBS Group AG and its related bodies corporate	13/11/2025	176,164,662
UBS Group AG and its related bodies corporate	11/11/2025	176,364,662
Regal Funds Management Pty Limited and its associates	4/11/2025	364,651,488
UBS Group AG and its related bodies corporate	30/9/2025	194,037,190

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.

Corporate Information

ASX code: ADR

Directors

Mr George Baran (Chair)
Mr Lou Panaccio
Mr Jeremy Curnock Cook
Ms Victoria Durrans
Mr Keven Gessner

Company Secretary

Ms Pia Rasal and Ms Anvi Mehta

Registered Office

Collins Square, Tower 4
Level 18, 727 Collins St
Melbourne VIC 3000, Australia
+61 3 8657 5540

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>

